

IMPORTANT NOTICE

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached exchange offering memorandum and you are therefore advised to read this disclaimer page carefully before reading, accessing or making any other use of the attached exchange offering memorandum. In accessing the attached exchange offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: You have been sent the attached exchange offering memorandum on the basis that you have confirmed to the sender (the "Sender") of the attached that (i)(A) you are outside the United States, or (B) you are a "qualified institutional buyer" (within the meaning of Rule 144A under the U.S. Securities Act of 1933 (the "Securities Act")), and (ii) that you consent to delivery by electronic transmission.

This exchange offering memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently the Sender or any person who controls it or any director, officer, employee or agent of it, or affiliate of any such person does not accept any liability or responsibility whatsoever in respect of any difference between the exchange offering memorandum distributed to you in electronic format and the hard copy version available to you on request from the Sender. You are reminded that the attached exchange offering memorandum has been delivered to you on the basis that you are a person into whose possession this exchange offering memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorized to deliver this exchange offering memorandum to any other person.

THIS EXCHANGE OFFERING MEMORANDUM SHOULD NOT BE FORWARDED OR DISTRIBUTED TO ANY PERSON OTHER THAN THE RECIPIENT AND SHOULD NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY SUCH FORWARDING OR DISTRIBUTION OR ANY REPRODUCTION OF THIS OFFER TO PURCHASE IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS RESTRICTION MAY RESULT IN A VIOLATION OF THE APPLICABLE LAWS OF CERTAIN JURISDICTIONS.

Restrictions: Nothing on this electronic transmission constitutes an offer of securities for sale in the United States or any other jurisdiction. Any securities to be issued will not be registered under the Securities Act and may not be offered or sold in the United States except in accordance with the restrictions set forth under in the attached exchange offering memorandum.

The distribution of the attached exchange offering memorandum is prohibited in Italy and is subject to restrictions in other countries, as described in the exchange offering memorandum. The recipient hereof is deemed to have knowledge of such restrictions and is required to comply with them. Any recipient who does not wish to be subject to such restrictions should not access the attached exchange offering memorandum.



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

BPCE is offering to holders of certain outstanding Tier 1 securities (“**Existing Securities**”) of Natixis, NBP Capital Trust I and NBP Capital Trust III the opportunity to exchange their Existing Securities for newly issued undated deeply subordinated notes (the “**New Notes**”) of BPCE, to be issued in four series, two denominated in euros (“**Series EUR-1**” and “**Series EUR-2**”) and two denominated in U.S. dollars (“**Series USD-1**” and “**Series USD-2**”), subject to the conditions described herein.

BPCE is making seven separate offers (each, an “**Offer**”), one for each outstanding issue of Existing Securities. Subject to the conditions described herein (including the Minimum Delivery Amount requirements described below), eligible holders that validly deliver Existing Securities of a given issue for exchange will receive New Notes of the series and with a principal amount determined as follows:

- €430 principal amount of Series EUR-1 New Notes for every €1,000 principal amount of the €300 million Natixis Undated Deeply Subordinated Floating Rate Notes issued on January 25, 2005 (ISIN FR0010154278) (€1,000 is the denomination of the Existing Securities of such series).
- €800 principal amount of Series EUR-2 New Notes for every €1,000 liquidation amount of the €200 million NBP Capital Trust I 8.32% Non-cumulative Trust Preferred Securities issued on June 28, 2000 (ISIN XS0113462609) (€1,000 is the denomination of the Existing Securities of such series).
- €580 principal amount of Series EUR-2 New Notes for every €1,000 principal amount of the €750 million Natixis Undated Deeply Subordinated Perpetual Fixed to Floating Rate Notes issued on October 18, 2007 (ISIN FR0010531012) (€29,000 principal amount of Series EUR-2 New Notes for each €50,000 denomination Existing Security of such series).
- €690 principal amount of Series EUR-2 New Notes for every €1,000 principal amount of the €150 million Natixis Undated Deeply Subordinated Perpetual Fixed to Floating Rate Notes issued on March 31, 2008 (ISIN FR0010600163) (€34,500 principal amount of Series EUR-2 New Notes for each €50,000 denomination Existing Security of such series).
- US\$570 principal amount of Series USD-1 New Notes for every \$1,000 liquidation amount of the US\$200 million NBP Capital Trust III 7.375% Noncumulative Trust Preferred Securities issued on October 27, 2003 (ISIN XS0176710068) (\$1,000 is the denomination of the Existing Securities of such series).
- US\$750 principal amount of Series USD-1 New Notes for every \$1,000 principal amount of the US\$300 million Natixis U.S. Dollar Denominated Fixed Rate Undated Deeply Subordinated Non-Cumulative Notes issued on April 16, 2008 (ISIN FR0010607747) (\$1,500 principal amount of Series USD-1 New Notes for each \$2,000 denomination Existing Security of such series).
- US\$760 principal amount of Series USD-2 New Notes for every \$1,000 principal amount of the US\$750 million Natixis Subordinated Fixed to Floating Rate Notes issued on April 30, 2008 (ISIN US63872AAA88 for Rule 144A Notes and ISIN USF6483LHM57 for Regulation S Notes) (\$76,000 principal amount of Series USD-2 New Notes for each \$100,000 minimum denomination Existing Security of such series).

BPCE will also deliver additional New Notes of the applicable Series in a principal amount equal to the amount of accrued and unpaid interest or distributions on the related Existing Securities through the settlement date of the Offers, subject to adjustment for fractional interests.

The New Notes are being offered in minimum amounts of €50,000 (for the Series EUR-1 New Notes and the Series EUR-2 New Notes), or \$100,000 (for the Series USD-1 New Notes and the Series USD-2 New Notes) (in each case, the “**Minimum New Note Amount**”). Holders of Existing Securities must deliver a principal amount of Existing Securities (the “**Minimum Delivery Amount**”) sufficient (when accrued interest is added) to allow them to receive the relevant Minimum New Note Amount, or their Existing Securities will not be accepted for exchange.

Existing Securities may be delivered for exchange by eligible holders in the manner described herein, at any time from 9:00 a.m. (Paris time) on July 6, 2009 until 5:00 p.m. (New York time) on July 31, 2009 (such date and time, as they may be extended, the “**Expiration Time**”). Deliveries for exchange will be irrevocable and may not be withdrawn except in the circumstances described herein. BPCE expects the settlement date for the Offers to occur on or about August 6, 2009. BPCE may modify, extend or cancel any or all of the Offers at any time prior to 9:00 a.m. New York time on the business day immediately following the close of the Offer period, by providing notice in the manner described herein.

The Offers are subject to a number of conditions described herein, including the completion of the Combination Transactions (described herein), in which the Banque Fédérale des Banques Populaires and the Caisse Nationale des Caisses d’Epargne et de Prévoyance will contribute certain businesses to BPCE. Prior to the completion of the Combination Transactions, BPCE has conducted and will conduct no significant activities and has no significant assets or liabilities. BPCE’s name is currently CEBP, and will be changed to BPCE prior to the completion of the Combination Transactions. The Combination Transactions are currently scheduled to close on July 31, 2009.

The New Notes of each series will initially bear interest at fixed rates as indicated in the table below for that series. For those series indicated in the table below as “fixed to floating,” the interest rate will change as of the first call date for that series to a floating rate equal to three-month LIBOR (for dollar-denominated series) or three-month EURIBOR (for euro-denominated series), plus the Step-Up Margin indicated in the table for each series. Interest will be payable annually in arrear on September 30 of each year beginning September 30, 2010 (other than for the Series USD-2 New Notes, for which interest will be payable semi-annually in arrear on March 31 and September 30 of each year, beginning March 31, 2010) during any period in which New Notes bear interest at fixed rates, and quarterly in arrear on March 31, June 30, September 30 and December 31 of each year during any period in which New Notes bear interest at floating rates.

The following table sets forth, for each series of New Notes, the maximum principal amount to be issued (assuming that 100% of the related Existing Securities are validly delivered for exchange in each Offer), the first call date (if any), the Issue Price, the New Note Coupon, whether the interest rate switches to a floating rate on and after the first call date, and if so the Step-Up Margin.

Series	Maximum Principal Amount	First Call Date	Issue Price	New Note Coupon	Fixed-to-Floating Interest Rate	Step-Up Margin (in basis points)
EUR - 1	€129,000,000	September 30, 2015	100%	13.0%	No	n.a.
EUR - 2	€698,500,000	September 30, 2019	100%	12.5%	Yes	1313
USD - 1	US\$339,000,000	September 30, 2015	100%	13.0%	No	n.a.
USD - 2	US\$570,000,000	September 30, 2019	100%	12.5%	Yes	1298

Payment of interest on the New Notes will be compulsory if BPCE declares or pays a dividend or more generally makes a payment of any nature, on any classes of shares, on other equity securities issued by BPCE or on other deeply subordinated notes or any other securities which rank *pari passu* with the Notes, and in certain other circumstances and subject to certain exceptions described herein. Otherwise, BPCE may elect, and in certain circumstances will be required, not to pay interest on the New Notes. Save as otherwise provided, any interest not paid will be forfeited and no longer be due and payable. Interest accrual may also be reduced and interest forfeited if BPCE's consolidated regulatory capital falls below required levels and in certain other circumstances. In addition, the principal amount of the New Notes may be written down to a minimum amount of one cent if BPCE's consolidated regulatory capital falls below required levels, subject to reinstatement in certain cases described herein. The New Notes will be subordinated to substantially all of BPCE's other obligations, including in respect of ordinarily subordinated debt instruments.

The New Notes will be undated and have no final maturity. The New Notes of each series may, at the option of BPCE but subject to the prior approval of the *Secrétariat général de la Commission bancaire* ("SGCB"), be redeemed at par plus accrued and unpaid interest (in whole but not in part) on the first call date set forth in the table above or on any interest payment date thereafter. In addition, the New Notes may, in case of certain tax or regulatory events, be redeemed (in whole but not in part) at any time at a price equal to par plus accrued and unpaid interest, subject to the prior approval of the SGCB.

The *Commission de Surveillance du Secteur Financier* (the "CSSF") is the competent authority in Luxembourg for the purpose of Directive n°2003/71/EC (the "Prospectus Directive") and the Luxembourg law on prospectuses for securities of 10 July 2005, for the purpose of approving this Exchange Offering Memorandum as a prospectus as defined by and in accordance with the Prospectus Directive (a "Prospectus"). This document constitutes a Prospectus for purposes of the Prospectus Directive. Application has been made for the New Notes to be listed on the Official List of the Luxembourg Stock Exchange (the "Luxembourg Stock Exchange") and to be traded on the regulated market of the Luxembourg Stock Exchange, which is an EU regulated market within the meaning of Directive 2004/39/EC (the "EU regulated market of the Luxembourg Stock Exchange"). This Prospectus has been approved by the CSSF solely for the purpose of admitting the New Notes to trading on the EU regulated market of the Luxembourg Stock Exchange.

The New Notes are expected to be assigned upon issue a rating of BBB- by Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc., A2 by Moody's Investor Service, Inc. and BB+ by Fitch Ratings. **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.**

The New Notes (other than the Series USD-2 Notes) are expected to be accepted for clearance through Euroclear France S.A. ("Euroclear France"), Clearstream Banking, *société anonyme* ("Clearstream Luxembourg") and Euroclear Bank S.A./N.V. ("Euroclear"). Such New Notes will on the issue date be entered (*inscrites en compte*) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined herein). Such New Notes will be issued in bearer form and will at all times be represented in book entry form (*dématérialisé*) in the books of the Account Holders in compliance with article L.211-4 of the French *Code monétaire et financier*. No physical document of title will be issued in respect of such New Notes.

The Series USD-2 New Notes will on issue be represented by a Rule 144A Global Note in respect of Series USD-2 New Notes issued to "qualified institutional buyers" in the United States, and a Regulation S Global Note in respect of Series USD-2 New Notes issued outside the United States in reliance on Regulation S under the Securities Act (as defined below). Each Global Note will be in fully registered form and will be deposited with a nominee for The Depository Trust Company ("DTC"), in each case for credit to the accounts of direct or indirect participants in DTC, including Euroclear and Clearstream, Luxembourg.

Holdings of Existing Securities should carefully consider the section "Risk Factors" beginning on page 17 of this Exchange Offering Memorandum for a discussion of risks that should be considered in evaluating the Offers.

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

The Dealer Managers for the Offers are:

BNP Paribas

NATIXIS

July 3, 2009

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RESPONSIBILITY STATEMENT

BPCE (whose registered office appears on page 184 of this document) accepts responsibility for the information contained (or incorporated by reference) in this Exchange Offering Memorandum. BPCE, having taken all reasonable care to ensure that such is the case, confirms that the information contained in this Exchange Offering Memorandum is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

ABOUT THIS EXCHANGE OFFERING MEMORANDUM

BPCE has prepared this Exchange Offering Memorandum solely for the purpose of enabling investors to consider the acquisition of the New Notes in the Offers. Investors should rely only on the information incorporated by reference or provided in this Exchange Offering Memorandum, save for the reports from BPCE statutory auditors on the unaudited pro forma financial information, which are included herein solely in connection with the admission of the New Notes to the regulated market of the Luxembourg Stock Exchange. The information contained in this Exchange Offering Memorandum has been provided by BPCE. No person is authorized in connection with the offering to give information other than that contained in this Exchange Offering Memorandum or in the documents referred to in this Exchange Offering Memorandum that BPCE make available. Investors should not assume that the information contained in this Exchange Offering Memorandum is accurate as of any date other than the date on the front of this Exchange Offering Memorandum.

In deciding whether to tender Existing Securities in the Offers, investors must rely on their own review of BPCE's business (and that of its predecessors) and related matters and the terms of the Offers, including the merits and risks involved. Investors should not construe the contents of this Exchange Offering Memorandum as legal, business or tax advice. Investors should consult their attorneys, business advisors or tax advisors as to legal, business or tax advice. BPCE is not making an offer to exchange notes in any jurisdiction where an Offer is not permitted.

The distribution of this Exchange Offering Memorandum and the transactions contemplated herein may be restricted by law in certain jurisdictions. If the exchange offering materials come into your possession, we require you to inform yourself of and to observe all of these restrictions. The exchange offering materials do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the exchange be made by a licensed broker or dealer and the Dealer Managers or any of their affiliates is a licensed broker or dealer in that jurisdiction, the Offers shall be deemed to be made by the Dealer Managers or such affiliate on our behalf in that jurisdiction.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In any EEA Member State that has implemented Directive 2003/71/EC (together with any applicable implementing measures in any Member State, the "**Prospectus Directive**"), other than Luxembourg, this Exchange Offering Memorandum is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive.

This Exchange Offering Memorandum has been prepared on the basis that any offer of New Notes in any Member State of the European Economic Area ("**EEA**"), which has implemented the Prospectus Directive (each, a "**Relevant Member State**") (other than the offers (the "**Permitted Public Offers**") contemplated in this Exchange Offering Memorandum once the Exchange Offering Memorandum has been approved by the competent authority in Luxembourg and published in accordance with the Prospectus Directive as implemented in Luxembourg) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to produce an Exchange Offering Memorandum for offers of New Notes. Accordingly any person making or intending to make any offer within the EEA of New Notes which are the subject of the placement contemplated in this Exchange Offering Memorandum may only do so in circumstances in which no obligation arises for BPCE or any of the Dealer Managers to produce an Exchange Offering Memorandum pursuant to Article 3 of the Prospectus Directive or supplement an Exchange Offering Memorandum pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither BPCE nor the Dealer Managers have authorized, nor do they authorize, the making of any offer (i) (other than Permitted Public Offers) of any New Notes in circumstances in which an obligation arises for BPCE or the Dealer Managers to publish or supplement an Exchange Offering Memorandum for such offer; or (ii) of New Notes through any financial intermediary, other than offers made by the Dealer Managers which constitute the final placement of the New Notes contemplated in this Exchange Offering Memorandum.

Each person in a Relevant Member State, other than in the case of paragraph (a) below, persons receiving Permitted Public offers in Luxembourg, who receives any communication in respect of, or who acquires any Notes under the Offers contemplated in this Exchange Offering Memorandum will be deemed to have represented, warranted and agreed to and with each Dealer Manager and BPCE that:

(a) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

(b) in the case of any New Notes acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the New Notes acquired by it in the Offers have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Dealer Managers has been given to the offer or resale; or (ii) where the New Notes have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those New Notes to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this representation, the expression an “offer” in relation to any New 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 any New Notes to be offered so as to enable an investor to decide to purchase or subscribe for the New Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

NOTICE TO PROSPECTIVE INVESTORS IN FRANCE

This Exchange Offering Memorandum as well as any other offering materials relating to the Offers have not been distributed or caused to be distributed and will not be distributed or caused to be distributed to the public in France; no New Notes and no such Offers and distributions have been and shall be made to the public in France. Only persons licensed to provide the investment service of portfolio management for the account of third parties (a “**Portfolio Manager**”) and/or qualified investors (*investisseurs qualifiés*) acting for their own account (a “**Qualified Investor**”), all as defined in Articles L. 341-2 1°, L. 411-2, D. 341-1, D. 411-1 to D. 411-4 of the French *Code monétaire et financier*, will be entitled to participate in the Offers. The direct or indirect distribution to the public in France of any of the New Notes may be made only as provided by Articles L.411-1 to L.411-4, L.412-1 of the French *Code monétaire et financier* and applicable regulations thereunder.

By tendering Existing Securities, an investor resident and/or located in France will be deemed to represent and warrant to BPCE, the Dealer Managers and the Exchange Agents that it is a Portfolio Manager or a Qualified Investor.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This Exchange Offering Memorandum and any other material in relation to the notes described herein is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to 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 entities, 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 New Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such New Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

NOTICE TO PROSPECTIVE INVESTORS IN ITALY

The Offers are not being made to persons who are residents of the Republic of Italy (“**Italy**”). Each investor that tenders Existing Securities will be deemed to have represented that it is neither resident nor located in Italy, it did not receive this Exchange Offering Memorandum or any invitation to participate in the Offers in Italy, and it is not acting on behalf of investors resident and/or located in Italy.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The New Notes offered hereby 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 in the United States, and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. The New Notes are being offered (a) in the United States only to qualified institutional buyers, as defined in Rule 144A under the Securities Act (pursuant to a separate offer document addressed to such qualified institutional buyers), and (b) outside the United States only in “offshore transactions” as defined in, and in accordance with, Regulation S under the Securities Act. The New Notes sold in the United States may only be transferred in the United States in a transaction meeting the requirements of Rule 144A under the Securities Act or that otherwise benefits from an exemption from the registration requirements of the Securities Act.

In addition, until the expiration of the period beginning 40 days after the commencement of the offering, an offer or sale of New Notes within the United States by a broker/dealer (whether or not it is participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to the foregoing.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

The contents of this Exchange Offering Memorandum have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offers. If you are in any doubt about any of the contents of this Exchange Offering Memorandum, you should obtain independent professional advice. Please note that (a) New Notes may not be offered or sold in Hong Kong by means of this Exchange Offering Memorandum or any other document other than to professional investors (“**professional investors**”) within the meaning of Part I of Schedule 1 to the Securities and Futures Ordinance of Hong Kong (SFO) and any rules made thereunder, or in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance of Hong Kong or which do not constitute an offer or invitation to the public for the purposes of the SFO, and (b) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to New Notes which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to New Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to such professional investors.

NOTICE TO PROSPECTIVE INVESTORS IN SINGAPORE

This Exchange Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the “**Securities and Futures Act**”). Accordingly, the New Notes may not be offered or sold or made the subject of an invitation for subscription or

purchase nor may this Exchange Offering Memorandum or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any New Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act. Each of the following relevant persons specified in Section 275 of the Securities and Futures Act which has subscribed or purchased New Notes, namely a person who is (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor, should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the notes under Section 275 of the Securities and Futures Act except: (i) to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions, specified in Section 275 of the Securities and Futures Act; (ii) where no consideration is given for the transfer; or (iii) by operation of law.

NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND

The New Notes may not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland. Neither this Exchange Offering Memorandum nor any other offering or marketing material relating to the Issuer or the Offers or the New Notes constitute an offering prospectus as that term is understood pursuant to article 652a or 1156 of the Swiss Federal Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange AG. Neither this Exchange Offering Memorandum nor any other offering material relating to the Issuer or the Offers or the New Notes may be publicly distributed or otherwise made publicly available in Switzerland. Public solicitation or promotion of the Offers or New Notes in Switzerland is not permitted. The New Notes may only be offered, sold or advertised, and the Exchange Offering Memorandum as well as any other offering or marketing material relating to the Issuer and the Offers or the New Notes, may only be distributed by way of private placement as this term is understood pursuant to article 1156 of the Swiss Federal Code of Obligations.

CERTAIN TERMS USED IN THIS EXCHANGE OFFERING MEMORANDUM

This Exchange Offering Memorandum relates to Offers being made by BPCE, a French *société anonyme* (limited liability company). BPCE has not conducted any material business activities prior to the Offers, and it not expected to conduct any material business activities until the completion of the Combination Transactions. As a result, BPCE's business, assets and liabilities are generally described in this Exchange Offering Memorandum as they will exist following the Combination Transactions.

In the Combination Transactions, BPCE will receive contributions of (and to a lesser extent will purchase) certain assets and liabilities currently held by the *Caisse Nationale des Caisses d'Épargne et de Prévoyance* and the *Banque Fédérale des Banques Populaires*.

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

Banques Populaires means 20 *Banques Populaires* (made up of 18 regional banks, CASDEN Banque Populaire and Crédit Coopératif) that are currently part of the Groupe Banque Populaire, and which will become part of the Groupe BPCE after the Combination Transactions.

BFBP means the *Banque Fédérale des Banques Populaires*, a French *société anonyme*.

BFBP Group means the BFBP and its consolidated subsidiaries and associates, prior to the completion of the Combination Transactions.

BPCE means, as the context requires, BPCE S.A.*, a French *société anonyme*, or the BPCE SA Group.

BPCE SA Group means the BPCE and its consolidated subsidiaries and associates, following the completion of the Combination Transactions.

CNCE Group means the CNCE and its consolidated subsidiaries and associates, prior to the completion of the Combination Transactions.

Caisses d'Épargne means the 17 *Caisses d'Épargne et de Prévoyance* that are currently part of the Caisses d'Épargne Group, and which will become part of the Groupe BPCE after the Combination Transactions.

CNCE means the *Caisse Nationale des Caisses d'Épargne et de Prévoyance*, a French *société anonyme*.

Groupe Banque Populaire means the consolidated group formed by the BFBP Group, the Banques Populaires and certain affiliated entities, in each case prior to the Combination Transactions.

Groupe BPCE means the BPCE SA Group, the Banques Populaires, the Caisses d'Épargne and certain affiliated entities, after the completion of the Combination Transactions.

Groupe Caisse d'Épargne means the consolidated group formed by the CNCE Group, the Caisses d'Épargne and certain affiliated entities, in each case prior to the Combination Transactions.

References to the **Issuer** are to BPCE S.A.*

Natixis means, as the context requires, Natixis S.A., a French *société anonyme*, or Natixis S.A. and its consolidated subsidiaries and associates.

*BPCE is currently named CEBP. The change in name will be submitted for approval at a general shareholders' meeting that will take place prior to the Expiration Date of the Offers.

PRESENTATION OF FINANCIAL INFORMATION

In this Exchange Offering Memorandum, references to “EUR,” “euros” or “€” are to euros, the currency of the countries participating in the third stage of the European Economic and Monetary Union, and references to “USD,” “U.S. Dollars,” “US\$” or “U.S.\$” are to United States dollars, the currency of the United States of America. BPCE publishes its financial statements in euros. See “Exchange Rate and Currency Information.”

The consolidated financial information for the CNCE Group, the Groupe Caisse d’Epargne, the BFBP Group, the Groupe Banque Populaire and Natixis incorporated by reference in this Exchange Offering Memorandum have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as adopted by the European Union. The unconsolidated historical financial statements for BPCE included in this Exchange Offering Memorandum have been prepared in accordance with French generally accepted accounting principles.

In this Exchange Offering Memorandum, various figures and percentages set out herein have been rounded and, accordingly, may not total.

INDUSTRY AND MARKET DATA

In this Exchange Offering Memorandum, BPCE relies on and refers to information regarding the banking, insurance and related industries, its markets and its competitive position in the sectors in which it will compete. BPCE has obtained this information from various third party sources and/or its own internal estimates (or those of its predecessors). BPCE believes that its third-party sources are reliable, but it has not independently verified third-party information, and none of BPCE or the Dealer Managers make any representation as to its accuracy or completeness. Similarly, although BPCE believes that the market share data it has cited is useful in understanding its future market position relative to its competitors, the nature of the banking industry often makes it difficult to obtain precise and accurate market share data, and undue reliance should not be placed on these figures.

Unless otherwise indicated, the source of the market data and rankings that appear in this document are BPCE’s estimations (or those of its predecessors) on the basis of information published by its (or their) competitors in their annual reports, press releases or analyst presentations.

NOTICE TO INVESTORS REGARDING INCORPORATION BY REFERENCE

The following documents, subject to certain exclusions set out in the section “Incorporation by Reference,” are incorporated by reference in this Exchange Offering Memorandum:

- (a) the English translation of the Groupe Caisse d’Epargne 2008 registration document (*document de référence*) (the “**GCE 2008 Annual Report**”), a French version of which was filed with the *Autorité des marchés financiers* under registration N° D.09-0212, dated April 8, 2009;
- (b) the English translation of the Groupe Banque Populaire 2008 registration document (*document de référence*) (the “**GBP 2008 Annual Report**”), a French version of which was filed with the *Autorité des marchés financiers* under registration N° D.09-0315, dated April 27, 2009;
- (c) the English translation of the Natixis 2008 registration document (*document de référence*) (the “**Natixis 2008 Annual Report**”), a French version of which was filed with the *Autorité des marchés financiers* under registration N° D.09-0208, dated April 7, 2009; and
- (d) the English translation of the update of the Natixis 2008 Annual Report (*actualisation du document de référence*) (the “**Natixis First Update**”), a French version of which was filed with the *Autorité des marchés financiers* under registration N° D.09-0208-A.01, dated June 26, 2009.

The documents listed above are available on the websites of the Groupe Caisse d’Epargne (www.groupe.caisse-epargne.fr) (item (a)), the Groupe Banque Populaire (www.banquepopulaire.fr) (item (b)) and Natixis (www.natixis.fr) (items (c) and (d)), and on the website of the Luxembourg Stock Exchange (www.bourse.lu). Investors are encouraged to review these documents incorporated by reference in considering whether to exchange their notes. See “Incorporation by Reference” in this Exchange Offering Memorandum.

FORWARD-LOOKING STATEMENTS

Many statements made or incorporated by reference in this Exchange Offering Memorandum are forward-looking statements that are not based on historical facts and are not assurances of future results. Many of the forward-looking statements contained in this Exchange Offering Memorandum may be identified by the use of forward-looking words, such as “believe,” “expect,” “anticipate,” “should,” “planned,” “estimate” and “potential,” among others.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. These factors include:

- Risks that BPCE and the Groupe BPCE may not achieve the expected synergies from the Combination Transactions;
- Risks that integration process may be difficult and could disrupt operations or could prove to be more costly than anticipated;
- Risks inherent to banking activities including credit risks, market, liquidity and financing risks, operational risks and insurance risks;
- Risks relating to adverse global economic and market conditions;
- Risks that legislative action and other measures taken by governments and regulators in France or globally may not stabilize the financial system;
- Risks that BPCE may be required to contribute funds to the entities that are part of the financial solidarity mechanism that encounter financial difficulties, including some entities in which BPCE holds no economic interest;
- Risks related to the impact of the reform of the distribution of the “Livret A” passbook savings account on the revenues and net income of the Caisses d’Epargne;
- A substantial increase in new provisions or losses greater than the level of previously recorded provisions could adversely affect BPCE’s results of operations and financial condition; and
- Other factors described under “Risk Factors”.

These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Therefore, BPCE’s actual results and those of Groupe BPCE could differ materially from those expressed or forecast in any forward-looking statements as a result of a variety of factors, including those in “Risk Factors” set forth in this Exchange Offering Memorandum and in documents incorporated by reference in this Exchange Offering Memorandum. Investors should carefully consider the section “Risk Factors” beginning on page 17 of this Exchange Offering Memorandum for a discussion of risks that should be considered in evaluating the Offers.

All forward-looking statements attributed to BPCE or a person acting on its behalf are expressly qualified in their entirety by this cautionary statement. BPCE undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events or for any other reason.

SUMMARY

This summary must be read as an introduction to this Exchange Offering Memorandum. Any decision, by any investor, to exchange any Existing Securities for New Notes should be based on a consideration of this Exchange Offering Memorandum as a whole, including the documents incorporated by reference and any information subsequently filed with the CSSF with respect to the Offers. Following the implementation of the relevant provisions of the Prospectus Directive in each EEA Member State, no civil liability will attach to the Issuer in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Exchange Offering Memorandum. Where a claim relating to information contained in this Exchange Offering Memorandum is brought before a court in an EEA Member State, the plaintiff may, under the national legislation of the EEA Member State where the claim is brought, be required to bear the costs of translating this Exchange Offering Memorandum before the legal proceedings are initiated.

This summary highlights key information described in greater detail elsewhere, or incorporated by reference, in this Exchange Offering Memorandum. Investors should read carefully the entire Exchange Offering Memorandum and the documents incorporated by reference, which are described under “Incorporation of Certain Documents by Reference.” For a description of various factors that investors should consider before deciding whether to tender Existing Securities, see “Risk Factors.”

Except as otherwise indicated, all figures for BPCE, the BPCE SA Group and the Groupe BPCE as of December 31, 2008 are unaudited and given on a combined basis (for non-accounting figures) or pro forma basis (for accounting figures). The pro forma financial information is prepared as if the Combination Transactions had occurred on December 31, 2008 (and pro forma income statement information is provided for the financial year then ended).

Introduction: The Combination Transactions

On June 24, 2009, the *Caisse Nationale des Caisses d'Epargne et de Prévoyance* (“**CNCE**”) and the *Banque Fédérale des Banques Populaires* (“**BFBP**”), the lead banks of two French mutual banking groups, signed a contribution agreement, pursuant to which they agreed to contribute certain businesses and related assets and liabilities to BPCE (the contributions and certain related transactions are referred to in this Exchange Offering Memorandum as the “**Combination Transactions**”). The Combination Transactions are currently scheduled to close on July 31, 2009, subject to approval by the general shareholders meetings of CNCE and BFBP, and to certain other conditions. Prior to the Combination Transactions, BPCE will have no significant activities, assets or liabilities.

The Offers made hereby are conditioned upon the effective completion of the Combination Transactions. As a result, BPCE’s business and organizational structure is described in this Exchange Offering Memorandum primarily as it is expected to exist following the completion of the Combination Transactions.

BPCE

Following the completion of the Combination Transactions, BPCE will be the central body of the Groupe BPCE, which is expected to be the second largest banking group in France (excluding the French Postal Bank) in terms of 2008 retail net banking income (based on pro forma figures) and number of branches as of December 31, 2008. The entities that will form the Groupe BPCE had over 26 million banking customers, €1,143.5 billion of pro forma consolidated assets and €35.3 billion of pro forma consolidated shareholders equity (€31.7 billion group share), in each case as of December 31, 2008. The Groupe BPCE had €16.5 billion of pro forma consolidated net banking income for the year ended December 31, 2008.

As the central body (*organe central*) of Groupe BPCE, BPCE’s role (defined by French Law no. 2009-715 dated June 18, 2009) will be to coordinate policies and exercise certain supervisory functions with respect to the regional banks and other affiliated entities, and to ensure the liquidity and solvency of the entire group. The Groupe BPCE will have a financial solidarity mechanism, supported by a dedicated guarantee fund that will initially hold

€920 million in assets, under which each network bank and each affiliated French credit institution in the group (including BPCE) will benefit from an undertaking from all of the network banks and BPCE to provide financial support as needed. As a result, BPCE's credit will be effectively supported by the financial strength of the entire group.

The Groupe BPCE

The Groupe BPCE, after completion of the Combination Transactions, will be a mutual banking group that includes primarily the following (in addition to BPCE as central body):

- **Two French retail banking networks:** the **Caisse d'Epargne** network, which includes 17 regional banks known as the "Caisses d'Epargne et de Prévoyance" (or the "Caisses d'Epargne") and the **Banque Populaire** Network, which includes 20 banks known as the "Banques Populaires" (18 regional banks, CASDEN Banque Populaire and Crédit Coopératif). Taken together, the two retail bank groups will constitute one of the strongest banking networks in France, with over €11 billion in combined 2008 net banking income from retail banking (a 24% market share, number 2 in France); over 26 million banking customers, or over 37 million including customers that have only "Livret A" passbook savings accounts (number 1 in France including all of these customers); and 8,171 branches and agencies (a 29% market share, number two in France as of December 31, 2008).
- **Natixis**, which is the corporate and investment banking, asset management and financial services arm of the Groupe BPCE. The Natixis group has five core business lines: corporate and investment banking, asset management, private equity and private banking, services, and receivables management. Natixis also owns 20 per cent non-voting interests in the regional banks in the Banque Populaire and Caisse d'Epargne networks. Natixis is listed on Euronext Paris. BPCE will hold approximately 71.6% of the share capital of Natixis (excluding treasury shares) after the Combination Transactions, and the remainder will continue to be held by the public.
- **Specialized Affiliates** of BPCE, including affiliates with activities in insurance (GCE Assurances and an interest in CNP Assurances), international retail banking (Financière Océor and several BFBP affiliates) and French retail banking (Société Marseillaise de Crédit and BCP).

The Groupe BPCE will also include a number of specialized affiliates that will not be contributed to BPCE in the Combination Transactions, including Crédit Foncier de France (a leading real estate and public housing lender), Banque Palatine (which provides banking services tailored to managers of small businesses), and a number of entities that are active in the real estate field, such as Nexity, a leading real estate developer (40% interest, with the remainder held by its management and the public), and Foncia, a leading real estate brokerage and property management group. In the medium term, these affiliates are expected to be either transferred to BPCE or sold.

The BPCE SA Group

Upon completion of the Combination Transactions, BPCE will hold a 71.6% interest in Natixis (excluding treasury shares), and the interests in the specialized affiliates of BPCE described above. It will not hold any direct financial interest in the regional banks, although it will hold an indirect interest through Natixis, which holds 20% non-voting equity interests in each of the regional banks.

The BPCE SA Group (meaning BPCE and its consolidated subsidiaries and associates) had pro forma consolidated net banking income of €4.1 billion in 2008, pro forma consolidated assets of €689.9 billion as of December 31, 2008, and pro forma consolidated shareholders equity €18.9 billion (€13.8 billion group share) as of December 31, 2008.

Following the Combination Transactions, all of BPCE's ordinary shares will be held by the regional banks – half by the Caisses d'Epargne and half by the Banques Populaires (the regional banks are in turn owned directly or indirectly by over 7 million cooperative shareholders, primarily customers). In addition, 30% of the share capital of BPCE will be held in the form of non-voting preference shares issued to the *Société de Prise de Participation de*

l'Etat (“**SPPE**”), a company that is wholly-owned by the French State. Simultaneously, SPPE will also subscribe to BPCE warrants that may be exercised five years after their issuance (if they remain outstanding) for new ordinary BPCE shares representing a maximum voting interest of 20%. The preference shares and the warrants will be redeemable by BPCE at any time after one year following their issuance.

BPCE will have a two-tier governance structure, with a supervisory board with 18 members that are elected by the voting shareholders, and a management board that is appointed by the supervisory board. Under a protocol signed by CNCE, BFBP and the French State on June 24, 2009 (the “**BPCE Protocol**”), the French State will have the right to nominate four members of the supervisory board (two of whom must be independent). The remaining members will be nominated by the regional banks, with equal numbers nominated by the banks in each network.

Capital Adequacy Ratios

The estimated pro forma Tier 1 capital ratio of the Groupe BPCE as of March 31, 2009 (based on Basel II / CRD Standards) was 8.7%, including a Core Tier 1 ratio of 6.4%.¹ The BPCE SA Group’s estimated pro forma Tier 1 ratio as of the same date was 9.8%, including a Core Tier 1 ratio of 6.7%. These figures take into account the deeply subordinated notes and preference shares issued (or to be issued) to SPPE and certain other items described under “Business—Capital Adequacy.”

After giving effect to the Offers made hereby and the transactions with Natixis described below, based on the assumption that all of the Existing Securities are validly delivered for exchange by their holders, the estimated pro forma Tier 1 ratio of the Groupe BPCE as of March 31, 2009 would have been 8.7%, including a Core Tier 1 ratio of 6.6%. The BPCE SA Group’s consolidated pro forma Tier 1 ratio as of the same date would have been 10.4%, including a Core Tier 1 ratio of 7.1%.

BPCE expects to sell the Existing Securities that it receives in the Offers to Natixis, which will cancel such Existing Securities or (in the case of Existing Securities issued by NBP Capital Trust I and NBP Capital Trust III) procure their cancellation. Natixis will issue new deeply subordinated notes to BPCE at the time of such transactions. After giving effect to such transactions, based on the assumption that all of the Existing Securities are validly tendered by their holders, the Core Tier 1 ratio of Natixis would have increased by 0.4%.

Strategy of the Groupe BPCE

The Combination Transactions are expected to create a robust new banking group with the critical size that will allow it to be a leader in the banking and financial services market in France and, in the medium-term, Europe. The new group expects to benefit from cost and revenue synergies and efficiencies, while maintaining the commercial advantages of having two autonomous but complementary retail networks with strong brand recognition.

The combination of the Caisse d’Epargne and Banque Populaire groups is intended to allow each group to take advantage of its traditional strengths, while at the same time positioning the new group to take advantage of opportunities as a result of:

- A more diversified product offering and client base on a combined basis, more closely comparable to those of the other leading banking groups in France.
- The critical size necessary to expand into retail banking internationally through partnerships, alliances and possibly acquisitions.
- A stronger base that will allow the new group to deal with increased competitive challenges in the banking sector, in areas such as the provision of services to small and medium enterprises, or the distribution of the “Livret A” passbook savings account.

¹ The Core Tier 1 ratio excludes hybrid capital securities from capital, and reflects certain other adjustments compared to the Tier 1 ratio. For a more precise definition, see “Business — Capital Adequacy.”

The combination of two mutual banking groups with shared values, complementary business strengths, deep, historical roots in their communities and a decentralized decision-making structure will allow the new group to take advantage of these opportunities effectively and efficiently. In this context, the principal strategic initiatives of the new Groupe BPCE will be the following:

- *Realizing synergies in retail banking.* BPCE will work to achieve gains in revenues and efficiency made possible by the combination of the Caisse d'Épargne and Banque Populaire retail banking networks. The combined group's retail banking market share in France will permit it to combine a wide range of activities and functions at the level of the group, within each network and between the Caisse d'Épargne and Banque Populaire networks.
- *Repositioning Natixis to create value for the Group through a closer integration of Natixis with the Group's networks.* The combination of the two groups should allow Natixis to benefit more substantially from the financial strength and operational breadth of the new Groupe BPCE. Natixis will increase its focus on businesses that are related to the retail networks, as well as activities in which it has a strategic advantage. As central body, BPCE will work to integrate fully the businesses of Natixis with those of the rest of the group, allowing it to benefit from its new shareholder structure and the combination of its two principal shareholders. Natixis will also seek to realize synergies among its own businesses, particularly in areas where synergies have not yet been fully realized in respect of businesses contributed to Natixis in 2006.
- *Reviewing activities and setting goals for selected business lines.* BPCE intends to undertake a full review of the various activities of the new Groupe BPCE. In particular, it will review the group's strategy in insurance in light of the diverse range of the group's partners in this area; real estate, in which the combined group will be a French market leader in a number of areas; and international retail banking, which is expected to be a future growth area for BPCE.
- *Integrating and streamlining the organizational structure of the combined group.* BPCE intends to develop and implement new practices and an organizational structure that will allow the new combined group to take full advantage of its position as the second leading retail banking group in the French domestic market.

While work on integration and the achievement of operational synergies will begin immediately, BPCE intends to develop a detailed strategic plan for implementing these goals over the medium term during the second half of 2009.

Summary Unaudited Pro-Forma Financial Information

The following tables set forth summary unaudited pro forma consolidated financial information for the BPCE SA Group and the Groupe BPCE, as of and for the year ended December 31, 2008, prepared as if the Combination Transactions had occurred on December 31, 2008 (and pro forma income statement information is provided for the financial year then ended), based on certain assumptions set forth herein under “Unaudited Pro Forma Financial Information.”

The unaudited pro forma consolidated financial information were prepared in accordance with IFRS as adopted by the European Union. As a combination of mutual entities, the provisions of IFRS 3 do not apply to the Combination Transactions. As a result, the Combination Transactions are recorded on the basis of the historical book value of the assets and liabilities of the two groups.

The unaudited pro forma consolidated financial information reflects only the hypothetical impact of the Combination Transactions and not any other transactions that have occurred or are scheduled to occur in 2009. In particular, the unaudited pro forma consolidated financial information does not reflect the issuance of deeply subordinated notes and preference shares to SPPE in 2009. See “The Combination Transactions.”

BPCE SA Group

Summary Unaudited Pro Forma Consolidated Balance Sheet Data for the BPCE SA Group

<i>in millions of euros</i>	As of December 31, 2008
Interbank assets.....	154,042
Customer loans	127,487
Financial assets at fair value through profit or loss.....	298,622
Available-for-sale financial assets	37,739
Held-to-maturity financial assets	6,411
Other assets	65,596
Total Assets.....	689,897
Financial liabilities at fair value through profit or loss	275,158
Interbank liabilities	138,545
Customer deposits and other customer liabilities.....	68,349
Debt securities	96,576
Technical reserves of insurance companies	34,070
Provisions	1,676
Other liabilities	34,849
Subordinated debt	21,750
Minority interests	5,096
Shareholders’ equity (Group share)	13,828
Total Liabilities and Shareholders’ Equity.....	689,897

Summary Unaudited Pro Forma Consolidated Income Statement Data for the BPCE SA Group

<i>in millions of euros</i>	Year ended December 31, 2008
Net banking income	4,053
Gross operating income	-1,828
Cost of risk.....	-1,926
Operating income.....	-3,754
Income from associates.....	387
Net income, group share.....	-1,736

Groupe BPCE

Summary Unaudited Pro Forma Consolidated Balance Sheet Data for the Groupe BPCE

<i>in millions of euros</i>	As of December 31, 2008
Interbank assets.....	155,194
Customer loans	512,070
Financial assets at fair value through profit or loss.....	304,793
Available-for-sale financial assets	58,944
Held-to-maturity financial assets	9,167
Other assets	103,341
Total Assets.....	1,143,509
Financial liabilities at fair value through profit or loss	273,549
Interbank liabilities	136,250
Customer deposits and other customer liabilities.....	370,734
Debt securities	208,082
Technical reserves of insurance companies	37,877
Provisions	4,818
Other liabilities	54,989
Subordinated debt	21,847
Minority interests	3,668
Shareholders' equity (Group share)	31,695
Total Liabilities and Shareholders' Equity.....	1,143,509

Summary Unaudited Pro Forma Consolidated Income Statement Data for the Groupe BPCE

<i>in millions of euros</i>	Year ended December 31, 2008
Net banking income	16,502
Gross operating income	148
Cost of risk.....	-3,147
Operating income.....	-2,999
Income from associates.....	185
Net income, group share	-1,646

Summary of the Exchange Offers

The Exchange Offers BPCE is offering to holders of certain outstanding Tier 1 securities (“**Existing Securities**”) of Natixis, NBP Capital Trust I and NBP Capital Trust III the opportunity to exchange their Existing Securities for newly issued undated deeply subordinated notes (the “**New Notes**”) of BPCE, to be issued in four series, two denominated in U.S. dollars (“**Series USD-1**” and “**Series USD-2**”) and two denominated in euros (“**Series EUR-1**” and “**Series EUR-2**”), subject to the conditions described herein.

BPCE is making seven separate offers (each, an “**Offer**”), one for each outstanding issue of Existing Securities. Subject to the conditions described herein, eligible holders that validly deliver Existing Securities of a given issue in an amount equal to or greater than the applicable Minimum Delivery Amount and in authorized denominations will receive New Notes of the series and with a principal amount determined as follows:

- €430 principal amount of Series EUR-1 New Notes for every €1,000 principal amount of the €300 million Natixis Undated Deeply Subordinated Floating Rate Notes issued on January 25, 2005 (ISIN FR0010154278) (€1,000 is the denomination of the Existing Securities of such series).
- €800 principal amount of Series EUR-2 New Notes for every €1,000 liquidation amount of the €200 million NBP Capital Trust I 8.32% Non-cumulative Trust Preferred Securities issued on June 28, 2000 (ISIN XS0113462609) (the “**NBP I Trust Preferred Securities**”) (€1,000 is the denomination of the Existing Securities of such series).
- €580 principal amount of Series EUR-2 New Notes for every €1,000 principal amount of the €750 million Natixis Undated Deeply Subordinated Perpetual Fixed to Floating Rate Notes issued on October 18, 2007 (ISIN FR0010531012) (€29,000 principal amount of Series EUR-2 New Notes for each €50,000 denomination Existing Security of such series).
- €690 principal amount of Series EUR-2 New Notes for every €1,000 principal amount of the €150 million Natixis Undated Deeply Subordinated Perpetual Fixed to Floating Rate Notes issued on March 31, 2008 (ISIN FR0010600163) (€34,500 principal amount of Series EUR-2 New Notes for each €50,000 denomination Existing Security of such series).
- US\$570 principal amount of Series USD-1 New Notes for every US\$1,000 liquidation amount of the US\$200 million NBP Capital Trust III 7.375% Non-cumulative Trust Preferred Securities issued on October 27, 2003 (ISIN XS0176710068) (the “**NBP III Trust Preferred Securities**”) (US\$1,000 is the denomination of the Existing Securities of such series).
- US\$750 principal amount of Series USD-1 New Notes for every US\$1,000 principal amount of the US\$300 million Natixis U.S. Dollar Denominated Fixed Rate Undated Deeply Subordinated Non-Cumulative Notes issued on April 16, 2008 (ISIN FR0010607747) (US\$1,500 principal amount of Series USD-1 New Notes for each

US\$2,000 denomination Existing Security of such series).

- US\$760 principal amount of Series USD-2 New Notes for every US\$1,000 principal amount of the US\$750 million Natixis Subordinated Fixed to Floating Rate Notes issued on April 30, 2008 (ISIN US63872AAA88 for Rule 144A Notes and ISIN USF6483LHM57 for Regulation S Notes) (US\$76,000 principal amount of Series USD-2 New Notes for each US\$100,000 minimum denomination Existing Security of such series).

Accrued Interest on Existing

Securities BPCE will issue additional New Notes to holders that validly deliver Existing Securities for exchange, with a principal amount equal to the accrued and unpaid interest or distributions on such securities through (but excluding) the Settlement Date.

**Minimum New Note Amounts and
Minimum Delivery Amounts**

The New Notes are being offered in minimum amounts of €50,000 (for the Series EUR-1 Notes and the Series EUR-2 Notes), or \$100,000 (for the Series USD-1 Notes and the Series USD-2 Notes) (in each case, the “**Minimum New Note Amount**”). Holders of Existing Securities must deliver a principal amount of Existing Securities (the “**Minimum Delivery Amount**”) sufficient (when added to accrued interest on the Existing Securities) to allow them to receive the Minimum New Note Amount, or such Existing Securities will not be accepted for exchange. The Minimum Delivery Amount for each series of Existing Securities is set forth under “Description of the Exchange Offers—Terms of the Offers—Minimum New Note Amounts and Minimum Delivery Amounts.”

Offer Period and Settlement

Existing Securities may be delivered for exchange by eligible holders in the manner described herein, at any time from 9:00 a.m. (Paris time) on July 6, 2009 until 5:00 p.m. (New York time) on July 31, 2009 (such date and time, as they may be extended, the “**Expiration Time**”). Certain Clearing Systems may require that Exchange Instructions be delivered before the Expiration Time. For example, the French Exchange Agent must receive Exchange Instructions for Existing Securities held through Euroclear France at or before 15:00 Paris time on the Expiration Date. Exchange Instructions will be irrevocable and may not be withdrawn except in the limited circumstances described herein under “Description of the Exchange Offers—Withdrawal Rights.” BPCE expects the settlement date for the Offers to occur on the fifth business day following the date on which the Expiration Time occurs (or as soon thereafter as practicable) (the “**Settlement Date**”), which is currently expected to be August 6, 2009. BPCE may modify, extend or cancel any or all of the Offers at any time prior to 9:00 a.m. New York time on the business day immediately following the close of the Offer period, by providing notice in the manner described herein.

Summary Timetable

Set forth below is an indicative timetable for the Offers:

Commencement of the Offers

July 6, 2009:

Announcement of the Offers. Copies of the Exchange Offering Memorandum are available from the Dealer Managers, the Exchange Agents and the Information Agent.

Expiration Time

July 31, 2009 (5:00 p.m. New York time).

Final deadline for receipt of valid Exchange Instructions by the relevant Exchange Agent in order for holders of Existing Securities to be able to participate in the Offers. End of Offer Period.

Announcement of Offer Results

As soon as reasonably practicable after the Expiration Time (expected to be on or about August 3, 2009).

Announcement of whether BPCE will accept validly tendered Existing Securities for exchange pursuant to all or any of the Offers and of the final aggregate principal amount of each series of (i) Existing Securities accepted for exchange and (ii) New Notes to be issued.

Settlement

August 6, 2009

The Settlement Date for the Offers and delivery of New Notes in exchange of Existing Securities validly submitted for exchange.

Minimum Principal Amount

Condition.....

BPCE intends to proceed with the exchange of New Notes for Existing Securities only if the aggregate principal amount of the New Notes of a given series is sufficient to ensure an appropriate level of liquidity (although no assurance can be given that a trading market will develop for any of the New Notes). As a result, it is a condition to each Offer in respect of which a given Series of New Notes is to be delivered that the aggregate principal amount of New Notes of such Series to be delivered in the relevant Offers is at least equal to the Minimum Principal Amount for such Series.

The table below sets forth the maximum principal amount of New Notes to be issued (assuming all Existing Securities are validly delivered for exchange) and the Minimum Principal Amount for each series of New Notes.

<u>Series</u>	<u>Maximum Principal Amount</u>	<u>Minimum Principal Amount</u>
EUR - 1	€129,000,000	€25 million
EUR - 2	€698,500,000	€50 million
USD - 1	US\$339,000,000	US\$25 million
USD - 2	US\$570,000,000	US\$50 million

Conditions

The Offers are subject to a number of conditions described herein in addition to the Minimum Principal Amount condition, including the effective completion of the Combination Transactions. The Combination Transactions are currently scheduled to close on July 31, 2009.

Acceptance; No Scaling If BPCE decides to accept valid offers of Existing Securities for exchange pursuant to one or more Offers, BPCE will accept for exchange all of the Existing Securities of the series that are the subject of such Offer(s) and there will be no scaling of any Offers of Existing Securities of such series for exchange.

Differences between the Existing Securities and the New Notes The economic terms (interest rates and call dates) of the New Notes are significantly different from the economic terms of the Existing Securities in particular in respect of the Series EUR-2 New Notes and the Series USD-2 New Notes, in which the Step-up Margin is substantially higher than the 100 basis point step-up in the Existing Securities. Otherwise, the terms and conditions of each series of Existing Securities and the series of New Notes to be exchanged therefor are generally similar in substance, with the exception of the NBP I Trust Preferred Securities and the NBP III Trust Preferred Securities (together, the “**Trust Preferred Securities**”). See “Description of the Exchange Offers—Differences between the Existing Note Conditions and the New Note Conditions.”

Investors should carefully consider the differences between the New Notes and the related Existing Securities in deciding whether to deliver Existing Securities for exchange in connection with the Offers.

Procedures for Tendering A holder wishing to participate in any of the Offers must submit, or arrange to have submitted on its behalf, at or before the Expiration Time and, in each case, before the deadlines set by the relevant Clearing System (or, in the case of holders of Existing Securities held with Euroclear France, the French Exchange Agent) a duly completed Exchange Instruction to the relevant Clearing System (or, in the case of Existing Securities held with Euroclear France, the French Exchange Agent) in the manner specified under “Description of the Exchange Offers—Procedures for Tendering.”

Investors who have any questions about how to tender their Existing Securities should contact the Principal Exchange Agent or the relevant Exchange Agent at its address or telephone number listed on the back cover of this Exchange Offering Memorandum.

Limited Withdrawal Rights It is a term of the Offers that Exchange Instructions are irrevocable except in the limited circumstances described below under “Description of the Exchange Offers—Withdrawal Rights.”

Dealer Managers BNP Paribas and Natixis

Exchange Agents Deutsche Bank AG, London Branch is acting as the Principal Exchange Agent for the Offers. Deutsche Bank, Paris is acting as the French Exchange Agent and Deutsche Bank Trust Company Americas is acting as the US Exchange Agent, each an “Exchange Agent.” See “Description of the Exchange Offers—Procedures for Tendering.”

Information Agent Global Bondholder Services Corporation

Consequences of Not Delivering Existing Securities for Exchange Any of the Existing Securities that are not validly delivered or are not accepted for exchange will remain outstanding and will continue to accrue interest or distributions in accordance with, and will otherwise be entitled

to all the rights and privileges under, the terms pursuant to which they were issued. However, if the Offers are consummated, the trading market for each series of Existing Securities not exchanged in the Offers may be more limited than it is at present and could for all practical purposes cease to exist, which could adversely affect the liquidity, market price and price volatility of the Existing Securities of that series.

Risk Factors There are certain factors that may affect the Issuer's ability to fulfill its obligations under the New Notes. These risk factors are related to the Issuer, its operations, industry and its structure, as well as the Combination Transactions, as described in detail under "Risk Factors" starting on page 17. These risk factors include, without limitation:

- Risks that BPCE and the Groupe BPCE may not achieve the expected synergies from the Combination Transactions;
- Risks that BPCE may be required to contribute funds to the entities that are part of the financial solidarity mechanism that encounter financial difficulties, including some entities in which BPCE holds no economic interest;
- Risks related to the impact of the reform of the distribution of the "Livret A" passbook savings account on the revenues and net income of the Caisses d'Epargne;
- Risks relating to adverse global economic and market conditions currently being experienced; and
- Risk inherent in banking activities; including credit risk, market and liquidity risk, operational risk and insurance risk.

In addition, there are certain factors which are material for the purpose of assessing the risks associated with the Exchange Offers and the New Notes, including the following (each of which is described in more detail under "Risk Factors"):

- There may not be an active trading market or liquidity for the Existing Securities following the Offers;
- The terms of the New Notes are different from the terms of the Existing Securities;
- The Notes are deeply subordinated obligations;
- The principal amount of the Notes may be reduced to absorb losses of the Issuer, and there are certain restrictions on payments under the Notes;
- The Notes are undated securities; and
- There is no prior market for the Notes.

Summary Description of the New Notes

For a more complete description of each series of New Notes, including the definitions of capitalized terms used but not defined in this Section, see “Terms and Conditions of the New Notes”.

Issuer: BPCE

- Principal Amount and Description:**
- Up to €129,000,000 principal amount of 13.0% Undated Deeply Subordinated Notes with a call date of September 30, 2015 (the “**Series EUR-1 New Notes**”)
 - Up to €698,500,000 principal amount of Undated Deeply Subordinated Fixed to Floating Rate Notes with a call date of September 30, 2019 (the “**Series EUR-2 New Notes**”)
 - Up to US\$339,000,000 principal amount of 13.0% Undated Deeply Subordinated Notes with a call date of September 30, 2015 (the “**Series USD-1 New Notes**”)
 - Up to US\$570,000,000 principal amount of Undated Deeply Subordinated Fixed to Floating Rate Notes with a call date of September 30, 2019 (the “**Series USD-2 New Notes**”)

The proceeds of the New Notes will constitute Tier 1 Capital, subject to the limits on the portion of the Issuer’s Tier 1 capital that may consist of hybrid securities in accordance with Applicable Banking Regulations and the interpretations of the *Secrétariat général de la Commission bancaire* (the “**SGCB**”).

Issue Price: 100 per cent for each series of New Notes

- Denomination:**
- €1,000 for the Series EUR-1 New Notes and the Series EUR-2 New Notes
 - US\$1,500 for the Series USD-1 New Notes
 - US\$100,000 and integral multiples of \$1,000 in excess thereof, for the Series USD-2 New Notes

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

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

Accordingly, the principal and interest on the New Notes (which constitute *obligations*) constitute direct, unconditional, unsecured, undated and deeply subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and with all other present and future deeply subordinated notes of the Issuer, but shall be subordinated to the present and future *prêts participatifs* granted to the Issuer and present and future *titres participatifs* issued by the Issuer, ordinarily subordinated obligations and unsubordinated obligations of the Issuer.

In the event of liquidation, the New Notes shall rank in priority to any

payments to holders of any classes of share capital and of any other equity securities issued by the Issuer.

Regulatory Treatment:

The proceeds of the issue of the New Notes will be treated, for regulatory purposes, as consolidated *fonds propres de base* for the Issuer. *Fonds propres de base* (“**Tier 1 Capital**”) shall have the meaning given to that term in Article 2 of Règlement no. 90-02 dated 23 February 1990, as amended, of the *Comité de la Réglementation Bancaire et Financière* (the “**CRBF Regulation**”) or otherwise recognized as *fonds propres de base* by the SGC.B. The CRBF Regulation should be read in conjunction with the press release of the Bank for International Settlements dated 27 October 1998 concerning instruments eligible for inclusion in Tier 1 Capital (the “**BIS Press Release**”).

Interest:

The New Notes of each series will initially bear interest at fixed rates set forth in the table below. For those series indicated in the table below as “fixed to floating,” the interest rate will change as of the first call date for that series to a floating rate equal to three-month LIBOR (for dollar-denominated series) or three-month EURIBOR (for euro-denominated series), plus the Step-Up Margin indicated in the table below for that series. Interest will be payable annually in arrear on September 30 of each year, beginning September 30, 2010 (other than for the Series USD-2 New Notes, for which interest will be payable semi-annually in arrear on March 31 and September 30 of each year, beginning March 31, 2010) during any period in which New Notes bear interest at fixed rates, and quarterly in arrear on March 31, June 30, September 30 and December 31 of each year during any period in which New Notes bear interest at floating rates.

The following table sets forth, for each series of New Notes, the maximum principal amount to be issued (assuming that 100% of the related Existing Securities are validly delivered for exchange in each Offer), the Issue Price, the New Note Coupon, and whether the interest rate switches to a floating rate on and after the first call date, and if so the Step-Up Margin.

Series of New Notes	Maximum Principal Amount	Issue Price	New Note Coupon	Fixed-to-Floating Interest Rate	Step-Up Margin (in basis points)
EUR - 1	€129,000,000	100%	13.0%	No	n.a.
EUR - 2	€698,500,000	100%	12.5%	Yes	1313
USD - 1	US\$339,000,000	100%	13.0%	No	n.a.
USD - 2	US\$570,000,000	100%	12.5%	Yes	1298

Payments of Interest:

Payment of interest on any Interest Payment Date will be compulsory if such Interest Payment Date constitutes a Compulsory Interest Payment Date.

“**Compulsory Interest Payment Date**” means each Interest Payment Date as to which at any time during a period of one-year prior to such Interest Payment Date:

- the Issuer has declared or paid a dividend (whether in cash, shares or any other form but excluding a dividend paid in newly issued shares), or more generally made a payment of any nature, on any class of share capital or on other equity securities issued by the Issuer, or on other deeply subordinated notes or any other securities that rank *pari passu* with the New Notes, in each such case to the extent such instrument is

categorized as Tier 1 Capital, unless such payment on other deeply subordinated notes or any other securities that rank *pari passu* with the New Notes was required to be made as a result of a dividend or other payment having been made on any class of share capital or on other equity securities issued by the Issuer; or

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

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

On any other Interest Payment Date (*i.e.*, on any Optional Interest Payment Date), the Issuer may, at its option, elect not to pay interest in respect of the New Notes accrued to that date. Any interest not paid on such date shall be forfeited and no longer be due and payable by the Issuer.

In the event that a Supervisory Event occurs during the Interest Period immediately preceding an Optional Interest Payment Date, the amount of A Interest (as defined below), if any, in respect of each New Note shall automatically be suspended, and no interest on the New Notes shall accrue and be payable by the Issuer with respect to the remaining period in such Interest Period or any other Interest Period during the period starting on the date of the Supervisory Event and ending on the date of the End of Supervisory Event. The amount of A Interest may be reduced to absorb losses as described below.

Such A Interest may be paid on the next succeeding Optional Interest Payment Date occurring as from the date of the End of Supervisory Event.

“**A Interest**” is only applicable with respect to an Interest Period whose Interest Payment Date is an Optional Interest Payment Date and means, with respect to the period from (and including) the immediately preceding Interest Payment Date to (but excluding) the date of the occurrence of a Supervisory Event, the amount of interest accrued on the New Notes during such period.

Supervisory Event:

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

End of Supervisory Event:

End of Supervisory Event means, following a Supervisory Event, the first date on which either of the following events occurs: (i) if the Supervisory Event occurred pursuant to clause (i) of the definition of Supervisory Event, the total risk-based consolidated capital ratio of the Issuer and its

consolidated subsidiaries, calculated in accordance with the Applicable Banking Regulations, complies with the minimum percentage required in accordance with Applicable Banking Regulations, or (ii) if the Supervisory Event occurred pursuant to clause (ii) of the definition of Supervisory Event, the notification by the SGCB to the Issuer, that it has determined, in its sole discretion, in view of the financial condition of the Issuer, that the circumstances which resulted in the Supervisory Event have ended.

Loss Absorption:

The amount of A Interest, if any, and thereafter, if necessary, the Principal Amount of the New Notes may be reduced following a Supervisory Event (unless the Issuer first completes a capital increase or certain other transactions). The amount by which A Interest and, as the case may be, the then Principal Amount are reduced, will be equal to the amount of the insufficiency of the share capital increase or any other proposed measures aiming at an increase of the Tier 1 Capital to remedy the Supervisory Event. For the avoidance of doubt, the first remedy to the Supervisory Event shall be a share capital increase. See “Terms and Conditions of the New Notes – Loss Absorption and Return to Financial Health”.

Return to Financial Health:

Return to Financial Health means a positive Consolidated Net Income recorded for at least two consecutive financial years reported following the End of Supervisory Event. The Principal Amount of the New Notes shall be reinstated following a Return to Financial Health, to the extent any such reinstatement does not trigger the occurrence of a Supervisory Event.

Whether or not a Return to Financial Health has occurred, the Issuer shall increase the Principal Amount of the New Notes up to the Original Principal Amount in certain circumstances, including payment of dividends on share capital, redemption of the New Notes or liquidation of the Issuer.

Early Redemption:

The New Notes of each series may be redeemed (in whole but not in part) at par plus accrued and unpaid interest on the first call date for such series and on any Interest Payment Date thereafter, at the option of the Issuer. The first call dates will be September 30, 2015 (Series EUR-1 and Series USD-1), or September 30, 2019 (Series EUR-2 and Series USD-2)

BPCE will also have the right to redeem the New Notes at par plus accrued and unpaid interest at any time (in whole but not in part) in case of imposition of withholding tax, in case of a loss of deductibility for corporate income tax purposes and for regulatory reasons (i.e. loss of Tier 1 Capital status for the New Notes).

Any early redemption is subject to the prior approval of the SGCB.

Taxation:

As the New Notes will be issued outside France for taxation purposes, interest and other revenues in respect of the New Notes benefit from the exemption provided for in Article 131 *quater* of the French *Code Général des Impôts* (General Tax Code) from deduction of tax at source as provided in the Terms and Conditions of the New Notes. Accordingly, such payments do not give the right to any tax credit from any French source. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in the Terms and Conditions of the New Notes and to the fullest extent then permitted by law, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge:

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

Event of Default:	There will be an event of default in the event of the judicial liquidation (<i>liquidation judiciaire</i>) or liquidation for any other reason of the Issuer, in which case the rights of the Noteholders will be to the Original Principal Amount of the New Notes plus accrued and unpaid interest.
Form of New Notes:	<p>The New Notes (other than the Series USD-2 Notes) are expected to be accepted for clearance through Euroclear France S.A. (“Euroclear France”), Clearstream Banking, société anonyme (“Clearstream Luxembourg”) and Euroclear Bank S.A./N.V. (“Euroclear”). Such New Notes will on the issue date be entered (<i>inscrites en compte</i>) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined herein). Such New Notes will be issued in bearer form and will at all times be represented in book entry form (<i>dématérialisé</i>) in the books of the Account Holders in compliance with article L.211-4 of the French <i>Code monétaire et financier</i>. No physical document of title will be issued in respect of such New Notes.</p> <p>The Series USD-2 Notes will on issue be represented by a Rule 144A Global Note in respect of Series USD-2 Notes delivered to “qualified institutional buyers” in the United States, and a Regulation S Global Note in respect of Series USD-2 Notes offered and sold outside the United States in reliance on Regulation S under the Securities Act (as defined below). Each Global Note will be in fully registered form and will be deposited with a nominee for The Depository Trust Company (“DTC”), in each case for credit to the accounts of direct or indirect participants in DTC, including Euroclear and Clearstream, Luxembourg.</p>
Listing and Admission to Trading:	Application has been made for the New Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be traded on the EU Regulated Market of the Luxembourg Stock Exchange. Such listing is expected to occur on the Settlement Date.
Fiscal Agent and Paying Agent:	Deutsche Bank AG, London Branch
Paris Paying Agent:	Deutsche Bank AG, Paris Branch
U.S. Paying Agent:	Deutsche Bank Trust Company Americas
Luxembourg Listing Agent:	Deutsche Bank Luxembourg S.A.
Rating:	The New Notes are expected to be assigned upon issue a rating of A2 by Moody’s Investors Service, Inc., BBB- by Standard & Poor’s Ratings Group and BB+ (rating watch negative) by Fitch Ratings. A credit rating is not a recommendation to buy, sell or hold securities and may be withdrawn by the assigning credit rating agency at any time.
Governing Law:	French law (other than the Series USD-2 Notes). The Series USD-2 Notes will be governed by New York law, provided that the subordination provisions will be governed by French law.

RISK FACTORS

You should carefully consider the following risk factors and all the information set forth in this Exchange Offering Memorandum and those set out in the documents incorporated by reference before making a decision whether to participate in the Offers. The risks and uncertainties described below are not the only ones that we face. Additional risks and uncertainties that we do not know about or that we currently think are immaterial may also impair our business operations. Any of the following risks, if they actually occur, could materially and adversely affect our business, results of operations, prospects and financial condition.

Risks Relating to the Combination Transactions

BPCE and the Groupe BPCE may not achieve the expected synergies from the Combination Transactions.

If the Groupe BPCE does not achieve the expected synergies from the Combination Transactions, the actual benefits will be lower than anticipated, and the results of operations and financial condition of the BPCE SA Group and the Groupe BPCE will be adversely affected. As discussed under “Business – Strategy of the Groupe BPCE,” the group intends to seek significant synergies from the Combination Transactions, which it hopes will result in lower aggregate costs, more efficient operations and better opportunities for business development.

The ability of the group to realize anticipated synergies will depend on a number of factors, many of which are beyond the control of BPCE and the entities in the Groupe BPCE. The group may fail to achieve expected synergies for any number of reasons, including difficulties encountered in the integration process, disruptions caused by the unique structure of the new Group or the materialization of risks relating to ordinary banking activities. Any of these factors, among others, could result in the actual level of business development and/or cost synergies being lower than anticipated.

The integration process may be difficult and could disrupt operations or could prove to be more costly than anticipated.

While the Caisses d’Epargne and the Banques Populaires will continue to operate autonomously with separate brands and product development strategies, they intend to integrate a number of functions (such as performing market studies and certain information technology functions) after the Combination Transactions. Realization of the anticipated benefits from the Combination Transactions will depend in part upon whether the operations of the Caisses d’Epargne Group and the Banques Populaires Group in these areas can be integrated in an efficient and effective manner. Integrating the operations of a combined business, even in limited areas, is a complex and lengthy process. Successful integration requires, among other things, the satisfactory coordination of business efforts, the retention of key management personnel and professionals, effective hiring and training policies and the alignment of information and software systems. Difficulties may be encountered in combining operations that could result in higher integration costs and lower savings or revenues than expected. Moreover, the integration of the operations of the Groupe Caisse d’Epargne with those of the Groupe Banque Populaire in the targeted areas could interfere with the activities of one or more of their businesses and divert management’s attention from other aspects of their operations, which could have an adverse effect on their operations and results.

BPCE expects to announce its strategic plan in the second half of 2009, and the plan may have an impact on its activities, operations and businesses.

As a newly formed group, the Groupe BPCE has no prior operating history on a combined basis. As discussed under “Business – Strategy of Groupe BPCE,” the new group will seek to realize synergies immediately following the Combination Transactions, but its medium term strategic plan will not be developed until sometime in the second half of 2009. In connection with the preparation of the strategic plan, the group’s management (including new management at Natixis) plans to review the entire portfolio of activities. The strategic plan may include changes in business activities, group operations, organization and structure, and could include acquisitions, divestitures, partnerships and alliances and other significant transactions. Changes may also occur as a result of evolving market conditions or changes in the business, results, financial condition or prospects of group entities. Any changes resulting from the adoption of the strategic plan or its implementation, as well as any changes adopted for any other reasons, could have an impact on the holders of the New Notes.

Any measures that BPCE may decide to take, either as part of its strategic plan or in response to internal or external developments (including any future additional direct or indirect support of Natixis), could have an impact on Natixis. Depending on the nature and amount of any such impact, an investor that delivers its Existing Securities for exchange in connection with the Offers may find that the consequences of having done so are less favorable than what the investor initially expected.

The results of operations and financial condition presented in the unaudited pro forma financial information may not be indicative of the future performance of the BPCE SA Group or Groupe BPCE.

BPCE's unaudited *pro forma* financial information, and that of the Groupe BPCE, has been prepared as if the Combination Transactions had occurred on December 31, 2008 (and *pro forma* income statement information is provided for the financial year then ended). The unaudited *pro forma* financial information for the two groups was prepared on the basis of a number of assumptions, and do not reflect the results of operations or financial condition which the BPCE SA Group or the Groupe BPCE would have had if the Combination Transactions had actually taken place on December 31, 2008. In addition, there can be no assurance that the results indicated by the *pro forma* financial information are representative of the future results or performance of the BPCE SA Group or the Groupe BPCE.

Risks Relating to the Structure of the BPCE SA Group and the Groupe BPCE

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 the Groupe BPCE, BPCE will guarantee 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. See "Business – Financial Solidarity Mechanism." The affiliated group will include BPCE affiliates such as Natixis, Financière Océor and Société Marseillaise de Crédit, as well as other credit institutions in which BPCE will hold no interest, such as Crédit Foncier de France and Banque Palatine. While each of the regional banks and the other members of the affiliated group will be 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 the Groupe BPCE, a guarantee fund will be established to cover liquidity and solvency risks, initially funded with €920 million of assets. The regional banks and the entities in the affiliated group will be required to make additional contributions to the guarantee fund from their future profits. While the guarantee fund will provide a substantial source of resources to fund the financial solidarity mechanism, there can be no assurance that it will be sufficient for this purpose. If the guarantee fund turns out to be insufficient, BPCE will be required to make up the shortfall.

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

BPCE's financial strength will be 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 will hold 20% non-voting equity interests in the regional retail banks). While BPCE will have significant powers to monitor and supervise the regional retail banks in its capacity as central body of the Groupe BPCE, it will not have any voting power in respect of decisions that require the consent of shareholders of the regional banks.

In the event of a disagreement between the Banques Populaires, the Caisses d'Épargne and/or the French State, the business or operations of the BPCE SA Group could be subject to significant disruptions.

The BPCE Protocol has established a 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. Of the 18 members of the BPCE Supervisory Board, seven will be nominated the Caisses d'Épargne, seven will be nominated by the Banques Populaires, and four will be nominated by the French State (including two independent members). In addition, the BPCE Protocol provides (and the bylaws of BPCE will 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'Épargne, the Banques Populaires and the French State). These "Essential Decisions" include the nomination and removal of the Chairman and other members of the Management Board and the decision to name one (or two) Management Board members as Chief Executive Officer; 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. See "Management of BPCE—Powers of the Supervisory Board." The BPCE Protocol does not (and BPCE's bylaws will 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 the BPCE SA Group or the Groupe BPCE may therefore be subject to significant disruptions in the event that the Banques Populaires, the Caisses d'Épargne and/or the French State are unable to resolve any differences concerning the relevant group's development.

Risks Relating to the Activities of BPCE

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

There are four main categories of risks inherent in BPCE's activities (including those of the BPCE SA Group and the Groupe BPCE), which are summarized below. The risk factors that follow elaborate on or give specific examples of these different types of risks (including the impact of the current financial crisis), and describe certain additional risks faced by 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 BPCE is exposed to the risk of counterparty default, such as its trading, capital markets, derivatives and settlement activities. Credit risk also arises in connection with the factoring businesses of 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 and prices of all 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 is the case for some categories of assets in the current 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).

The current situation in international financial markets, with its impact on the global economic situation, has already heightened, and is likely to continue to heighten, some or all of the risk inherent in the activities of BPCE.

Financial market conditions, in particular in the primary and secondary debt market, and deteriorating economic conditions could have a material adverse impact on BPCE's earnings and financial condition.

The activities, earnings and financial condition of the predecessors entities in the BPCE SA Group and the Groupe BPCE (particularly Natixis and, to a lesser extent, CNCE) have been affected, and those of the BPCE SA Group and the Groupe BPCE could in the future be affected, by the significant and unprecedented disruptions currently being experienced in the financial markets, in particular in the primary and secondary debt markets, and by deteriorating overall economic conditions. Reflecting concern about the stability of the financial markets generally and the strength of counterparties, many lenders and institutional investors have reduced or ceased providing funding to borrowers, including to other financial institutions. This market turmoil and tightening of credit have led to an increased level of commercial and consumer delinquencies, lack of consumer confidence, increased market volatility, steep declines in stock market indices and widespread reduction of business activity generally. The resulting economic pressure on consumers and lack of confidence in the financial markets has adversely affected the results of operations and financial condition of financial institutions globally, including those in the Groupe Caisse d'Epargne and the Groupe Banque Populaire. The primary impacts of the current financial market conditions on BPCE are the following:

- Current conditions in the debt markets include reduced liquidity and increased credit risk premiums. These conditions, which increase the cost and reduce the availability of debt funding, may continue or worsen in the future. BPCE's cost of debt and that of Natixis is also dependent on their maintaining high investment-grade credit ratings. Since BPCE and Natixis are, to a large extent, dependent on the availability of debt funding to finance their operations, disruptions in the debt markets or a reduction in their credit ratings could have an adverse impact on their earnings and financial condition, particularly in the short-term. In addition, Natixis has depended, and BPCE and Natixis may in the future depend, on the international debt markets to maintain their capital ratios (through the issuance of subordinated debt and hybrid capital securities), and disruptions in these markets may render the issuance of these securities costly or, in an extreme case, might make it impossible to issue such securities on reasonable terms, thereby affecting the capital ratios of BPCE and Natixis and their ability to expand their businesses.
- The secondary debt markets are also currently experiencing significant disruptions resulting from reduced investor demand for loans and debt-backed securities (known as collateralized debt obligations or CDOs) and increased investor yield requirements for those loans and securities. Beginning in mid-2007 and continuing through 2008, higher interest rates, falling property prices and a significant increase in the number of subprime mortgages originated in 2005 through the beginning of 2007 contributed to dramatic increases in mortgage delinquencies and defaults in the United States. These conditions have resulted in the disappearance of trading markets for many CDOs and other complex assets, resulting in

significant uncertainty regarding asset values and substantial write downs on the books of global financial institutions. These conditions have also affected other markets as financial institutions have sold other assets to meet liquidity or capital requirements.

- As a result, financial service institutions have been weakened, and investor confidence has eroded, which has affected the sources of liquidity available to financial institutions. The erosion of confidence and the resulting liquidity crisis was exacerbated by the failure of Lehman Brothers, which filed for bankruptcy protection in September, 2008.
- The reduction in the availability of credit has had a significant impact on the overall level of economic activity, particularly in the United States and Europe, an impact that could continue despite efforts by central banks and economic policy makers to implement measures designed to stimulate the economy and the banking sector. The decline in asset values has led to reduced consumer activity and lower investment, placing further strain on the global economy, leading to a substantial increase in unemployment and a global recession. As a consequence, the risk of default by borrowers has increased, and the creditworthiness of companies and individuals seeking new financing has decreased.

These conditions have affected and may continue to affect the activities of the BPCE SA Group and the Groupe BPCE in a number of ways, including reducing the availability of securitization and syndication markets to finance new loan production, reducing opportunities for the capital markets divisions of Natixis to earn commissions from structuring new securitization transactions, reducing performance-based fees in the asset management businesses of Natixis, reducing earnings from distribution of life insurance and mutual fund products, and essentially halting leveraged buy-out (“LBO”) market activity. The economic outlook has also had a significant negative effect on stock market index levels and, consequently, on the value of securities held by entities in the BPCE SA Group and the Groupe BPCE in their trading book, as well as the outlook for Natixis to earn commissions from equity brokerage and capital markets activities and performance-related fees from asset management activities.

The corporate and investment banking business of Natixis has recorded significant write downs and provisions on assets particularly affected by the financial crisis, such as CDOs and assets guaranteed by monoline insurers, as discussed in more detail in the management report included in the 2008 Natixis Annual Report and the Natixis First Update. Natixis continues to hold significant assets that are affected by the financial crisis. In addition, in 2008 CNCE suffered an extraordinary trading loss from a position in complex equity derivatives, which was discovered as part of CNCE’s compliance monitoring process. The loss from unwinding this position was significantly affected by the extraordinary volatility in the markets at the time. See the management report in the 2008 GCE Annual Report for further details.

There can be no assurance that the write downs and provisions recorded by Natixis (or other entities in the BPCE SA Group or the Groupe BPCE) will be sufficient to cover the entire loss in value of assets held by it (or them), or that it (or they) will not suffer additional losses in the future, particularly if market conditions remain disrupted or deteriorate.

Natixis may not be able to wind down its operations that are impacted by the financial crisis efficiently

Natixis has announced its intention to phase down certain activities that are affected by the financial crisis, particularly corporate and investment banking activities that involve incurring proprietary risks, including exposure to structured product risks in France and internationally. The phase-down may include the sale of assets affected by the crisis to the extent market conditions permit. Natixis may find itself unable to phase down these activities as quickly or efficiently as it hopes, either because there are no buyers willing to pay a reasonable price for the relevant assets or activities, or because there is no liquid market for the relevant assets, or because the ongoing obligations of Natixis make a sale or phase-down impracticable. If Natixis is unable to wind down these business as planned, then it will not achieve (or will only partially achieve) its objective of reducing its exposure to market volatility and diversifying its revenue and income base. This could have a material adverse effect on the results of operations and financial condition of the BPCE SA Group.

There can be no assurance that legislative action and other measures taken by governments and regulators in France or globally will fully and promptly stabilize the financial system.

In response to the financial crisis, governments and regulators in France, Europe, the United States and other jurisdictions have enacted legislation and taken measures to help stabilize the financial system and increase the flow of credit to the economy. These measures have included the purchase or guarantee of distressed or illiquid assets; recapitalization through the purchase of securities issued by financial institutions (including ordinary shares, preferred shares, or other hybrid or quasi-equity instruments); government guarantees of debt issued by financial institutions; and government-sponsored mergers and acquisitions of and divestments by financial institutions.

There can be no assurance as to the actual impact that these measures and related actions will have on the financial markets generally and on BPCE, the BPCE SA Group or the Groupe BPCE specifically, including the levels of volatility and limited credit availability that has recently characterized the financial markets. The failure of these measures and related actions to help stabilize the financial markets and a continuation or worsening of current financial market conditions could lead to further decreases in investor and consumer confidence, further market volatility and decline, further economic disruption and, as a result, could have an adverse effect on BPCE's results of operations and financial condition (and that of the BPCE SA Group and the Groupe BPCE).

BPCE and its corporate and investment banking subsidiary, Natixis, must maintain high credit ratings, or their 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 (principally the corporate and investment banking subsidiary, Natixis). A downgrade in credit ratings could adversely affect the liquidity and competitive position of BPCE or Natixis, increase borrowing costs, limit access to the capital markets or trigger obligations under certain bilateral provisions in some trading, derivatives and collateralized financing contracts. BPCE's cost of obtaining long-term unsecured funding, and that of Natixis, is directly related to their respective credit spreads (the amount in excess of the interest rate of government securities of the same maturity that is paid to debt investors), which in turn depend in large part on their credit ratings. Increases in credit spreads can significantly increase BPCE's or Natixis' cost of funding. Changes in credit spreads are 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 is 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.

The net banking income of the Caisses d'Epargne may be affected by changes to the rules governing the Livret A (a regulated savings account formerly distributed only by the Caisses d'Epargne and La Banque Postale)

The French government has modified the rules applicable to the Livret A, a regulated savings account developed by the French government to finance publicly subsidized housing. Since January 1, 2009, all authorized French financial institutions may offer the Livret A to their customers. Until then, only the Caisses d'Epargne and the Banque Postale (a subsidiary of the Groupe La Poste) were authorized to distribute the Livret A. This modification was made following a decision by the European Commission in May 2007, according to which the previous regime was declared incompatible with community competition law.

The Livret A offers depositors a fixed interest rate that is not subject to tax. The deposits collected by the banks are transferred to the Caisse des Dépôts et Consignations, which centralizes the funds and uses them to finance social housing. The financial institutions distributing the Livret A receive a commission at a rate that is fixed by the government. In 2008, the Groupe Caisse d'Epargne recorded €740 million in net banking income for its distribution of the Livret A.

The reform has led to a reduction in the market share of the Caisses d'Epargne for Livret A deposits, which is likely to continue, and which could affect the total amount of commissions that they receive. The reform also includes a reduction in commission rates from 1.0% to 0.6% (subject, for the Caisses d'Epargne, to an additional commission received during a transition period, set at 0.3% in 2009 and 2010 and 0.1% in 2011). The commission will also only be based on the funds transferred to the Caisse des Dépôts et Consignations, which, when the reform

is complete, will represent about 70% of the funds collected from Livret A depositors and not 100% as was the case before the reform.

The reform of the distribution system could have an adverse effect on the net banking income of the Caisses d'Épargne, which would in turn affect the share in the income of the Caisses d'Épargne that BPCE records in respect of its indirect equity interest (20% share of income from associates through Natixis, before deducting minority interests).

A substantial increase in new provisions or losses greater than the level of previously recorded provisions could adversely affect BPCE's results of operations and financial condition.

In connection with its lending activities, the entities in the Groupe BPCE periodically establish provisions for loan losses, which are recorded in their income statement under cost of risk. Their overall level of provisions is based upon their 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. For further information on provisioning policies and its treatment of doubtful loans of the entities in the Groupe BPCE, see the discussions of risk management in the 2008 GCE Annual Report, the 2008 GBP Annual Report and the 2008 Natixis Annual Report. Although the entities in the group endeavor to establish an appropriate level of provisions, the group's lending businesses may have to increase their provisions for loan losses in the future as a result of increases in non-performing assets, deteriorating economic conditions leading to increases in defaults and bankruptcies, or for other reasons. Any significant increase in provisions for loan losses or a significant change in the group's estimate of the risk of loss inherent in its portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the provisions allocated with respect thereto, would have an adverse effect on BPCE's results of operations and financial condition.

The ability of the entities in the Groupe BPCE to attract and retain qualified employees is critical to the success of the group's business and failure to do so may materially affect its performance.

The employees of the entities in the Groupe BPCE are the group's most important resource. In many areas of the financial services industry, competition for qualified personnel is intense. 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 may cause the group to move employees from one business to another or to reduce the number of employees in certain of its businesses; this 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.

Future events may be different than those reflected in the management assumptions and estimates used in the preparation of the financial statements of the entities in the Groupe BPCE, which may cause unexpected losses in the future.

Pursuant to IFRS rules and interpretations in effect as of the present date, the entities in the BPCE SA Group and the Groupe BPCE are required to use certain estimates in preparing their financial statements, including accounting estimates to determine loan loss reserves, reserves related to future litigation, and the fair value of certain assets and liabilities, among other items. Should the estimated values for such items prove substantially inaccurate, particularly because of significant and unexpected market movements, or if the methods by which such values were determined are revised in future IFRS rules or interpretations, the BPCE SA Group and the Groupe BPCE may experience unexpected losses.

The BPCE SA Group, particularly Natixis, may incur significant losses on its trading and investment activities due to market fluctuations and volatility.

As part of its trading and investment activities, Natixis maintains positions in the fixed income, currency, commodity and equity markets, as well as in unlisted securities, real estate and other asset classes (the same will be true of other BPCE SA Group entities, although to a lesser extent). These positions can be adversely affected by volatility in financial and other markets, that is, the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. Volatility can also lead to losses relating to a broad range of other

trading and hedging products Natixis uses, including swaps, futures, options and structured products, if they prove to be insufficient or excessive in relation to Natixis' expectations.

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

The BPCE SA Group and the Groupe BPCE may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns.

Market downturns, such as the current one, are likely to lead to a decline in the volume of transactions that group entities (particularly Natixis) 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 (particularly Natixis) 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 and private banking businesses (for Natixis).

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

The amount of net interest income earned by the BPCE SA Group and the 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 groups. 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 BPCE's results.

The entities in the BPCE SA Group (particularly Natixis) conduct a significant portion of their business overseas, in particular in the United States, 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, Natixis enters into (and BPCE will enter into) transactions to hedge its 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.

An interruption in or a breach of the information systems of entities in the Groupe BPCE, or those of third parties, may result in lost business and other losses.

As with most other banking groups, the BPCE SA Group and the Groupe BPCE rely heavily on communications and information systems to conduct their business, as their activities require them to process a large

number of increasingly complex transactions. Any failure or interruption or breach in security of these systems could result in failures or interruptions in customer relationship management, general ledger, deposit, trading and/or loan organization systems. If the information systems failed, even for a short period of time, the affected group entities would be unable to serve some customers' needs in a timely manner and could thus lose their business. Likewise, a temporary shutdown of information systems, despite back-up recovery systems and contingency plans, could result in considerable information retrieval and verification costs, and even a decline in proprietary businesses if, for instance, such a shutdown occurs during the implementation of hedging policies. The inability of the group's systems to accommodate an increasing volume of transactions could also constrain its ability to expand its businesses. The groups also face the risk of operational failure or termination of any of the clearing agents, exchanges, clearing houses, depositories or other financial intermediaries or outside vendors they use to execute or facilitate its securities transactions. As their interconnectivity with customers grows, group entities may also increasingly face the risk of operational failure with respect to its customers' systems.

Unforeseen events can interrupt BPCE's operations and cause substantial losses and 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 the BPCE SA Group and the 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.

The BPCE SA Group may be vulnerable to political, macroeconomic and financial environments or circumstances specific to the countries where it does business.

Certain entities in the BPCE SA Group (including Natixis) 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 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.

BPCE is subject to extensive supervisory and regulatory regimes in France and in the many countries around the world in which the group operates; regulatory actions and changes in these regulatory regimes could adversely affect the group's business and results.

A variety of supervisory and regulatory regimes apply to entities in the BPCE SA Group and the 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 agencies. Such constraints could limit the ability of group entities to expand its business 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 that may significantly influence investor decisions in particular markets in which group entities operate;
- general changes in regulatory requirements, for example, prudential rules relating to the capital adequacy framework, such as the modifications that were recently made to implement the Basel II requirements;
- changes in rules and procedures relating to internal controls;
- changes in the competitive environment and pricing practices;
- changes in the financial reporting environment;
- expropriation, nationalization, price controls, exchange controls, confiscation of assets and changes in legislation relating to foreign ownership; 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 the group.

Tax laws and their interpretation in France and in the countries in which BPCE does business may significantly affect BPCE's results.

As a multinational banking group involved in complex and large-scale cross-border transactions, the BPCE SA Group (particularly Natixis) is subject to tax legislation in a number of countries. The BPCE SA Group 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 the BPCE SA Group. 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 intragroup 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 which case group entities could become subject to tax claims.

A failure of or inadequacy in 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 the BPCE SA Group and the 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 patterns. 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 2008 GCE Annual Report, the 2008 GBP Annual Report and the 2008 Natixis Annual Report for a more detailed discussion of the policies, procedures and methods that group entities use to identify, monitor and manage its risks.

BPCE's hedging strategies may not prevent losses.

If any of the variety of instruments and strategies that 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. Unexpected market developments, such as the ones currently experienced in international financial markets since the second half of 2007, 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.

BPCE may have difficulty in identifying, executing and integrating an external growth policy in its acquisitions or joint ventures.

BPCE's development strategy may include external growth transactions in the medium term, particularly in the European retail banking sector. Even though BPCE expects to review the companies it will acquire or joint ventures into which it will enter, it is generally not feasible for these reviews to be comprehensive in all respects. As a result, BPCE may have to assume unanticipated liabilities, an acquisition or joint venture may not perform as well as expected, the synergies expected may not be realized in whole or in part, or the transaction may give rise to costs that are higher than foreseen. In addition, it might have difficulty integrating any entity with which it combines its operations. Failure to complete announced business combinations or failure to integrate acquired businesses or joint ventures successfully into the businesses of BPCE could materially adversely affect the group's profitability. It could also lead to departures of key employees, or lead to increased costs and reduced profitability if BPCE felt compelled to offer them financial incentives to remain. In the case of joint ventures, 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 BPCE and its joint venture partners may negatively impact the benefits intended to be achieved by the joint venture.

Intense competition, both in BPCE's home market of France, where it has the largest single concentration of its businesses, as well as internationally, could adversely affect the group's net banking income and profitability.

Competition is intense in all of the primary business areas of the Groupe BPCE in France and in the other countries in which the group conducts business. The group competes on the basis of a number of factors, including transaction execution, its products and services, innovation, reputation and price. If the group is unable to continue to respond to the competitive environment in France or in its other major markets with attractive product and service offerings that are profitable, it may lose market share in important areas of its business or incur losses on some or all of its activities. In addition, downturns in the global economy or in the economy of the group's major markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for the group and its competitors.

BPCE's profitability and business prospects could be adversely affected by reputational and legal risk.

Various issues may give rise to reputational risk and cause harm to group entities and their business prospects. These issues include inappropriately dealing with potential conflicts of interest, legal and regulatory requirements, competition issues, ethical issues, money laundering laws, information security policies and sales and trading practices (including practices relating to disclosures to customers). Failure to address these issues appropriately could also give rise to additional legal risk, which could increase the number of litigation claims and the amount of damages asserted against group entities, or subject group entities to regulatory sanctions.

Risks Relating to the Exchange Offers

The trading market for each series of Existing Securities not exchanged in the Offers may become more limited than it is at present and could for all practical purposes cease to exist, which could adversely affect the liquidity, market price and price volatility of the Existing Securities of that series.

The Offers could result in a substantial or complete reduction in the principal amount outstanding of one or more series of Existing Securities. Therefore, the trading market for Existing Securities outstanding after the Offers are completed could become limited or nonexistent due to the reduction in the amount of Existing Securities outstanding. If a market for unexchanged Existing Securities exists after consummation of the Offers, the Existing Securities may trade at a discount to the price at which they would have traded if the Offers had not been consummated, depending on prevailing interest rates, the market for similar securities and other factors. There can be no assurance that an active market in the unexchanged Existing Securities will exist or be maintained nor as to the prices at which the unexchanged Existing Securities may be traded.

The Existing Securities are listed on the Official List of the Luxembourg Stock Exchange, but some or all series of Existing Securities may not be actively traded. Quotations for securities that are not widely traded, such as the Existing Securities, may differ from actual trading prices and should be viewed as approximations. Investors are urged to contact their brokers with respect to current market prices for the Existing Securities.

Differences between the Existing Securities and the New Notes

The financial terms and certain other conditions of the New Notes will be substantially different from those of the Existing Securities. Holders should consider the differences (which include, *inter alia*, the payment dates, the coupon, the ranking, the identity of the obligor (in the case of the Trust Preferred Securities) and the form in which the New Notes are issued) closely. Investors should carefully consider the differences between the New Notes and the related Existing Securities in deciding whether to deliver Existing Securities for exchange in connection with the Offers.

Legality of Purchase

Neither BPCE, the Dealer Managers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the New Notes by a prospective investor of the New 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.

No Obligation to Accept Offers to Exchange

BPCE is under no obligation to accept offers to exchange. Offers to exchange may be rejected in the sole discretion of BPCE for any reason and BPCE is under no obligation to holders of Existing Securities to furnish any reason or justification for refusing to accept an Offer. For example, Existing Securities delivered for exchange may be rejected if the relevant Offer is terminated, if the Offer does not comply with the relevant requirements of a particular jurisdiction, or for other reasons.

Responsibility for complying with the procedures of the Offers

Holders are responsible for complying with all of the procedures for exchanging the Existing Securities pursuant to the terms of this Exchange Offering Memorandum. None of BPCE, the Dealer Managers or the Exchange Agents assumes any responsibility for informing holders of irregularities with respect to the Offers.

Completion, Termination and Amendment

No assurance can be given that the Offers will be completed. Completion of the Offers is conditional upon the satisfaction or waiver (if permitted) of the conditions to the Offers set out herein including, the Combination Transactions becoming effective and the Minimum Principal Amounts being reached. See “Description of the Exchange Offers—Conditions.” In addition, subject as provided herein, BPCE may, in its sole discretion, extend,

re-open, amend, terminate or withdraw the Offers at any time prior to its announcement whether it accepts valid deliveries of Existing Securities for exchange pursuant to the Offers and may, in its sole discretion, waive conditions to the Offer after this date.

Blocking of Existing Securities

When considering whether to participate in the Offers, holders should take into account that restrictions on the transfer of the Existing Securities will apply from the time of submission of Exchange Instructions until the valid revocation of such instructions. A holder will, on submitting an Exchange Instruction, agree that its Existing Securities will be blocked in the relevant account in the relevant Clearing System or with an Exchange Agent from the date the relevant Exchange Instructions are submitted until the earlier of (i) the time of settlement on the Settlement Date and (ii) the date of any termination of the relevant Offer (including where such Existing Securities are not accepted by BPCE for exchange) or on which Exchange Instructions are validly withdrawn.

Compliance with Offer Restrictions

Holders of Existing Securities are referred to the offer restrictions set forth at the beginning of this Exchange Offering Memorandum and the deemed representations and warranties on pages 99 to 102 of this Exchange Offering Memorandum. Non-compliance with the offer restrictions by a holder could result in, among other things, an inability to validly deliver Existing Securities for exchange.

The relevant Exchange Ratio may not reflect the market value of the corresponding New Notes

Application has been made for the New Notes to be admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's Regulated Market. To the extent that the New Notes are traded, prices of the New Notes may fluctuate greatly depending on the trading volume and the balance between buy and sell orders. Holders are urged to contact their brokers to obtain the best available information as to the potential market price of the New Notes and for advice concerning the effect of the applicable Exchange Ratio.

HOLDERS ARE ADVISED TO CHECK WITH THE BANK, SECURITIES BROKER, CLEARING SYSTEMS OR OTHER INTERMEDIARY THROUGH WHICH THEY HOLD THEIR EXISTING NOTES WHETHER SUCH INTERMEDIARY APPLIES DIFFERENT DEADLINES FOR ANY OF THE EVENTS SPECIFIED IN THIS EXCHANGE OFFER MEMORANDUM, AND THEN TO ALLOW FOR SUCH DEADLINES IF SUCH DEADLINES ARE PRIOR TO THE DEADLINES SET OUT IN THIS EXCHANGE OFFER MEMORANDUM.

Risks Relating to the New Notes

Independent Review and Advice

Each prospective investor of New Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the New Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the New Notes. A prospective investor may not rely on BPCE or the Dealer Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the New Notes or as to the other matters referred to above.

The New Notes are deeply subordinated obligations.

BPCE's obligations under the New Notes are deeply subordinated obligations of BPCE, which are the most junior ranking debt instruments of BPCE, ranking *pari passu* among themselves and with all other present and future deeply subordinated obligations of BPCE, but subordinated to the present and future *prêts participatifs* granted to BPCE and present and future *titres participatifs*, ordinarily subordinated notes and unsubordinated notes

issued by BPCE. In the event of liquidation, BPCE's obligations under the New Notes shall rank in priority only to any classes of shares of BPCE and any other equity securities issued by BPCE.

In the event of judicial liquidation (*liquidation judiciaire*) of BPCE, the Noteholders may recover proportionately less than the holders of more senior indebtedness of BPCE. In the event that BPCE has insufficient assets to satisfy all of its claims in liquidation of BPCE, the holders of the New Notes may receive less than the original principal amount of the Notes and may incur a loss of their entire investment.

Eligibility as Tier 1 Capital depends upon a number of conditions being satisfied and under certain circumstances, payments of interest under the New Notes may be restricted.

The New Notes are being issued for capital adequacy regulatory purposes with the intention and purpose of being eligible as Tier 1 Capital for BPCE, subject to the limits on the portion of BPCE's Tier 1 capital that may consist of hybrid securities in accordance with Applicable Banking Regulations and the interpretations of the SGCB. Such eligibility depends upon a number of conditions being satisfied, which are reflected in the terms and conditions of the New Notes. In particular, Noteholders could suffer suspension of interest and reduction of interest and principal under certain circumstances, and interest payments may be forfeited under certain circumstances, as discussed further below.

One of the conditions to Tier 1 eligibility relates to the ability of the New Notes and the proceeds of their issue to be available to absorb any losses of BPCE. Accordingly, if BPCE's financial condition were to deteriorate so that a Supervisory Event occurred (meaning that BPCE's consolidated capital adequacy ratios fall below required minimum levels or the SGCB believes such an event is likely to occur), the Noteholders could suffer direct and materially adverse consequences, including suspension of interest and reduction of interest and principal. If BPCE were liquidated (whether voluntarily or involuntarily), Noteholders could suffer the loss of their entire investment.

In addition, for so long as the compulsory interest provisions do not apply, BPCE may elect, and in certain circumstances will be required, not to pay interest falling due on the New Notes on any Interest Payment Date. Any interest not so paid on any such Interest Payment Date will be forfeited and shall therefore no longer be due and payable by BPCE, unless otherwise provided.

Noteholders have no right to require redemption of the New Notes.

The New Notes are undated securities, with no specified maturity date. BPCE is under no obligation to redeem the New Notes at any time (except as provided in "Terms and Conditions of the New Notes – Redemption and Purchase"). The Noteholders have no right to require redemption of the New Notes, except if a judgment is issued for the insolvent judicial liquidation (*liquidation judiciaire*) of BPCE or if BPCE is liquidated for any other reason.

Fixed Rate

As each series of New Notes bears interest at a fixed rate at least until its first call date, investment in such New Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the New Notes.

Floating Rate

Unless previously redeemed, certain series of the New Notes will bear interest at a floating rate as from on or about its First call date (see "Terms and Conditions of the Series EUR-2 New Notes" and "Terms and Conditions of the Series USD-2 New Notes"). The floating rate then applicable to such New Notes will comprise (i) a reference rate and (ii) a margin to be added to such base rate. The relevant margin will not change throughout the life of the New Notes but there will be a periodic adjustment of the reference rate (every three months) which itself will change in accordance with general market conditions. Accordingly, the market value of such New Notes may be volatile if changes (particularly short term changes) to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these New Notes upon the next periodic adjustment of the relevant reference rate.

Fixed to Floating Rate

Some of the New Notes initially bear interest at a fixed rate and convert to a floating rate automatically. The conversion of the interest rate will affect the secondary market and the market value of such New Notes since the conversion may lead to a lower overall cost of borrowing. If a fixed rate is converted to a floating rate, the spread on the fixed to floating rate of these New Notes may be less favorable than then-prevailing spreads on comparable floating rate New Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other New Notes.

There are no events of default under the New Notes.

The New Notes do not provide for events of default allowing acceleration of the New Notes, except in the event of a liquidation of BPCE. Accordingly, if BPCE fails to meet any obligations under the New Notes, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to noteholders for recovery of amounts owing in respect of any payment or principal of, or interest on, the New Notes will be the institution of proceedings to enforce such payment.

The New Notes do not restrict BPCE's ability to incur additional indebtedness, to guarantee indebtedness or to pledge its assets.

There is no restriction on the amount of debt that BPCE may issue or guarantee. BPCE and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank senior in priority of payment to the New Notes. If BPCE's financial condition were to deteriorate, the holders of the Notes could suffer direct and materially adverse consequences, including suspension of interest, the reduction of the principal amount of the Notes and, if BPCE were liquidated (whether voluntarily or involuntarily), loss by holders of the Notes of their entire investment. In addition, the New Notes do not contain any "negative pledge" or similar clause, meaning that BPCE may pledge its assets to secure other obligations without granting similar security in respect of the New Notes.

There can be no assurance that Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the New Notes.

The New Notes are undated obligations in respect of which there is no fixed redemption date. Nevertheless, the New Notes may be redeemed at the option of BPCE, in whole but not in part, on the First Call Date and on any Interest Payment Date thereafter and at any time for certain tax or regulatory reasons. See "Terms and Conditions of the New Notes – Redemption and Purchase". In certain circumstances for tax reasons (see "Terms and Conditions of the New Notes – Redemption and Purchase"), BPCE will be required to redeem the New Notes in whole (but not in part). In each case, early redemption of the New Notes is subject to the prior approval of the SGCB. There can be no assurance that, at the relevant time, noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the New Notes.

Currency risk

Prospective investors of the New Notes should be aware that an investment in the New Notes may involve exchange rate risks. The New Notes may be denominated in a currency other than the currency of the purchaser's home jurisdiction. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the New Notes.

Credit ratings may not reflect all risks.

Credit ratings are expected to be assigned to the New Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the New Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency.

Market Value of the New Notes

The market value of the New Notes will be affected by the creditworthiness of BPCE and a number of additional factors, including market interest and yield rates.

The value of the New 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 New Notes are listed. The price at which a holder of New Notes will be able to sell the New Notes may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

There can be no assurance that any market will develop for the New Notes.

There is currently no existing market for the New Notes, and there can be no assurance that any market will develop for the New Notes or that Noteholders will be able to sell their New Notes in the secondary market. There is no obligation to make a market in the New Notes. While application shall be made for the New Notes to be listed on the Official List of the Luxembourg Stock Exchange, there can be no assurance that an active market will develop for the New Notes.

In addition, BPCE is a new issuer and has no other debt securities that trade in the secondary market (although it will assume the obligations of CNCE and BFBP under their outstanding debt securities). The interest rate on the New Notes was determined on the basis of discussions between BPCE and the Dealer Managers, but this determination was made in a context of greater uncertainty than a similar determination in respect of a seasoned issuer. Accordingly, the interest rates on the New Notes may not reflect the yields at which the New Notes will trade in the secondary market, if a secondary trading market develops for the New Notes.

U.S. tax treatment for certain U.S. investors will be adversely affected if proposed legislation in the U.S. Congress is enacted.

Subject to certain exceptions for short-term and hedged positions and other requirements and limitations, the U.S. dollar amount of dividends received by certain individuals subject to U.S. federal income tax will be subject to taxation at a maximum rate of 15% if the dividends are “qualified dividends” and are received before January 1, 2011. A legislative proposal introduced in the U.S. Congress would, if enacted, deny qualified dividend treatment in respect of interest payments on the New Notes after the date of enactment. It is not possible to predict with any certainty whether or in what form this proposal will be enacted into law.

Taxation

Potential purchasers and sellers of the New Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the New Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial notes such as the New Notes. The tax impact on an individual noteholder may differ from the situation described for noteholders generally. Potential investors are advised not to rely upon the tax summary contained in this Exchange Offering Memorandum but to ask for their own tax adviser’s advice on their individual taxation with respect to the acquisition, sale and redemption of the New Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Exchange Offering Memorandum.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

1. Pro forma financial information for Groupe BPCE (unaudited)

1.1 Introduction

The pro forma financial information presented hereafter has been prepared solely for purposes of illustration and is intended to present the consequences of the combination between Groupe Banque Populaire and Groupe Caisse d'Epargne. It reflects a hypothetical situation and therefore does not represent the financial situation or the performance of the new Groupe BPCE as at December 31, 2008.

The pro forma information presented has not been audited by the auditors of BPCE.

1.2 Accounting policies used for the production of the pro forma financial information (unaudited)

The pro forma financial information is based on the published consolidated financial statements of the Groupe Banque Populaire and of the Groupe Caisse d'Epargne as at December 31, 2008.

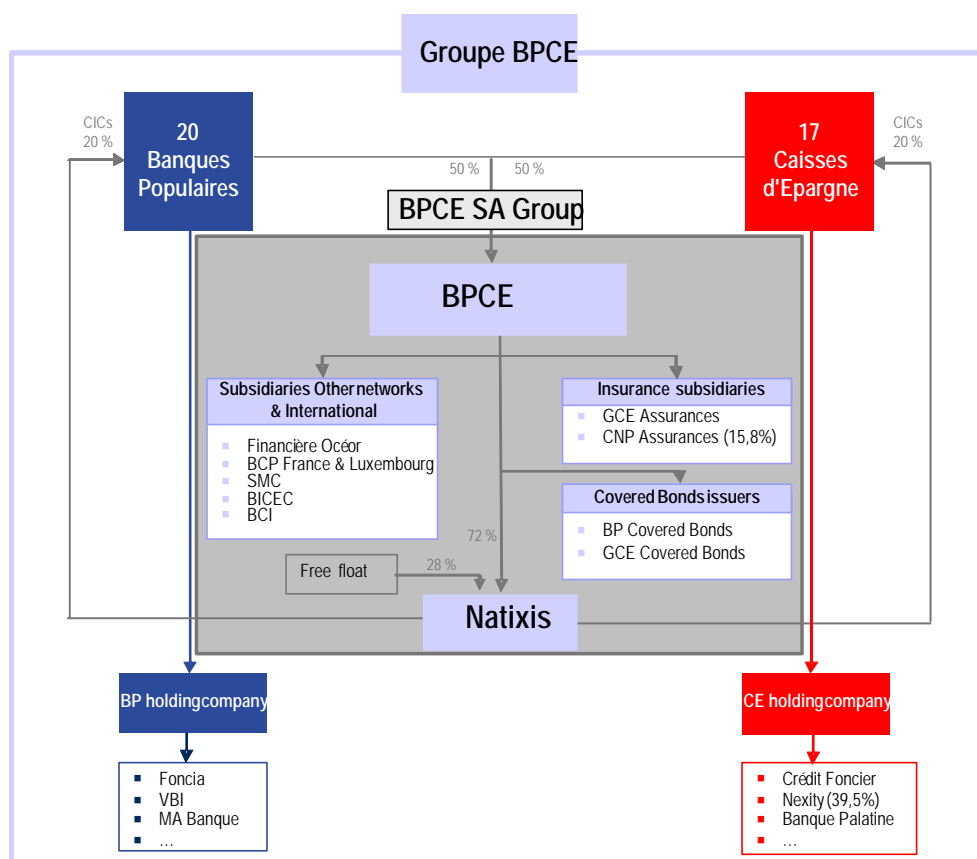
This information has been complemented to reflect the impact of the combination between the two groups² which will take place as follows:

- set up of a new central body (BPCE) common to the Groupe Banque Populaire and the Groupe Caisse d'Epargne, jointly owned by the current shareholders of BFBP and CNCE, and which will receive the assets, liabilities and the necessary means to exercise its authority as central body as well as interests in several subsidiaries (including the interests of each contributor in Natixis as well as interests in entities relating to functions performed as central body);

- BFBP and CNCE will retain certain assets, liabilities or activities that are not linked to the central body function for each network (namely and essentially the investments of BFBP and CNCE in real estate activities, several minor investments or activities that are specific to each of the two groups and that cannot be connected to the central body activity provided and, regarding CNCE, the proprietary trading activity).

² The effects of transactions that took place in 2009 but that were not directly linked to the creation of BPCE are not included in the pro forma information.

After these transactions, the Group structure will be as follows:



- Accounting principles

The accounting principles used by Groupe Banque Populaire and the Groupe Caisse d'Epargne comply with IFRS, as adopted by the European Union.

The review of the accounting policies of the two groups did not indicate any major difference in these principles, apart from the computation of impairment on a portfolio basis and of provisions on regulated home savings products. The potential adjustments resulting from the harmonization of these methods could not be estimated with precision.

- Accounting principles used for the business combination

This transaction is considered as a business combination involving mutual entities and is therefore outside the scope of IFRS 3.

Considering the economic substance of the transactions, the combination has been accounted for based on carrying values. This method presents the following advantages:

- It is consistent with the principles of equity and balance that have prevailed since the beginning of the transactions.
- The valuation of assets and liabilities of the new group is consistent and the accounting treatment does not rely on the source of the activities.

- It requires the elimination of the effects of all previous transactions between the Groupe Banque Populaire and the Groupe Caisse d'Épargne. Namely, the valuation adjustments and goodwill recognized at the creation of Natixis are adjusted.
- Changes in the scope of consolidation

Following the contribution transactions, the consolidating entity includes:

- the individual Banques Populaires, meaning 18 Banques Populaires regional banks, CASDEN Banque Populaire and Crédit Coopératif;
- the individual Caisses d'Épargne, meaning 17 Caisses d'Épargne regional banks;
- the Crédit Maritime Mutuel banks;
- the mutual guaranty companies (Sociétés de Caution Mutuelle - SCM) which are licensed jointly with the Banque Populaire banks to which they are attached;
- the new central body, BPCE.

After the contribution transactions BPCE holds the entire interest of the two groups in Natixis and has exclusive control over this entity. Therefore Natixis is fully consolidated in the pro forma financial information based on a 71.56% interest as at December 31, 2008 (previously Natixis was proportionally consolidated by both groups).

Furthermore BFBP and CNCE decided to acquire in November 2007 the entire share capital of CIFG, a financial guarantee insurance group wholly owned by Natixis. Early in 2008, any further financial support from BFBP and CNCE was ruled out and a commutation process was initiated with the creditors. Under the commutation agreement signed in early 2009, BFBP and CNCE hold approximately 10% of CIFG's shares.

These events were translated in the consolidated financial statements of Groupe Banque Populaire and Groupe Caisse d'Épargne by a proportional consolidation of CIFG as at December 31, 2007 and by its deconsolidation early in 2008. Considering the commutation agreement, no restatement was performed on the pro forma financial information with regard to the 2008 events.

- Other adjustments

Following the change in control of Natixis (from joint control to exclusive control), the accounting treatment of the share put option granted by CNCE to CNP Assurance on Natixis Global Asset Management shares was reviewed. Following IAS 32, the following adjustments were performed:

- the potential liability was recorded on the balance sheet of the new group for 653 million Euros;
- the minority interests representing the 11% investment held by CNP Assurances in Natixis Global Asset Management (257 million Euros) were cancelled;
- additional goodwill representing 371 million Euros was recognized;
- the fair value of the derivative previously recognized in the financial statements of the Groupe Caisse d'Épargne was cancelled.

The accounting classification of the deeply subordinated notes issued by the different entities of the Groupe Banque Populaire and the Groupe Caisse d'Épargne was re-examined. No adjustment was performed based on the legal terms included in the contracts.

The deferred tax position of the different consolidation levels was re-examined to include the impacts of the combination on the pro forma financial information. No adjustment was performed on the deferred tax assets and liabilities recorded in the consolidated financial statements of the Groupe Banque Populaire and of the Groupe Caisse d'Épargne.

1.3 Income statement for 2008

In millions of euros - 2008	Groupe Banque Populaire	Groupe Caisse d'Epargne	Adjustments	Pro forma Groupe BPCE
NET BANKING INCOME	7 253	8 409	840	16 502
Operating expenses	-6 285	-8 613	-1 456	-16 354
GROSS OPERATING INCOME	968	-204	-616	148
Cost of risk	-1 204	-1 441	-502	-3 147
OPERATING INCOME	-236	-1 645	-1 118	-2 999
Share in net income / (loss) of associates	128	211	-154	185
Net gain or loss on other assets	143	19	220	382
Losses resulting from the CNCE market incident of October 2008		-752	0	-752
Changes in value of goodwill	-324	-636	793	-167
Income tax	-139	800	193	854
NET INCOME	-428	-2 003	-66	-2 497
Minority interests	-40	-12	903	851
NET INCOME attributable to equity holders of the parent	-468	-2 015	837	-1 646

The main adjustments are analyzed as follows:

In millions of euros - 2008	Change in Natixis consolidation method	Cancellation of the contribution from the CClIs	Reclassification of accretion profits	Correction of goodwill impairment	Other adjustments	Adjustments
NET BANKING INCOME	834				6	840
Operating expenses	-1 439				-17	-1 456
GROSS OPERATING INCOME	-605				-11	-616
Cost of risk	-517				15	-502
OPERATING INCOME	-1 122				4	-1 118
Share in net income / (loss) of associates	138	-289			-3	-154
Net gain or loss on other assets	28		127		65	220
Losses resulting from the CNCE market incident of October 2008	0				0	0
Changes in value of goodwill	-21		-127	940	1	793
Income tax	200				-7	193
NET INCOME	-777	-289	0	940	60	-66
Minority interests	777	128			-2	903
NET INCOME attributable to equity holders of the parent	0	-161	0	940	58	837

- The heading “Change in Natixis consolidation method” reflects the recognition of the Natixis contribution for 100% on each line of the income statement. This change in the presentation does not have any impact on the Net income attributable to equity holders of the parent since 28% of Natixis’ net income is allocated to minority interests.

- The heading “Cancellation of the contribution from the Cooperative Investment Certificates (CCI)” reflects the cancellation of the contribution from the individual Banques Populaires banks and Caisses d’Epargne banks that results from the Natixis consolidation process.
- The column “Reclassification of accretion profits” tends to harmonize the classification of the profit recorded by the two groups in 2008 following the accretion in Natixis.
- The column “Correction of goodwill impairment” presents the impacts of accounting for the combination based on carrying values. The implementation of this method leads to the restatement of the transactions linked to the creation of Natixis (and notably the goodwill recognized by each of the two groups in 2006). Therefore, the goodwill impairment charges recorded in 2008 are eliminated.

1.4 Pro forma balance sheet as at December 31, 2008

In millions of euros - 12/31/2008	Groupe Banque Populaire	Groupe Caisse d'Epargne	Adjustments	Pro forma Groupe BPCE
Cash and amounts due from central banks	4 716	13 951	501	19 168
Financial assets at fair value through profit and loss	120 227	110 723	73 843	304 793
Hedging derivatives	809	7 357	-2 717	5 449
Available-for-sale financial assets	21 333	36 701	910	58 944
Loans and receivables due from credit institutions	44 075	134 382	-23 263	155 194
Loans and receivables due from customers	182 205	297 539	32 326	512 070
Remeasurement adjustment on interest-rate risk hedged portfolios	29	1 917	0	1 946
Held-to-maturity financial assets	2 248	5 178	1 741	9 167
Current tax assets	447	819	123	1 389
Deferred tax assets	1 543	3 031	626	5 200
Accrued income and other assets	15 651	26 558	8 767	50 976
Non-current assets held for sale	0	0	0	0
Investments in associates	2 188	3 293	-3 378	2 103
Investment property	579	1 807	201	2 587
Property, plant and equipment	2 059	2 916	143	5 118
Intangible assets	1 085	737	205	2 027
Goodwill	4 395	2 847	136	7 378
TOTAL	403 589	649 756	90 164	1 143 509

In millions of euros - 12/31/2008	Groupe Banque Populaire	Groupe Caisse d'Epargne	Adjustments	Pro forma Groupe BPCE
Amounts due to central banks	299	308	237	844
Financial liabilities at fair value through profit and loss	106 720	101 522	65 307	273 549
Hedging derivatives	848	7 431	-2 147	6 132
Amounts due to credit institutions	66 539	81 308	-11 597	136 250
Amounts due to customers	126 588	227 736	16 410	370 734
Debt securities	42 808	158 182	7 092	208 082
Remeasurement adjustment on interest-rate risk hedged portfolios	153	908	115	1 176
Current tax liabilities	302	89	189	580
Deferred tax liabilities	490	863	148	1 501
Accrued expenses and other liabilities	13 835	24 084	6 837	44 756
Liabilities associated with non-current assets held for sale	0	0	0	0
Technical reserves of insurance companies	15 753	12 542	9 582	37 877
Provisions	1 893	2 683	242	4 818
Subordinated debt	7 182	13 696	969	21 847
Equity attributable to equity holders of the parent	19 657	16 564	-4 526	31 695
Minority interests	522	1 840	1 306	3 668
TOTAL LIABILITIES AND EQUITY	403 589	649 756	90 164	1 143 509

The main adjustments can be analyzed as follows:

In millions of euros - 12/31/2008	Change in Natixis consolidation method	Cancellation of goodwill relating to Natixis	Cancellation of CICs valued by the equity method	Cancellation of auto-control relating to CICs	Put option on NGAM shares	Adjustments on intercompany transactions	Other adjustments	Total adjustments
Cash and amounts due from central banks	500						1	501
Financial assets at fair value through profit and loss	81 205					-7 100	-262	73 843
Hedging derivatives	143					-2 859	-1	-2 717
Available-for-sale financial assets	8 792					-7 605	-277	910
Loans and receivables due from credit institutions	18 651					-41 915	1	-23 263
Loans and receivables due from customers	32 882					-425	-131	32 326
Remeasurement adjustment on interest-rate risk hedged portfolios	0					0	0	0
Held-to-maturity financial assets	1 824					-82	-1	1 741
Current tax assets	113					0	10	123
Deferred tax assets	626					0	0	626
Accrued income and other assets	9 212					-745	300	8 767
Non-current assets held for sale	0						0	0
Investments in associates	2 651		-3 417	-2 615			3	-3 378
Investment property	289						-88	201
Property, plant and equipment	184						-41	143
Intangible assets	204						1	205
Goodwill	803	-970			435		-132	136
TOTAL ASSETS	158 079	-970	-3 417	-2 615	435	-60 731	-617	90 164

In millions of euros - 12/31/2008	Change in Natixis consolidation method	Cancellation of goodwill relating to Natixis	Cancellation of CICs valued by the equity method	Cancellation of auto-control relating to CICs	Put option on NGAM shares	Adjustments on intercompany transactions	Other adjustments	Total adjustments
Amounts due to central banks	236						1	237
Financial liabilities at fair value through profit and loss	78 328					-12 791	-230	65 307
Hedging derivatives	74					-2 289	68	-2 147
Amounts due to credit institutions	27 476					-39 117	44	-11 597
Amounts due to customers	16 719					-227	-82	16 410
Debt securities	9 843					-2 757	6	7 092
Remeasurement adjustment on interest-rate risk hedged portfolios	116						-1	115
Current tax liabilities	96		13				80	189
Deferred tax liabilities	193					0	-45	148
Accrued expenses and other liabilities	6 583				653	-657	258	6 837
Liabilities associated with non-current assets held for sale	0						0	0
Technical reserves of insurance companies	9 545						37	9 582
Provisions	358						-116	242
Subordinated debt	3 877					-2 893	-15	969
Equity attributable to equity holders of the parent		-970	-3 430		39	0	-165	-4 526
Minority interests	4 635			-2 615	-257		-457	1 306
TOTAL LIABILITIES AND EQUITY	158 079	-970	-3 417	-2 615	435	-60 731	-617	90 164

- The change in Natixis consolidation method results in the recognition of the share of the balance sheet items attributable to minority interest holders (28%).
- The goodwill previously recognized by BFBP and CNCE on the creation of Natixis and that was not impaired has been cancelled, since the combination has been accounted for based on carrying values.

Following the combination, goodwill as at December 31, 2008 breaks down as follows:

In millions of euros - 12/31/2008	Groupe Banque Populaire	Groupe Caisse d'Epargne	Change in Natixis consolidation method	Cancellation of goodwill relating to Natixis	Put option on NGAM shares	Other	TOTAL
Natixis	1 722	1 130	803	-970	435	-132	2 988
Regional banks ex-HSBC	1 547						1 547
Foncia	1 121						1 121
Nexity		1 237					1 237
Bnaque Palatine		177					177
Océor		159					159
Others	5	144					149
TOTAL	4 395	2 847	803	-970	435	-132	7 378

- The definition of the consolidating entity of Groupe BPCE has the following consequences:
 - The cooperative investment certificates (CCI) issued by the individual Caisses d'Epargne and valued by the equity method in the consolidated financial statements of the Groupe Banque Populaire (through Natixis) were cancelled;
 - The cooperative investment certificates (CCI) issued by the individual Banques Populaires and valued by the equity method in the consolidated financial statements of the Groupe Caisse d'Epargne (through Natixis) were cancelled.

- The change in the Natixis consolidation method was mechanically translated by the recognition of an additional share of 28% representing the minority interests in the equity value of the cooperative investment certificates issued by the individual Banques Populaires and Caisses d'Épargne. Because of the definition of the consolidating entity, this share, which represents own shares held by the group is eliminated against minority interests.
- The column "Put option on NGAM shares" follows the re-examination of the accounting treatment applied to the put option granted by CNCE on the 11% interest held by CNP Assurance in NGAM (refer to 1.2).
- Following the change in the Natixis consolidation method, the intercompany transactions that were previously eliminated on a 36% proportional basis in the consolidated financial statements of each of the Groupe Banque Populaire and the Groupe Caisse d'Épargne are now fully eliminated. This change leads to a 60 billion Euros reduction of the total balance sheet.

1.5 Statutory Auditors' report on the pro forma financial information

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Groupe BPCE Statutory Auditors' report on the pro forma financial information

2 July 2009

In our capacity as Statutory Auditors, we have prepared this report on the pro forma financial information of Groupe BPCE as of and for the year ended 31 December 2008, included in this part of the Exchange Offering Memorandum dated 3 July 2009 relating to the admission of the notes issued by BPCE S.A. on the regulated market of the Luxembourg Stock Exchange in connection with the exchange offer.

This pro forma financial information has been prepared, for illustrative purposes only, to provide information about how the combination transactions between Groupe Banque Populaire and Groupe Caisse d'Épargne might have affected the consolidated balance sheet and consolidated income statement of Groupe BPCE as at December 31, 2008 had the combination taken effect on December 31, 2008 (and pro forma income statement information is provided for the financial year then ended). Because of its nature, it addresses a hypothetical situation and does not necessarily represent the financial position or performance of Groupe BPCE.

This pro forma financial information was prepared under your responsibility in conformity with Commission Regulation (EC) n°809/2004 and the CESR's recommendations on pro forma financial information.

Our role is to express, in conformity with Annex II, item 7 of Commission Regulation (EC) n°809/2004, our conclusions on the appropriateness of the preparation of this pro forma financial information.

We have carried our work in accordance with French professional standards. Our work, which does not include an independent examination of the financial information underlying the pro forma financial information, consisted mainly of comparing the historical financial information with the source documents as described in Note 1.2 on page 33 of this section of the Exchange Offering Memorandum, considering evidence supporting the pro forma adjustments and discussing the pro forma financial information with the Management of Groupe Banque Populaire and of Groupe Caisse d'Épargne in order to collect information and explanations we deemed necessary.

In our opinion:

- The pro forma financial information has been properly compiled on the basis stated in Note 1.2 of this section of the Exchange Offering Memorandum,
- This basis was established in conformity with the consolidated financial statements of Groupe Banque Populaire and Groupe Caisse d'Epargne, prepared in accordance with IFRS as adopted by the European Union.

We draw your attention to the paragraph "Accounting policies used for the production of the pro forma financial information" of Note 1.2 of the Exchange Offering Memorandum, which specifies that the comparison of the accounting policies applied by the two groups did not lead to the identification of significant differences in the implementation of IFRS, except for the methods used for the calculation of the impairment on a portfolio basis and the provisions on home purchase saving accounts and plans ("Epargne Logement") and which points out that the adjustments that could result from the harmonization of these calculation methods have not yet been quantified.

This report has been prepared solely for use in connection with the admission of the notes issued by BPCE S.A. on the regulated market of the Luxembourg Stock Exchange in connection with the exchange offer and may not be used for any other purpose.

Such report should not be relied upon by 144A investors for purposes of making an investment decision. Additionally, our work has not been carried out in accordance with auditing standards in the United States of America and should not be relied upon as if it had been carried out in accordance with these standards.

Paris La Défense, July 2, 2009
KPMG Audit
Département de KPMG S.A.

Neuilly-sur-Seine, July 2, 2009

Paris La Défense, July 2, 2009

Fabrice Odent

PricewaterhouseCoopers Audit

Mazars

Marie-Christine Jolys

Agnès Hussherr
Anik Chaumartin

Michel Barbet-Massin
Charles de Boisriou

2. Pro forma financial information for the BPCE SA Group (unaudited)

2.1 Introduction

The pro forma financial information presented hereafter has been prepared solely for purposes of illustration and is intended to present the consequences of the combination between Groupe Banque Populaire and Groupe Caisse d'Epargne. It reflects a hypothetical situation and therefore does not represent the financial situation or the performance of the new BPCE SA Group as at December 31, 2008.

The pro forma information presented has not been audited by the auditors of the BPCE.

2.2 Accounting policies used for the production of the pro forma financial information (unaudited)

The pro forma financial information is based on the published consolidated financial statements of the Groupe Banque Populaire and of the Groupe Caisse d'Epargne as at December 31, 2008.

The pro forma financial information is therefore constructed based on:

- the contribution agreements signed between BFBP and BPCE on one hand and between CNCE and BPCE on the other hand,
- the memorandum of understanding signed on June 24, 2009 between the French Government, BFBP and CNCE

- and by including the sale of CNCE's investment in CNP Assurance to BPCE scheduled for August 3, 2009.³

The creation of BPCE reflects the following principles:

- set up of a new central body (BPCE) common to the Groupe Banque Populaire and the Groupe Caisse d'Epargne, jointly owned by the current shareholders of BFBP and CNCE, and which will receive the assets, liabilities and the necessary means to exercise its authority as central body as well as interests in several subsidiaries (including the joint interest of each contributor in Natixis as well as interests in entities relating to functions performed as central body)

- BFBP and CNCE will retain certain assets, liabilities or activities that are not linked to the central body function for each network (namely and essentially the investments of BFBP and CNCE in real estate activities, several minor investments or activities that are specific to each of the two groups and that cannot be connected to the central body activity and, regarding CNCE, the proprietary trading activity).

- Accounting principles

The accounting principles used by Groupe Banque Populaire and the Groupe Caisse d'Epargne comply with IFRS, as adopted by the European Union.

The review of the accounting policies of the two groups did not indicate any major difference in these principles, apart from the computation of impairment on a portfolio basis and of provisions on regulated home savings products. The potential adjustments resulting from the harmonization of these methods could not be estimated with precision.

- Accounting principles used for the business combination

This transaction is considered as a business combination involving mutual entities and is therefore outside the scope of IFRS 3.

Considering the economic substance of the transaction, the combination has been accounted for based on carrying values. This method presents the following advantages:

- It is consistent with the principles of equity and balance that have prevailed since the beginning of the transactions.
- The valuation of assets and liabilities of the new group is consistent and the accounting treatment does not rely on the source of the activities.
- It requires the elimination of the effects of all previous transactions between the Groupe Banque Populaire and the Groupe Caisse d'Epargne. Namely, the valuation adjustments and goodwill recognized at the creation of Natixis are adjusted.

- Scope of consolidation

After the contribution transactions BPCE holds the whole interest of the two groups in Natixis and has exclusive control over this entity. Therefore Natixis is fully consolidated in the pro forma financial information based on a 71.56% interest as at December 31, 2008 (previously Natixis was proportionally consolidated by both groups).

³ The effects of transactions that took place in 2009 but that were not directly linked to the creation of BPCE are not included in the pro forma information.

Following the combination, and after the purchase by BPCE of CNCE's investment in CNP Assurance, BPCE will hold the following investments in its main subsidiaries (excluding Natixis):

Entity	Consolidation method	Interest held as at December 31, 2008
Société Marseillaise de Crédit	Full consolidation	100%
Groupe Océor	Full consolidation	100%
GCE Assurances	Full consolidation	46%
Groupe CNP Assurances	Equity Method	15,76%

Furthermore BFBP and CNCE decided to acquire in November 2007 the entire share capital of CIFG, a financial guarantee insurance group wholly owned by Natixis. Early in 2008, any further financial support from BFBP and CNCE was ruled out and a commutation process was initiated with the creditors. Under the commutation agreement signed in early 2009 BFBP and CNCE hold approximately 10% of CIFG's shares.

These events were translated in the consolidated financial statements of Groupe Banque Populaire and Groupe Caisse d'Épargne by a proportional consolidation of CIFG as at December 31, 2007 and by its deconsolidation early 2008. Considering the commutation agreement, no restatement was performed on the pro forma financial information with regard to the 2008 events.

- Other adjustments

The accounting classification of the deeply subordinated notes issued by the different entities of the Groupe Banque Populaire and the Groupe Caisse d'Épargne was re-examined. No adjustment was performed based on the legal terms included in the contracts.

The deferred tax position of BPCE as at December 31, 2008 was reviewed in the light of the provisions of the Memorandum of Understanding signed on June 24, 2009. Considering the components of net income, it was agreed that the income tax expense would be brought down to zero at the income statement level.

2.3 Income statement for 2008

In millions of euros - 2008	Contribution BFBP (excluding Natixis)	Contribution CNCE (excluding Natixis)	Groupe Natixis	Adjustments	Pro forma BPCE SA Group
NET BANKING INCOME	443	634	2 934	42	4 053
Operating expenses	-265	-556	-5 060	-0	-5 881
GROSS OPERATING INCOME	178	78	-2 126	42	-1 828
Cost of risk	-23	-44	-1 817	-42	-1 926
OPERATING INCOME	155	34	-3 943	-0	-3 754
Share in net income / (loss) of associates	0	123	484	-220	387
Net gain or loss on other assets	-3	26	100	222	345
Changes in value of goodwill	0	-17	-73	-0	-90
Income tax	-67	-31	705	0	607
NET INCOME	85	135	-2 727	2	-2 505
Minority interests	-8	-9	-73	859	769
NET INCOME attributable to equity holders of the parent	77	126	-2 800	861	-1 736

The main adjustments are analyzed as follows:

In millions of euros - 2008	Dividends received from central bodies	Natixis equity attributable to minority interests	Accretion profit	Other	Adjustments
NET BANKING INCOME				42	42
Operating expenses				-0	-0
GROSS OPERATING INCOME	0	0	0	42	42
Cost of risk				-42	-42
OPERATING INCOME	0	0	0	-0	-0
Share in net income / (loss) of associates	-222			2	-220
Net gain or loss on other assets			222	-0	222
Changes in value of goodwill				-0	-0
Income tax				-0	-0
NET INCOME	-222	0	222	1	1
Minority interests		859		-0	859
NET INCOME attributable to equity holders of the parent	-222	859	222	1	860

- The dividends received by the individual Banques Populaires and Caisses d'Epargne from their central bodies have been fully eliminated from the income statement.
- Considering the percentage held in Natixis, the contribution (after elimination of the dividends received by the individual Banques Populaires and Caisses d'Epargne from their central bodies) led to the recognition of the share of net income attributable to minority interests for a total amount of 859 million Euros.
- In 2008, the increase in the interest held in Natixis generated 222 million Euros of accretion profit.

2.4 Pro forma balance sheet as at December 31, 2008

In millions of euros - 12/31/2008	Contribution ex-BFBP	Contributions ex-CNCE	Natixis	Adjustments	PRO FORMA BPCE SA Group
Cash and amounts due from central banks	144	11 956	1 759	-0	13 859
Financial assets at fair value through profit and loss	17 854	1 280	285 493	-6 005	298 622
Hedging derivatives	30	2 608	502	-2 361	779
Available-for-sale financial assets	6 107	44 127	30 911	-43 406	37 739
Loans and receivables due from credit institutions	47 209	131 884	65 573	-90 623	154 042
Loans and receivables due from customers	2 800	8 817	115 953	-84	127 487
Remeasurement adjustment on interest-rate risk hedged portfolios	0	0	0	0	0
Held-to-maturity financial assets	0	0	6 411	0	6 411
Current tax assets	27	13	368	0	408
Deferred tax assets	166	210	2 200	0	2 576
Accrued income and other assets	281	4 059	32 068	-4 857	31 551
Non-current assets held for sale	0	0	0	0	0
Investments in associates	20	1 484	9 320	-982	9 842
Investment property	6	34	1 016	-0	1 056
Property, plant and equipment	140	150	645	0	935
Intangible assets	10	75	719	0	804
Goodwill	797	166	2 823	-0	3 786
TOTAL ASSETS	75 591	206 863	555 761	-148 318	689 897

In millions of euros - 12/31/2008	Contribution ex-BFBP	Contributions ex-CNCE	Natixis	Adjustments	PRO FORMA BPCE SA Group
Amounts due to central banks	0	0	831	-0	831
Financial liabilities at fair value through profit and loss	9 405	4 541	275 382	-14 170	275 158
Hedging derivatives	11	1 365	259	-840	795
Amounts due to credit institutions	28 731	100 434	96 600	-87 220	138 545
Amounts due to customers	4 097	5 398	59 108	-254	68 349
Debt securities	13 863	68 858	34 606	-20 752	96 576
Remeasurement adjustment on interest-rate risk hedged portfolios	0	291	407	1	698
Current tax liabilities	20	15	117	0	152
Deferred tax liabilities	0	28	678	0	706
Accrued expenses and other liabilities	9 309	4 487	22 815	-4 944	31 667
Liabilities associated with non-current assets held for sale	0	0	0	0	0
Technical reserves of insurance companies	0	512	33 558	0	34 070
Provisions	116	79	1 481	0	1 676
Subordinated debt	2 551	9 960	13 631	-4 392	21 750
Equity attributable to equity holders of the parent	7 462	10 705	15 552	-19 891	13 828
Minority interests	26	190	736	4 144	5 096
TOTAL LIABILITIES AND EQUITY	75 591	206 863	555 761	-148 318	689 897

The main adjustments can be analyzed as follows:

In millions of euros - 12/31/2008	Cancellation of Natixis shares	Adjustment on equity value of CCI's	Natixis equity attributable to minority interests	Adjustments on intercompany transactions	Adjustments
Cash and amounts due from central banks					-0
Financial assets at fair value through profit and loss				-6 005	-6 005
Hedging derivatives				-2 361	-2 361
Available-for-sale financial assets	-14 765			-28 641	-43 406
Loans and receivables due from credit institutions				-90 624	-90 623
Loans and receivables due from customers				-84	-84
Remeasurement adjustment on interest-rate risk hedged portfolios					
Held-to-maturity financial assets					
Current tax assets					
Deferred tax assets					
Accrued income and other assets				-4 857	-4 857
Non-current assets held for sale					
Investments in associates		-982			-982
Investment property					-0
Property, plant and equipment					
Intangible assets					0
Goodwill					-0
TOTAL ASSETS	-14 765	-982		-132 572	-148 318

In millions of euros - 12/31/2008	Cancellation of Natixis shares	Adjustment on equity value of CCI's	Natixis equity attributable to minority interests	Adjustments on intercompany transactions	Adjustments
Amounts due to central banks					-0
Financial liabilities at fair value through profit and loss				-14 170	-14 170
Hedging derivatives				-840	-840
Amounts due to credit institutions				-87 220	-87 220
Amounts due to customers				-254	-254
Debt securities				-20 752	-20 752
Remeasurement adjustment on interest-rate risk hedged portfolios				1	1
Current tax liabilities					
Deferred tax liabilities					
Accrued expenses and other liabilities				-4 944	-4 944
Liabilities associated with non-current assets held for sale					
Technical reserves of insurance companies					
Provisions					
Subordinated debt				-4 392	-4 392
Equity attributable to equity holders of the parent	-14 765	-982	-4 144		-19 891
Minority interests			4 144		4 144
TOTAL LIABILITIES AND EQUITY	-14 765	-982		-132 572	-148 318

Apart from accounting for the contributions and the consolidation of Natixis, the following adjustments were performed to produce the pro forma financial information:

- The Natixis shares held by BPCE were cancelled against equity;
- The equity value of the individual Banques Populaires and Caisses d'Epargne recorded in the Natixis consolidated financial statements was adjusted to eliminate:
 - the revaluation of the shares held by the Banques Populaires and the Caisses d'Epargne in their former central body,
 - the valuation adjustments and goodwill recognized by Natixis when it first consolidated the cooperative investment certificates issued by the Caisses d'Epargne and previously consolidated by CNCE.
- Recognition of the share in Natixis equity that is attributable to minority interests;
- Elimination of the intercompany transactions between entities of the Group.

2.5 Statutory Auditors' report on the pro forma financial information

KPMG Audit
1, cours Valmy
92923 Paris La Défense Cedex
France

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

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

BPCE SA Group Statutory Auditors' report on the pro forma financial information

2 July 2009

In our capacity as Statutory Auditors, we have prepared this report on the pro forma financial information of BPCE SA Group as of and for the year ended 31 December 2008, included in this part of the Exchange Offering Memorandum dated 3 July 2009 relating to the admission of the notes issued by BPCE S.A. on the regulated market of the Luxembourg Stock Exchange in connection with the exchange offer.

This pro forma financial information has been prepared, for illustrative purposes only, to provide information about how the combination transactions between Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne might have affected the consolidated balance sheet and consolidated income statement of BPCE SA Group as at December 31, 2008 had the combination taken effect on December 31, 2008 (and pro forma income statement information is provided for the financial year then ended). Because of its nature, it addresses a hypothetical situation and does not necessarily represent the financial position or performance of BPCE SA Group.

This pro forma financial information was prepared under your responsibility in conformity with Commission Regulation (EC) n°809/2004 and the CESR's recommendations on pro forma financial information.

Our role is to express, in conformity with Annex II, item 7 of Commission Regulation (EC) n°809/2004, our conclusions on the appropriateness of the preparation of this pro forma financial information.

We have carried our work in accordance with French professional standards. Our work, which does not include an independent examination of the financial information underlying the pro forma financial information, consisted mainly of comparing the historical financial information with the source documents as described in Note 2.2 on page 42 of of this section of the Exchange Offering Memorandum, considering evidence supporting the pro forma adjustments and discussing the pro forma financial information with the Management of Banque Fédérale des

Banques Populaires and of Caisse Nationale des Caisses d'Epargne in order to collect information and explanations we deemed necessary.

In our opinion:

- The pro forma financial information has been properly compiled on the basis stated in Note 2.2 of this section of the Exchange Offering Memorandum,
- This basis was established in conformity with the consolidated financial statements of Groupe Banque Populaire and Groupe Caisse d'Epargne, prepared in accordance with IFRS as adopted by the European Union.

We draw your attention to the paragraph "Accounting policies used for the production of the pro forma financial information" of Note 2.2 of the Exchange Offering Memorandum, which specifies that the comparison of the accounting policies applied by the two groups did not lead to the identification of significant differences in the implementation of IFRS, except for the methods used for the calculation of the impairment on a portfolio basis and the provisions on home purchase saving accounts and plans ("Epargne Logement") and which points out that the adjustments that could result from the harmonization of these calculation methods have not yet been quantified.

This report has been prepared solely for use in connection with the admission of the notes issued by BPCE S.A. on the regulated market of the Luxembourg Stock Exchange in connection with the exchange offer and may not be used for any other purpose.

Such report should not be relied upon by 144A investors for purposes of making an investment decision. Additionally, our work has not been carried out in accordance with auditing standards in the United States of America and should not be relied upon as if it had been carried out in accordance with these standards.

Paris La Défense, July 2, 2009
KPMG Audit
Département de KPMG S.A.

Fabrice Odent

Marie-Christine Jolys

Neuilly-sur-Seine, July 2, 2009

PricewaterhouseCoopers Audit

Agnès Husserr
Anik Chaumartin

Paris La Défense, July 2, 2009

Mazars

Michel Barbet-Massin
Charles de Boisriou

SELECTED HISTORICAL FINANCIAL INFORMATION

The following tables sets forth selected historical consolidated financial information for the Groupe Caisse d'Epargne, the CNCE Group, the Groupe Banque Populaire, the BFBP Group and Natixis, in each case presented in euros. The data as of December 31, 2008, 2007 and 2006 and for each of the three years in the period ended December 31, 2008, 2007 and 2006 have been derived from the audited consolidated financial statements prepared in accordance with IFRS as adopted by the European Union included in the 2008 GCE Annual Report, the 2008 GBP Annual Report or the 2008 Natixis Annual Report, as the case may be. The unaudited data as of March 31, 2009 and for the three-month period ended March 31, 2009 and 2008 for Natixis have been derived from the unaudited consolidated financial information published by Natixis in the Natixis First Update. The Groupe Caisse d'Epargne, the CNCE Group, the Groupe Banque Populaire and the BFBP Group do not publish quarterly financial information.

Management's discussion and analysis of the annual results of operations and financial condition of each of the Groupe Caisse d'Epargne, the CNCE Group, the Groupe Banque Populaire, the BFBP Group and Natixis, appear in the management reports that are included in the 2008 GCE Annual Report, the 2008 GBP Annual Report or the 2008 Natixis Annual Report, as the case may be. Management's discussion and analysis of the first quarter 2009 results of operations and financial condition of Natixis appear in the Natixis First Update. See "Incorporation by Reference."

Groupe Caisse d'Epargne

Selected Balance Sheet Data for the Groupe Caisse d'Epargne

	As of December 31,		
	2008	2007	2006
	(in millions of euros)		
Interbank assets	134,382	140,254	147,073
Customer loans	297,539	268,511	230,184
Financial assets at fair value through profit or loss	110,723	83,124	69,831
Available-for-sale financial assets	36,701	54,983	51,115
Held-to-maturity financial assets	5,178	4,599	4,846
Hedging derivatives	7,357	2,841	3,291
Other assets	57,876	47,141	33,371
Total Assets	649,756	601,453	539,711
Financial liabilities at fair value through profit or loss	101,522	63,773	53,122
Interbank liabilities	81,308	78,981	71,908
Customer deposits and other customer liabilities	227,736	216,570	206,241
Debt securities	158,182	163,466	134,396
Technical reserves of insurance companies	12,542	12,735	11,291
Provisions	2,683	2,440	2,870
Hedging derivatives	7,431	4,397	2,867
Other liabilities	26,252	25,103	26,312
Subordinated debt	13,696	11,568	10,245
Minority interests	1,840	1,847	427
Shareholders' equity (Group share)	16,564	20,573	20,032
Total Liabilities and Shareholders' Equity	649,756	601,453	539,711

Selected Income Statement Data for the Groupe Caisse d'Epargne

	For the Year Ended		
	2008	December 31, 2007	2006
	(in millions of Euros)		
Net banking income	8,409	9,768	11,320
Operating Expenses.....	-8,118	-7,800	-8,058
Amortization, depreciation and impairment ..	-495	-447	-420
Gross operating income	-204	1,521	2,842
Cost of risk	-1,441	-259	-23
Operating income	-1,645	1,262	2,819
Share of income from associates	211	303	407
Losses resulting from the CNCE market incident of October 2008 ⁽¹⁾	-752	0	0
Gains (losses) on other assets	19	225	2,009
Change in value of goodwill	-636	-40	-3
Income before tax	-2,803	1,750	5,232
Income tax	800	-290	-1,281
Net income	-2,003	1,460	3,951
Net income attributable to minority interests	12	93	119
Net income, group share	-2,015	1,367	3,832

(1) Represents losses from trading activities in complex equity derivatives, identified by CNCE in the course of its compliance monitoring in October 2008, and unwound during a period of extreme market volatility.

CNCE Group

Selected Balance Sheet Data for the CNCE Group

	As of December 31,		
	2008	2007	2006
	(in millions of euros)		
Interbank assets	120,104	131,808	132,120
Customer loans	166,588	144,926	114,398
Financial assets at fair value through profit or loss	105,910	77,335	64,374
Available-for-sale financial assets	23,608	34,053	29,890
Held-to-maturity financial assets	3,081	2,476	2,713
Hedging derivatives	7,018	2,607	3,105
Other assets	49,750	40,310	25,927
Total Assets	476,059	433,515	372,527
Financial liabilities at fair value through profit or loss	105,386	67,498	52,963
Interbank liabilities	113,579	106,920	101,232
Customer deposits and other customer liabilities	31,302	32,660	27,441
Debt securities	158,214	163,122	133,626
Technical reserves of insurance companies	12,518	12,700	11,217
Provisions	1,219	908	716
Hedging derivatives	6,812	4,215	2,749
Other liabilities	20,806	20,827	20,847
Subordinated debt	14,442	12,318	10,789
Minority interests	1,827	1,828	364
Shareholders' equity (Group share)	9,954	10,519	10,583
Total Liabilities and Shareholders' Equity	476,059	433,515	372,527

Selected Income Statement Data for the CNCE Group

	For the Year Ended December 31,		
	2008	2007	2006
	(in millions of Euros)		
Net banking income	3,474	3,974	5,385
Operating Expenses.....	-3,870	-3,688	-4,044
Amortization, depreciation and impairment...	-217	-191	-187
Gross operating income	-613	95	1,154
Cost of risk.....	-1,046	-142	88
Operating income	-1,659	-47	1,242
Share of income from associates	254	391	692
Gains (losses) on other assets	20	258	2,406
Losses resulting from the CNCE market incident of October 2008 ⁽¹⁾	-752	0	0
Change in value of goodwill	-636	-40	-43
Income before tax	-2,773	562	4,297
Income tax	792	130	-878
Net income	-1,981	692	3,419
Net income attributable to minority interests	12	92	120
Net income, group share	-1,993	600	3,299

(1) Represents losses from trading activities in complex equity derivatives, identified by CNCE in the course of its compliance monitoring in October 2008, and unwound during a period of extreme market volatility.

Groupe Banque Populaire

Selected Balance Sheet Data for the Groupe Banque Populaire

	As of December 31,		
	2008	2007	2006
	(in millions of euros)		
Interbank assets	44,075	48,664	48,491
Customer loans	182,205	162,966	141,904
Financial assets at fair value through profit or loss	120,227	80,260	69,601
Available-for-sale financial assets	21,333	25,315	21,590
Held-to-maturity financial assets	2,248	2,197	2,370
Hedging derivatives	809	551	400
Other assets	32,692	28,962	20,951
Total Assets	403,589	348,915	305,307
Financial liabilities at fair value through profit or loss	106,720	60,031	49,812
Interbank liabilities	66,539	70,536	65,760
Customer deposits and other customer liabilities	126,588	115,175	102,827
Debt securities	42,808	40,887	33,148
Technical reserves of insurance companies	15,753	15,848	14,408
Provisions for risks and charges	1,893	1,541	1,586
Hedging derivatives	848	1,549	289
Other liabilities	15,079	16,144	11,766
Subordinated debt	7,182	6,333	5,634
Minority interests	522	497	467
Shareholders' equity (Group share)	19,657	20,374	19,610
Total Liabilities and Shareholders' Equity	403,589	348,915	305,307

Selected Income Statement Data for the Groupe Banque Populaire

	For the Year Ended December 31,		
	2008	2007	2006
	(in millions of Euros)		
Net banking income	7,253	7,445	9,040
Operating Expenses	-5,883	-5,580	-5,673
Amortization, depreciation and impairment	-402	-327	-335
Gross operating income	968	1,537	3,032
Cost of risk	-1,204	-486	-370
Net operating income	-236	1,052	2,662
Share of income from associates	127	154	37
Gains (losses) on other assets	143	250	1,688
Change in value of goodwill	-324	-	-
Earnings before tax	-290	1,456	4,387
Income tax	-138	-337	-858
Net income before minority interests	-429	1,119	3,529
Net income attributable to minority interests	-40	-64	-197
Net income, group share	-468	1,055	3,332

BFBP Group

Selected Balance Sheet Data for the BFBP Group

	As of December 31,		
	2008	2007	2006
	(in millions of euros)		
Interbank assets	60,660	52,917	51,118
Customer loans	44,932	40,373	32,959
Financial assets at fair value through profit or loss	118,486	72,562	61,018
Available-for-sale financial assets	12,683	14,118	13,297
Held-to-maturity financial assets	2,249	2,198	2,371
Hedging derivatives	266	293	283
Other assets	23,930	21,496	13,560
Total Assets	263,206	203,957	174,606
Financial liabilities at fair value through profit or loss	106,632	57,478	46,027
Interbank liabilities	56,098	61,068	59,098
Customer deposits and other customer liabilities	25,382	22,056	17,650
Debt securities	26,251	22,936	19,428
Technical reserves of insurance companies	12,007	11,905	10,690
Provisions for risks and charges	608	264	219
Hedging derivatives	98	1,251	143
Other liabilities	19,422	11,237	7,059
Subordinated debt	6,806	6,185	5,623
Minority interests	330	335	322
Shareholders' equity (Group share)	9,572	9,242	8,347
Total Liabilities and Shareholders' Equity	263,206	203,957	174,606

Selected Income Statement Data for the BFBP Group

	For the Year Ended December 31,		
	2008	2007	2006
	(in millions of Euros)		
Net banking income	2,013	2,075	3,755
Operating Expenses	-2,484	-2,299	-2,495
Amortization, depreciation and impairment ..	-141	-81	-101
Gross operating income	-612	-305	1,159
Cost of risk	-675	-98	-81
Net operating income	-1,287	-403	1,078
Share of income from associates	168	225	37
Gains (losses) on other assets	146	195	1,538
Change in value of goodwill	-324	-	-
Earnings before tax	-1,297	17	2,653
Income tax	193	174	-312
Net income before minority interests	-1,104	191	2,340
Net income attributable to minority interests	-36	-50	-186
Net income, group share	-1,140	141	2,155

Natixis

Selected Balance Sheet Data for Natixis

	As of March 31,	As of December 31,		
	2009	2008	2007	2006
	(in millions of euros)			
	(unaudited)			
Interbank assets	66,714	65,573	112,394	114,879
Customer loans	116,271	115,604	112,505	93,369
Financial assets at fair value through profit or loss.....	280,045	285,493	202,928	176,903
Available-for-sale financial assets	28,900	30,911	34,761	31,143
Held-to-maturity financial assets	6,397	6,411	6,501	7,037
Other assets.....	59,718	51,768	50,916	35,302
Total Assets	558,045	555,760	520,005	458,633
Financial liabilities at fair value through profit or loss	276,601	275,380	165,030	133,392
Interbank liabilities	98,775	96,600	138,234	141,914
Customer deposits and other customer liabilities.....	59,025	58,780	61,701	49,690
Debt securities	30,921	34,606	65,530	54,253
Technical reserves of insurance companies.....	33,788	33,558	33,908	31,058
Provisions for risks and charges	1,423	1,260	520	479
Other liabilities	29,519	25,657	26,775	20,834
Subordinated debt.....	13,719	13,631	10,678	8,770
Minority interests.....	736	736	744	766
Shareholders' equity (Group share).....	13,538	15,552	16,885	17,477
Total Liabilities and Shareholders' Equity	558,045	555,760	520,005	458,633

Selected Income Statement Data for Natixis

	For the Three-Month		For the Year Ended		
	2009	2008	2008	2007	2006
	(in millions of Euros)				
	(unaudited)				
Net banking income	106	1,366	2,934	6,043	4,238
Operating Expenses	-1,209	-1,268	-4,852	-5,157	-2,773
Amortization, depreciation and impairment...	-54	-44	-208	-164	-97
Gross operating income.....	-1,158	54	-2,126	721	1,368
Cost of risk	-929	-93	-1,817	-244	-74
Net operating income.....	-2,086	-39	-3,943	477	1,294
Share of income from associates.....	113	107	484	672	64
Gains (losses) on other assets	36	8	100	538	11
Change in value of goodwill.....	0	0	-73	-1	-1
Earnings before tax.....	-1,937	76	-3,432	1,686	1,368
Income tax	100	13	705	-97	-369
Net income/(loss) after tax from discontinued operations or operations in the process of disposal	0	0	0	-369	0
Net income before minority interests	-1,837	88	-2,727	1,221	999
Net income attributable to minority interests.....	2	20	72	119	56
Net income, group share.....	-1,839	69	-2,799	1,101	943

THE COMBINATION TRANSACTIONS

The Combination Transactions are expected to create a robust new banking group with the critical size that will allow it to be a leader in the banking and financial services market in France and, in the medium-term, Europe. The new group expects to benefit from cost and revenue synergies and efficiencies, while maintaining the commercial advantages of having two autonomous but complementary retail networks with strong brand recognition.

The Groupe Caisse d’Epargne and the Groupe Banque Populaire before the Combination Transactions

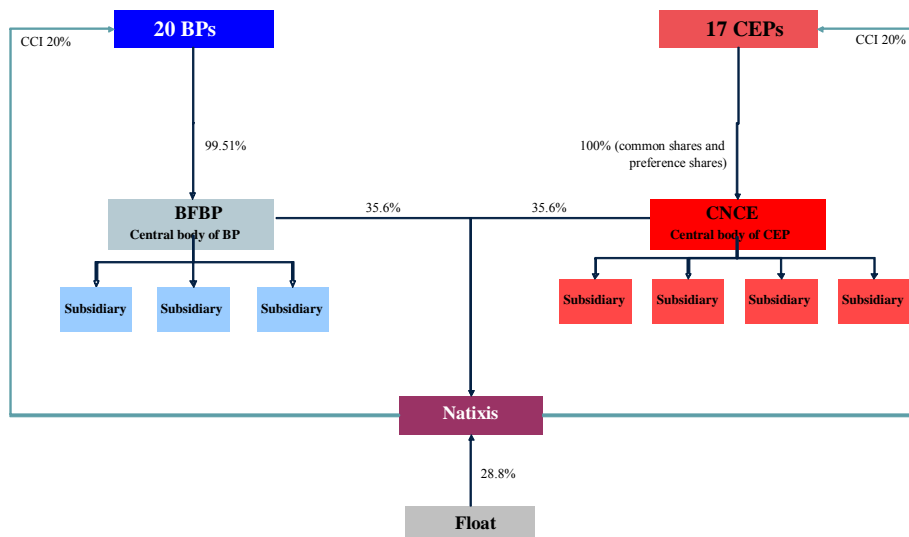
The Groupe Caisse d’Epargne and the Groupe Banque Populaire are mutual banking organizations that occupy leading positions in the French banking sector. As a mutual banking organization, each group includes:

- A major retail banking network that includes a group of mutual banks (the 17 Caisses d’Epargne and the 20 Banques Populaires) that are owned directly or indirectly by cooperative shareholders (*sociétaires*) (each group has slightly under or slightly over 3.5 million cooperative shareholders), as well as by Natixis through the non-voting cooperative investment certificates, which represent 20% of their share capital;
- A central body that coordinates and supervises the activities of its group and ensures the liquidity and solvency of its group (BFBP and CNCE), the capital of which is held by the retail banks;
- A number of entities that provide products that are distributed either directly or through the retail banking networks; and
- A system of mutual financial support.

The Groupe Caisse d’Epargne also includes a body known as the Fédération Nationale des Caisses d’Epargne, which is an institution for coordination and concertation among the Caisses d’Epargne, as well as relations with the cooperative shareholders. The Groupe Caisse d’Epargne also includes 383 local savings societies, which own the 17 Caisses d’Epargne and are in turn owned by the group’s cooperative shareholders.

The following diagram illustrates the structure of the two groups prior to the completion of the Combination Transactions.

**Structure of the Groupe Caisse d’Epargne and Groupe Banque Populaire
Before the Combination Transactions**



The Structure of the Combination Transactions

In the Combination Transactions, CNCE and BFBP will contribute certain assets and liabilities to BPCE. Prior to the Combination Transactions, BPCE is not expected to have any significant activities, assets or liabilities.

The contributions will be made principally pursuant to two contribution agreements, dated June 24, 2009, one between CNCE and BPCE and the other between BFBP and BPCE (the “**Contribution Agreements**”). The Contribution Agreements will require CNCE, BFBP and BPCE to call general shareholders meetings to approve the Combination Transactions. The shareholders meetings are currently expected to take place on July 31, 2009. If the contributions are approved, they will become effective immediately upon such approval. In addition, BPCE will purchase certain additional assets from CNCE, simultaneously with the closing of the contributions.

Simultaneously with the contributions, each of CNCE and BFBP will subscribe to a capital increase of BPCE, in an aggregate amount of €154.2 million (including issue premium).

Each of CNCE and BFBP will retain certain assets, as described further below. Following the contributions, the names of CNCE and BFBP will be changed (to as “Caisses d’Epargne Participations” and “Banques Populaires Participations,” respectively), and their activities will be limited to holding their remaining assets.

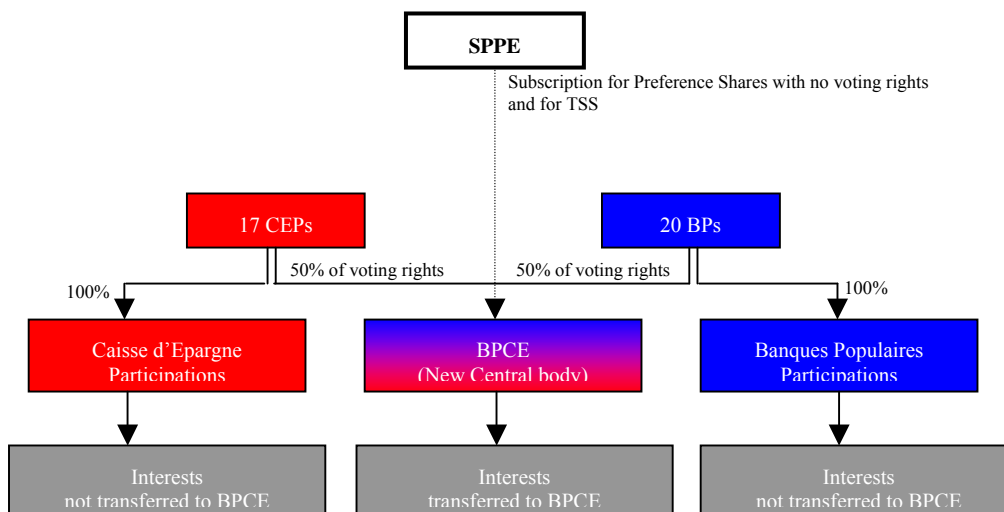
The obligations of the parties to proceed with the contributions will be subject to the condition that the relevant shareholder approvals be obtained (as described above), that a French tax ruling be obtained in relation to the contributions and certain related matters, that certain non-French regulatory approvals be obtained and that the capital increase referred to above be completed. If those conditions are not met by the scheduled closing date, the closing will be postponed. If they are not met by September 30, 2009, the obligations of the parties to proceed with the transaction will be automatically terminated (unless the parties agree to extend that deadline).

Immediately following the contributions, CNCE and BFBP will each hold 50% of the outstanding share capital of BPCE. On the same date, CNCE will distribute its shares of BPCE to CNCE’s shareholders, the Caisses d’Epargne, and BFBP will distribute its shares of BPCE to its shareholders, the Banques Populaires.

In addition, BPCE will issue to the *Société de Prise de Participation de l’Etat* (“**SPPE**”), a company that is wholly-owned by the French State and was formed as part of the French bank recapitalization program, for a total subscription price of €3 billion, non-voting preference shares representing 30% of BPCE’s share capital, and warrants exercisable five years after their issuance that will allow SPPE to subscribe for ordinary BPCE shares representing a maximum voting interest of 20%. SPPE will also hold €2 billion principal amount of deeply subordinated notes of BPCE, which were initially issued by CNCE and BFBP, and which will be assumed by BPCE as part of the contribution transactions. The investment by SPPE was and will be made pursuant to a protocol signed among CNCE, BFBP and the French State on June 24, 2009, which is referred to as the “**BPCE Protocol**”, which also gives the French State the right to name four members of the BPCE supervisory board (including two independent members), out of 18 members. See “Management of BPCE.”

The following diagram illustrates the structure of the Groupe BPCE after the Combination Transactions.

Structure of Groupe BPCE After the Combination Transactions



The Contributions

In the contribution transactions, BPCE will receive activities, assets and liabilities contributed by CNCE and BFBP (as well as limited amounts of assets that BPCE will purchase from CNCE). BPCE will receive:

- all assets and activities directly and exclusively related to the exercise by CNCE and BFBP of their functions as central body of their respective networks, including financial assets and liabilities of CNCE and BFBP relating to their capacities as central banks of their respective networks. This includes all deeply subordinated notes qualifying as Tier 1 (TSSDI) issued by CNCE in the market or to the SPPE as well as subordinated notes qualifying as lower Tier 2 issued by CNCE in the market, including the issue of €545.974 million on February 13, 2009;
- the interests currently held by CNCE and BFBP in the share capital of Natixis, representing approximately 71.6% of Natixis' share capital in the aggregate (excluding treasury shares); and
- interests in certain affiliates of CNCE and BFBP.

In the aggregate, BPCE will receive interests in 60 entities. The most significant of these entities (other than Natixis) will be the following (percentage interest and original groups are indicated in parentheses):

- Holassure (100%, CNCE), which holds an indirect 17.74% interest in the French insurer CNP Assurances.
- GCE Assurances (46.4%, CNCE), a French insurance company that is jointly owned with Muracef (13.6%), a company in the Groupe Caisse d'Epargne, and two unaffiliated French insurers, Macif (25%) and Maif (15%).
- Financiere Océor (100%, CNCE), which through subsidiaries conducts banking activities in Tunisia, Morocco and the French overseas territories of Guadeloupe, Martinique and La Réunion.

- BCI (100%), BICEC (52.5%) and BIAT (5.2%) (BFBP), which conduct banking activities in Congo (Brazzaville), Cameroon and Tunisia, respectively.
- Société Marseillaise de Credit (100%, BFBP), a regional bank with a strong position in southern France and Monaco, with 145 branches, 194,000 customers, €5,240 million of customer deposits and financial savings and €2,340 million of customer loans, in each case as of December 31, 2008.
- BCP France and BCP Luxembourg (30%, CNCE), which is a retail banking group with activities in France and Luxembourg.
- i-BP (29.5%, BFBP), which manages the information technology system for the Groupe Banque Populaire (the remainder of i-BP's share capital is held by the regional Banques Populaires).
- GCE Covered Bond and BP Covered Bond (98.6%, CNCE, and 100%, BFBP, respectively), each of which is dedicated to the issuance of covered bonds for its group.
- DV Holding (17%, CNCE), which owns and operates retirement homes in France.
- SCI Ponant Plus (100%, BFBP), a real estate holding company that owns an interest in the headquarters of the Groupe Banque Populaire.

Certain assets of CNCE and BFBP will not be transferred to BPCE. CNCE will retain its interests in Crédit Foncier de France (a bank that is active in real estate lending and public housing finance), Banque Palatine (a bank that caters primarily to managers of small and medium businesses) and Banca Carige (an Italian bank). BFBP will retain its interest in VBI – Volksbank International (an Austrian bank with activities in Eastern Europe), CNCE and BFBP will also retain their interests in their real estate affiliates, including the leading French developer Nexity (CNCE, 40%), and the leading French brokerage and property management group Foncia (BFBP).

The group's interests in these affiliates are expected to be contributed to BPCE or sold in the medium term. CNCE will retain certain assets that are currently part of its proprietary activities (which will not be transferred to BPCE), including a securities portfolio with a net book value of approximately €2.5 billion, and a portfolio of loans with a net book value of approximately €900 million. These assets will be managed in runoff mode or sold.

The Role of SPPE and the French State

On June 24, 2009, CNCE, BFBP and the French State signed the BPCE Protocol, which provides for SPPE to subscribe for preference shares and deeply subordinated notes of BPCE, and that gives the French State the right to participate in the governance of BPCE.

The deeply subordinated notes were issued to SPPE by CNCE and BFBP on June 26, 2009, and will be assumed by BPCE as part of the Combination Transactions. They have an aggregate principal amount of €2 billion (€1 billion each for CNCE and BFBP), and terms and conditions that are substantially similar to the New Notes offered hereby (except that BPCE will be required to pay redemption premiums that increase over time on the subordinated notes issued to SPPE, in accordance with European Commission requirements for the French State bank recapitalization program). The proceeds of the issues were used by CNCE and BFBP to subscribe to identical deeply subordinated notes issued by Natixis on the same date.

On the closing date of the Combination Transactions, SPPE will subscribe to preference shares of BPCE, in an amount of approximately €3 billion, representing approximately 30% of the outstanding share capital of BPCE. The preference shares will bear no voting rights. BPCE will have the right to redeem the preference shares at any time after the first anniversary of their issuance. Simultaneously with the issuance of the preference shares, SPPE will also subscribe to BPCE warrants that may be exercised five years after their issuance (if they remain outstanding) for new ordinary BPCE shares representing a maximum voting interest of 20%. The preference shares and the warrants will be redeemable by BPCE at any time after one year following their issuance. As a consequence, the French State (through SPPE) may, after five years, hold up to 20% of voting rights in BPCE's shareholders' meetings.

The BPCE Protocol provides that the French State will have the right to nominate 4 members of BPCE's supervisory board (out of 18 total), two of whom will be independent. In addition, the protocol provides that certain decisions will require the approval of 15 members of the 18-member supervisory board. See "Management of BPCE."

The preference shares will give SPPE the right to receive priority dividends, subject to three conditions set forth in Article 12.3.2 of BPCE's by-laws (*statuts*). Article 12.3.2, as proposed to the shareholders meeting scheduled for July 31, 2009, provides that dividends on the preference shares will be distributed so long as (i) BPCE or any other member of the "Group" (as defined below) has distributable profits sufficient to permit the distribution of the full preference share priority dividend, plus a dividend of at least one euro cent on BPCE's ordinary shares, (ii) BPCE's voting shareholders decide to distribute a dividend on BPCE's ordinary shares, and (iii) there is no Supervisory Event (which is defined in a manner substantially identical to that of the Terms and Conditions of the New Notes). For this purpose, the Group includes BPCE, its subsidiaries, and its "affiliated entities" (meaning the Banques Populaires, the Caisses d'Epargne and the other entities covered by the financial solidarity mechanism). Article 12.3.2 also provides that, if BPCE has distributable profits, the voting shareholders (the Caisses d'Epargne and the Banques Populaires as of the date of the Combination Transactions) must decide to distribute a dividend on BPCE's ordinary shares, so long as BPCE, in its role as central body, has not prohibited distributions on the cooperative shares of the Caisses d'Epargne and the Banques Populaires holding together at least 50% of the ordinary shares of BPCE.

The terms of the financial solidarity mechanism also provide that BPCE will receive financial support if its Management Board expects that it will not have sufficient funds to pay a dividend on its ordinary shares and the priority dividend on its preference shares as provided in Article 12.3.2. See "Business – Financial Solidarity Mechanism."

Article 12.3.2 (if adopted in its current form) and the related terms of the financial solidarity mechanism will require actions by the Management Board and shareholders of BPCE. If and for so long as these provisions are applied in accordance with their terms, irrespective of any question that may exist as to the validity or enforceability thereof as a voting agreement, then BPCE will distribute a dividend so long as (i) BPCE and/or any other member of the Group has sufficient distributable profits, and (ii) there is no Supervisory Event and (iii) BPCE does not prohibit distributions on the cooperative shares of the requisite number of Caisses d'Epargne and the Banques Populaires. For one year following BPCE's dividend distribution, each Interest Payment Date on the New Notes will be a Compulsory Interest Payment Date. See "The New Notes."

BUSINESS

Introduction

Following the completion of the Combination Transactions, BPCE will be the central body of the Groupe BPCE, which is expected to be the second largest banking group in France (excluding the French Postal Bank) in terms of 2008 retail net banking income (based on pro forma figures) and number of branches as of December 31, 2008. The entities that will form the Groupe BPCE had over 26 million banking customers, €1,143.5 billion of pro forma consolidated assets and €35.3 billion of pro forma consolidated shareholders equity (€31.7 billion group share), in each case as of December 31, 2008. The Groupe BPCE had €16.5 billion of pro forma consolidated net banking income for the year ended December 31, 2008.

As the central body (*organe central*) of Groupe BPCE, BPCE's role (defined by French Law no. 2009-715 dated June 18, 2009) will be to coordinate policies and exercise certain supervisory functions with respect to the regional banks and other affiliated entities, and to ensure the liquidity and solvency of the entire group. BPCE will act as the central bank of the group and will raise financing on behalf of the entire group (with the exception of a few entities, such as Natixis, that will have autonomous financing functions). The Groupe BPCE will have a financial solidarity mechanism, supported by a dedicated guarantee fund that will initially hold €920 million in assets. Under the financial solidarity mechanism each network bank and each affiliated French credit institution in the group (including BPCE) will benefit from an undertaking from all of the network banks and BPCE to provide financial support as needed. As a result, BPCE's credit will be effectively supported by the financial strength of the entire group.

The BPCE SA Group (meaning BPCE and its consolidated subsidiaries and associates) had pro forma consolidated net banking income of €4.1 billion in 2008, pro forma consolidated assets of €689.9 billion as of December 31, 2008, and pro forma consolidated shareholders equity €18.9 billion (€13.8 billion group share) as of December 31, 2008.

BPCE

Upon completion of the Combination Transactions, BPCE's primary business will be acting as the central body of the Groupe BPCE. This will encompass its role in coordinating, supervising and acting as central bank of the group, as well as ensuring its liquidity and solvency. BPCE will also directly hold interest in the activities, assets and liabilities that will be contributed (or sold) to it as part of the Combination Transactions, which will include primarily a 71.6% interest in Natixis (excluding treasury shares), and interests in the specialized affiliates of BPCE, as described above.

BPCE will not hold any direct financial interest in the regional banks, although it will hold an indirect interest through Natixis, which holds non-voting cooperative investment certificates representing 20% of the capital of each of the regional banks (the 20% interests will be accounted for by the equity method, and the interests of public shareholders of Natixis will be recorded as minority interests). In addition, BPCE's consolidated net banking income will reflect its role as central bank of the Groupe BPCE, and will also benefit from the commercial strength of the regional networks, as Natixis provides financial services that are distributed in large part by the retail networks. BPCE's credit will also benefit from the financial solidarity mechanism described below. See "The Role of BPCE as Central Body" and "Financial Solidarity Mechanism."

The Groupe BPCE

The Groupe BPCE, after completion of the Combination Transactions, will be a mutual banking group that includes primarily the following:

- **Two French retail banking networks:** the **Caisse d'Epargne** network, which includes 17 regional banks known as the "Caisses d'Epargne et de Prévoyance" (or the "Caisses d'Epargne"), and the **Banque Populaire** Network, which includes 18 regional banks, CASDEN Banque Populaire and Crédit Coopératif, together known as the "Banques Populaires."

The two retail networks are highly complementary, with the Caisse d'Épargne network having a historically strong position in individual banking and regional development banking (local authorities and public housing authorities), and the Banque Populaire network having a historically strong position with small and medium enterprises (SMEs) (number 1 in France with a 38% penetration rate) and professionals and individual entrepreneurs (number 2 in France with a 21% penetration rate). The customer bases of the two networks are also complementary, with Banque Populaire customers generally being younger and having higher incomes than those of the Caisses d'Épargne. In addition, Caisse d'Épargne branches are located largely in working class neighborhoods, while Banque Populaire branches are typically located in more upscale urban residential or suburban areas.

Taken together, the two retail banks will constitute one of the strongest banking networks in France, with over €11 billion in combined 2008 net banking income from retail banking (a 24% market share, number 2 in France); over 26 million banking customers, or over 37 million including customers that have only "Livret A" passbook savings accounts (number 1 in France including all of these customers); and 8,171 branches and agencies (a 29% market share, number 2 in France). In the individual banking market, the new group will rank number 2 in France based on total penetration rate and based on penetration rate as a customer's principal bank, as well as in outstanding home mortgage loans. In the market for professionals and SMEs, the new group will rank number 2 in France based on the professional and individual entrepreneur customer penetration rate, and number 1 based on the number of active accounts held by SMEs.

- **Natixis**, which is the corporate and investment banking, asset management and financial services arm of the Groupe BPCE. Natixis was formed in 2006 through the combination of the corporate and investment banking, asset management and financial services businesses of the Groupe Caisse d'Épargne and Groupe Banque Populaire. The Natixis group has five core business lines: corporate and investment banking, asset management, private equity and private banking, services, and receivables management. Natixis also owns non-voting cooperative investment certificates representing 20% interests in each of the regional banks in the Banque Populaire and Caisse d'Épargne networks. Natixis is listed on Euronext Paris. BPCE will hold approximately 71.6% of the share capital of Natixis (excluding treasury shares) after the Combination Transactions, and the remainder will continue to be held by the public.

The recent results of Natixis have been significantly affected by writedowns and provisions resulting from the financial crisis in complex derivatives and proprietary trading activities, mainly due to the decline in the European and U.S. housing and commercial real estate market and the deterioration in the quality of protection purchased from credit enhancers (monolines and CDPC). Natixis has announced strategic initiatives that are intended to address the issues resulting from the financial crisis, including terminating the activities that were no longer in line with the CIB's strategy, and managing the related assets in run-off mode. See "Risk Factors" for additional information.

Despite the impact of the financial crisis, Natixis enjoys a position of strength in its other business lines: *corporate and investment banking*, which will in the future mainly focus on client-related activities rather than proprietary trading and complex derivatives, as discussed further below; *asset management*, where Natixis is among the European leaders; *services*, including insurance, lease financing, consumer credit, employee benefits planning, electronic banking and international services; *receivables management*, through Coface Holdings, a global leader in credit insurance, factoring, business information and receivables collection; and *private equity and private banking*, including a leading private equity business for small- and mid-cap companies in France, as well as a complete range of wealth management services.

- **Specialized Affiliates** of BPCE, including affiliates with activities in insurance (GCE Assurances and an interest in CNP Assurances), international retail banking (Financière Océor and several BFBP affiliates) and French retail banking (Société Marseillaise de Crédit and BCP).

Groupe BPCE will also include a number of specialized affiliates that will not be contributed to BPCE in the Combination Transactions, including Crédit Foncier de France, Banque Palatine and a number of entities that are

active in the real estate field, such as Nexity, a leading real estate developer (40% interest, with the remainder held by its management and the public), and Foncia, a leading real estate brokerage and property management group. These entities will be held by Caisses d'Epargne Participations or Banques Populaires Participations after the Combination Transactions, and are expected to be contributed to BPCE or sold in the medium term.

Strategy of the Groupe BPCE

The Combination Transactions are expected to create a robust new banking group with the critical size that will allow it to be a leader in the banking and financial services market in France and, in the medium-term, Europe. The new group expects to benefit from cost and revenue synergies and efficiencies, while maintaining the commercial advantages of having two autonomous but complementary retail networks with strong brand recognition.

The combination of the Caisse d'Epargne and Banque Populaire groups is intended to allow each group to take advantage of its traditional strengths, while at the same time positioning the new group to take advantage of opportunities as a result of:

- A more diversified product offering and client base on a combined basis, more closely comparable to those of the other leading banking groups in France.
- The critical size necessary to expand into retail banking internationally through partnerships, alliances and possibly acquisitions.
- A stronger base that will allow the new group to deal with increased competitive challenges in the banking sector, in areas such as the provision of services to small and medium enterprises, or the distribution of the "Livret A" passbook savings account.

The combination of two mutual banking groups with shared values, complementary business strengths, deep, historical roots in their communities and a decentralized decision-making structure will allow the new group to take advantage of these opportunities effectively and efficiently. In this context, the principal strategic initiatives of the new Groupe BPCE will be the following:

- *Realizing synergies in retail banking.* BPCE will work to achieve gains in revenues and efficiency made possible by the combination of the Caisse d'Epargne and Banque Populaire retail banking networks. The combined group's retail banking market share in France will permit it to combine a wide range of activities and functions at the level of the group, within each network and between the Caisse d'Epargne and Banque Populaire networks.
- *Repositioning Natixis to create value for the Group through a closer integration of Natixis with the Group's networks.* The combination of the two groups should allow Natixis to benefit more substantially from the financial strength and operational breadth of the new Groupe BPCE. Natixis will increase its focus on businesses that are related to the retail networks, as well as activities in which it has a strategic advantage. As central body, BPCE will work to integrate fully the businesses of Natixis with those of the rest of the group, allowing it to benefit from its new shareholder structure and the combination of its two principal shareholders. Natixis will also seek to realize synergies among its own businesses, particularly in areas where synergies have not yet been fully realized in respect of businesses contributed to Natixis in 2006.
- *Reviewing activities and setting goals for selected business lines.* BPCE intends to undertake a full review of the various activities of the new Groupe BPCE. In particular, it will review the group's strategy in insurance in light of the diverse range of the group's partners in this area; real estate, in which the combined group will be a French market leader in a number of areas, and international retail banking, which is expected to be a future growth area for BPCE.

- *Integrating and streamlining the organizational structure of the combined group.* BPCE intends to develop and implement new practices and an organizational structure that will allow the new combined group to take full advantage of its position as the second leading retail banking group in the French domestic market.

While work on integration and the achievement of operational synergies will begin immediately, BPCE intends to develop a detailed strategic plan for implementing these goals over the medium term during the second half of 2009.

The Role of BPCE as Central Body

BPCE's role as central body of the Groupe BPCE is defined by French Law no. 2009-715 dated June 18, 2009 (the "**BPCE Law**"). Under the BPCE Law, BPCE's role will include the following:

- Determining the policies and the strategic orientations of the Affiliated Group (as defined below), as well as the two retail networks;
- Coordinating the commercial policies of the networks and taking any measures necessary for the development of the Affiliated Group;
- Representing the Affiliated Group and each of the networks in banking associations and negotiating national or international agreements on their behalf;
- Taking all steps required in order to ensure the liquidity of the Affiliated Group and the networks, including determining policies for liquidity and treasury management, financing, securitization and financial relations with other credit institutions (it is pursuant to this provision that BPCE will act as central bank of the group, as discussed in more detail below);
- Taking all steps required to ensure the solvency of the Affiliated Group and the networks, by implementing appropriate financial solidarity mechanisms and by setting up a common guarantee fund for both networks (see "**—Financial Solidarity Mechanism**");
- Determining internal control policies and risk management policies (including risk limits) for the Affiliated Group and the networks, and ensuring the effective supervision of compliance with these policies;
- Confirming the appointment of key policy-making executives of the affiliated institutions.

As part of its role as central body, BPCE will act as the central bank for the Affiliated Group and the network banks. Its role will include making loans and advances to, and taking deposits of excess cash balances of, these entities. BPCE will be responsible for raising financing in the interbank and bond markets, and will thus effectively ensure the asset and liability management role for the group. As an exception, certain affiliates that have autonomous financing and asset-liability functions (primarily Natixis and Crédit Foncier de France) will continue to manage certain of these matters, subject to the internal control and risk management policies and procedures in place for the group.

In accordance with the BPCE Law, the "Affiliated Group" may include any French credit institution in which BPCE or one or more of the Caisses d'Épargne or the Banques Populaires holds exclusive or joint control. Following the Combination Transactions, the entities in the Affiliated Group are expected to include BPCE, Natixis, the specialized affiliates of BPCE that are French credit institutions, and certain French credit institutions to be held by Caisse d'Épargne Participations (primarily Crédit Foncier de France and Banque Palatine).

In addition, BPCE's role as central body of the group will include coordinating the activities of the real estate affiliates of Caisse d'Épargne Participations and Banques Populaires Participations (such as Nexity and Foncia), even though those affiliates will not be part of the Affiliated Group for purposes of the BPCE Law, and BPCE will not hold any interest in the equity of those affiliates.

The Financial Solidarity Mechanism

In accordance with the BPCE Law, BPCE will establish a financial solidarity mechanism to ensure the liquidity and solvency of the Caisses d'Épargne and Banques Populaires networks and of all entities in the Affiliated Group. The solidarity mechanism is a specific regime applicable to mutual banking groups, pursuant to which BPCE and each of the retail network banks is required to support the others (as well as each member of the Affiliated Group, in the case of BPCE) in case of temporary cash shortage (liquidity guarantee) or in order to prevent and/or cope with severe financial failings (solvency guarantee). Each retail network bank thus effectively acts as a guarantor of the obligations of BPCE and of the other retail network banks, and BPCE effectively acts as guarantor of the obligations of the retail network banks and the other entities in the Affiliated Group. The solidarity mechanism is internal to the group and does not constitute a guarantee that is enforceable by third parties, although French banking regulators may require the mechanism to be used if needed.

In order to support the financial solidarity mechanism, the retail network banks will establish a guarantee fund that BPCE may use for purposes of providing financial support to network members and entities in the Affiliated Group. Following the Combination Transactions, the guarantee fund will have €920 million in total assets, with an equal amount coming from each network. The retail network banks will make additional contributions to the guarantee fund (in amounts equal to a percentage of their net income), so that the guarantee fund will grow over time unless it is used for purposes of providing support. The guarantee fund is available only for internal support, and third parties will not have access to the guarantee fund for purposes of satisfying liabilities of network members or entities in the Affiliated Group.

The financial solidarity mechanism will extend to the entire Affiliated Group, meaning that it covers certain French banking entities in which BPCE will hold no direct or indirect interest (most notably Crédit Foncier de France and Banque Palatine). It will not extend to non-French banking entities or to non-banking entities, such as the real estate companies controlled by Caisses d'Épargne Participations and Banques Populaires Participations.

Business of the Groupe BPCE

The Banques Populaires and Caisses d'Épargne Networks

The Banques Populaires and Caisses d'Épargne networks are at the heart of the retail banking activity of the two groups. Both individually and together, they represent a powerful force in the French retail banking market.

- The Banques Populaires network is a leader among SMEs, with a 38% penetration rate⁴ in this segment, and is number 2 among professionals and individual entrepreneurs, with a 21% penetration rate. In the individual customer market, it has a wealthier individual customer base than most of its competitors and a strong position in certain segments, especially among teachers, with a specialized bank (CASDEN Banque Populaire) dedicated to their requirements. It also has high-quality individual customers in the professional and SME market, where it seeks to develop relationships with business leaders.
- The Caisses d'Épargne are one of the leading banking networks in France for individuals. It counts almost one out of every two people in France as a customer, and it is the everyday bank for one out of five French people. The Caisses d'Épargne network has 11.4 million holders of demand deposit accounts and is the leader in distribution of guaranteed mutual funds. The Caisses d'Épargne network also has a strong position in regional development banking, with a position of co-leader among local authorities, a number one position with public housing organizations and, more recently, an increasing presence among local businesses.

⁴ The “penetration rate” is the percentage of all French banking customers in the relevant category that have accounts with the group.

The following chart summarizes key information about the networks of the Banques Populaires and the Caisses d'Epargne as of December 31, 2008.



The leading principal bank of SMEs in France and n°2 in the professional market
Customers
<ul style="list-style-type: none"> • 9.4 million customers • 3.5 million member-stakeholders
Advantages
<ul style="list-style-type: none"> • Leading banker for SMEs in France • Principal bank in the professional market • Strong presence among individuals CSP+ • Active partnerships (SOCAMA, Chambers of Commerce) • 1st in business creation
Resources
<ul style="list-style-type: none"> • 3,391 branches • 44,448 employees (not including 22,100 employees of Natixis)
Outstandings
<ul style="list-style-type: none"> • €182.4 billion in outstanding savings • €140.8 billion in outstanding loans (not including €115.6 billion Natixis loans)

The largest customer base in France
Customers
<ul style="list-style-type: none"> • 27.7 million customers, 11.4 million with a demand deposit account • 3.7 million member-stakeholders
Advantages
<ul style="list-style-type: none"> • 2nd largest player in the French individual customer domestic market • 2nd largest distributor of banking products for non-financial agents (15.2% market share) • 3rd largest player in home mortgages for individual customers (15.3% market share)
Resources
<ul style="list-style-type: none"> • 4,780 branches • 51,700 employees (not including 22,100 employees of Natixis)
Outstandings
<ul style="list-style-type: none"> • €367.2 billion in outstanding savings • €256.2 billion in outstanding loans (not including €115.6 billion Natixis loans)

For further information on the Groupe Caisse d'Epargne and the Groupe Banque Populaire prior to the Combination Transactions, please see the 2008 GCE Annual Report and the 2008 GBP Annual Report, each of which is incorporated herein by reference. See "Incorporation by Reference."

Natixis

Natixis is the corporate and investment banking, asset management and financial services arm of the Groupe BPCE. Natixis was formed in 2006 through the combination of the corporate and investment banking, asset management and financial services businesses of the Groupe Caisse d'Epargne and Groupe Banque Populaire. The Natixis group has five core business lines: corporate and investment banking, asset management, private equity and private banking, services, and receivables management. Natixis also owns non-voting cooperative investment certificates representing 20% interests in each of the regional banks in the Banque Populaire and Caisse d'Epargne networks.

The recent results of Natixis have been significantly affected by writedowns and provisions resulting from the financial crisis in complex derivatives and proprietary trading activities. The impact of the financial crisis is described in detail in the Natixis 2008 Annual Report and the Natixis First Update. Natixis has announced strategic initiatives that are intended to address the issues resulting from the financial crisis, including terminating the activities that were most significantly affected by the crisis, and managing the related assets in run-off mode. See

“Risk Factors” in this Exchange Offering Memorandum, and the Natixis 2008 Annual Report and Natixis First Update, for more information.

Despite the impact of the financial crisis, the Natixis group enjoys positions of strength in each of its core business lines:

- In corporate and investment banking, Natixis is a banking partner of nearly all of the largest companies in France, and it is among the leaders in France and internationally in structured financing (aeronautic, shipping, real estate financing, commodities financing, project financing and syndicated credits). Its capital markets business mainly includes equity capital markets, brokerage, covered bonds and debt capital markets.
- In asset management, Natixis Global AM is among the European leaders with €447 billion in assets under management as of December 31, 2008, with strong positions in Europe (mainly France), as well as in the United States, and a growing presence in Asia and the Middle East.
- The Natixis services segment includes six businesses. Four businesses provide services primarily for customers of the Caisse d’Epargne and Banque Populaire retail networks: insurance and sureties, specialized financing (lease finance and consumer credit), employee benefits planning, and international services (such as payment services for international transactions). The other two businesses are securities services (including institutional and retail custodian services), and electronic banking. In 2008, Natixis ranked number 1 in France for employee saving plan management, number 2 for sureties in France, number 2 in France for real estate lease financing, and number 4 in France for consumer credit.
- Natixis is a global leader in receivables management, offering a full range of financial services to French and international businesses, including credit insurance, business information services, factoring and receivables collection. The receivables management offering is provided by Coface Holding, created in 2007 through the combination of Coface, the world’s third largest credit insurer, and Natixis Factor. Coface Holding operates directly in 65 countries, and in France takes advantage of strong relationships of the retail networks for factoring services.
- Natixis Private Equity is a leader in the small- and mid-cap segment of the French private equity market, managing over €4 billion of assets in 2008, invested in expansion capital, LBOs, funds of funds and venture capital assets. At the end of 2008, Natixis’ private banking business had approximately €13.5 billion of assets under management (including collective management) for high-net worth individuals, particularly customers of the retail networks.

The Specialized Affiliates of BPCE

The specialized affiliates in which BPCE will hold interests will include entities engaged in insurance, international retail banking, French retail banking and other activities, as well as certain entities that provide support functions in the group. The principal specialized affiliates will be the following:

- Holassurance (100%), which indirectly holds a 17.74% interest in the French insurer CNP Assurances.
- GCE Assurances (46.4%), a French insurance company that is that is jointly owned with Muracef (13.6%), a company in the Groupe Caisse d’Epargne, and two unaffiliated French insurers, Macif (25%) and Maif (15%).
- Financiere Océor (100%), which through subsidiaries conducts banking activities in Tunisia, Morocco and the French overseas territories of Guadeloupe, Martinique and La Réunion.

- BCI (100%), BICEC (52.5%) and BIAT (5.2%), which conduct banking activities in Congo (Brazzaville), Cameroon and Tunisia, respectively.
- Société Marseillaise de Credit (100%), a regional bank with a strong position in southern France and Monaco, with 145 branches, 194,000 customers, €5,240 million of customer deposits and financial savings and €2,340 million of customer loans, in each case as of December 31, 2008.
- BCP France and BCP Luxembourg (30%), which is a retail banking group with activities in France and Luxembourg.
- i-BP (29.5%), which manages the information technology system for the Groupe Banque Populaire (the remainder of i-BP's share capital is held by the regional Banques Populaires).
- GCE Covered Bonds (98.6%) and Banques Populaires Covered Bonds (100%), each of which is dedicated to the issuance of covered bonds for its group.
- DV Holding (17%), which owns and operates retirement homes in France.
- SCI Ponant Plus (100%), a real estate holding company that owns an interest in the headquarters of the Groupe Banque Populaire.

For further information on the specialized affiliates, please see the 2008 GCE Annual Report and the 2008 GBP Annual Report, each of which is incorporated herein by reference. See "Incorporation by Reference."

Capital Adequacy

Historical context

In 1988, the Committee on Rules and Practices for the Supervision of Banking Operations (called the "Basel Committee"), consisting of representatives of central banks and supervisory authorities from the "Group of Ten" (Germany, Belgium, Canada, the United States, France, Italy, Japan, the Netherlands, the United Kingdom and Sweden) and Luxembourg, recommended the adoption of a group of risk weighting standards and minimum levels of capital adequacy. These recommendations provide that the capital of international financial institutions should represent at least 8% of the total of their credit risk, including a core element of 4% (Tier 1). These recommendations were imposed at the European level when, in 1989, the European Council adopted two directives with regulatory force defining the capital adequacy requirements with respect to credit risk within the European Community.

In 1993, the Capital Adequacy Directive extended the scope of application of the European regulations on capital adequacy to include market risk. The provisions of the European directives with respect to capital adequacy were transposed into French law by a series of regulations adopted by the French Banking and Financial Regulations Committee until 1999 (hereafter referred to collectively as "**CAD Regulations**").

From January 1, 1996 through December 31, 2007, French banks were bound by the CAD Regulations to comply with capital adequacy requirements with respect to their market activities, in addition to the pre-existing requirements concerning their commercial bank activities. In addition to credit risk, the CAD Regulations define the standards applicable to the market activities of investment firms so as to cover interest rate risks, market fluctuation risks and settlement risks. Lastly, the aim of the extra capital adequacy requirements is to cover the currency risk common to all activities, including market and commercial banking activities. As defined by the CAD Regulations, the capital adequacy ratio ("**CAD Ratio**") of a French bank is calculated by dividing the total amount of available capital (Tier 1 and Tier 2 capital as well as certain complementary elements (Tier 3)) by the capital adequacy requirements with respect to the various types of risk incurred. Each type of risk is weighted according to specific weights provided in a pre-set chart. In accordance with the CAD Regulations, the CAD ratio must be at least 100%.

In 1996, the Basel committee substantially amended the definition of capital adequacy standards so as to cover market and operational risks in a manner similar to credit transactions. According to this new definition, market risks include (i) risks related to interest rate instruments and shares held in a trading portfolio, and (ii) currency risk and risks on commodities recorded on an account. In accordance with the 1996 modifications, completed in September 1997 by the Basel Committee, the standards, while maintaining capital adequacy requirements relating to credit risk, now require financial institutions to quantify their market risk in terms of an equivalent amount of credit risk, and to ensure that their capital is equal to at least 8% of the overall amount of credit risks and market risks. The French Banking Commission regularly issued opinions relating to the methods of application and calculation of the international solvency ratio. Nevertheless, the international solvency ratio did not have regulatory force.

The Basel II Accord

General

On November 15, 2005, the Basel Committee issued an updated version of the International Convergence of Capital Measurement and Capital Standards published in June 2004 (commonly referred to as the “Basel II Accord”). The Basel II Accord is structured around three pillars:

- **Pillar 1** renews the minimum regulatory capital requirements through the introduction of a prudential ratio in order to take into account more effectively all banking risks (market risks, credit risks and operational risks) and their economic reality.
- The risk weighting approach of the credit risk aspect has been completely overhauled; in particular, Pillar 1 introduces credit risk evaluation methods based on internal ratings.
- One of the principal new features of the Basel II Accord is that operational risk and its cover are now taken into account in terms of regulatory capital.
- To take into account market risk, the existing arrangements are supplemented to cover the risk of default more effectively.
- **Pillar 2** emphasizes supervisory review by imposing an obligation on financial institutions to put in place functions, tools and procedures for controlling and monitoring internal risks, and to strengthen prudential monitoring.
- **Pillar 3**, designed to promote market discipline, requires financial institutions to engage in regular and transparent communication with the markets concerning their risks policy, the level of these risks and their coverage with regulatory capital.

The European Capital Requirements Directive (CRD), adopted in June 2006 and amended in May 2009, transposed the new Basel II Accord into European law. A decree dated February 20, 2007 transposed the directive into French law. The CRD standards became effective in France as of January 1, 2008.

Capital Adequacy Ratios of the BPCE SA Group and the Groupe BPCE

In order to illustrate the impact of the Combination Transactions on the new BPCE SA Group and Groupe BPCE, pro forma consolidated capital adequacy ratios have been estimated for each group as of March 31, 2009. The estimates were based on a number of assumptions, as the groups did not operate on a combined basis prior to the Combination Transactions.

The estimated pro forma consolidated capital adequacy ratios were affected by a number of issues relating to the methodology used to determine them and to differences between the two groups. BPCE has identified four significant issues in this respect:

- First, the risk-weightings assigned to the retail assets of the Caisses d'Épargne are based on the Basel II standard method, rather than internal ratings (the Banques Populaires use internal ratings). In the future, internal ratings will be used. BPCE currently estimates that, when this change of method takes place, this will have a positive impact of approximately 0.4% to 0.5% on its consolidated Tier 1 ratio as of March 31, 2009.
- Second, the consolidated capital of the Caisses d'Épargne does not include approximately €1.6 billion collected from cooperative shareholders of the local savings societies, but which were not yet contributed to the Caisses d'Épargne through capital increases as of the date of determination. After taking into account amounts that the local savings societies would ordinarily retain for redemption, the impact on Tier 1 capital is over €1 billion, representing an estimated positive impact of approximately 0.2% to 0.3% on the consolidated Tier 1 ratio as of March 31, 2009. Because the Groupe Banques Populaire does not include local savings societies, amounts collected from cooperative shareholders are recorded immediately in the capital of the Banques Populaires.
- Third, the accounting treatment of Natixis following the Combination Transactions has impacted the calculation of the ratios. Previously, each group used the proportional consolidation method to account for Natixis (35.78% each, or a total of 71.56% in the accounts of the two groups). After the Combination Transactions, Natixis will be fully consolidated, so 100% its capital and risk weighted assets will be included in the capital ratio calculations. The consolidated capital adequacy ratios of Natixis are lower than those of the two shareholder groups, so the full consolidation results in a decrease in the overall capital ratios of the new group on a pro forma basis (this is offset by the existence of minority interests in Natixis, which are counted as capital on a consolidated basis, but this only offsets a portion of the impact). The estimated increase in risk weighted assets as of March 31, 2009 was approximately €43 billion, while the estimated increase in minority interests was approximately €4 billion.
- Fourth, the treatment of the cooperative investment certificates held by Natixis has changed. Previously, each group's capital included its proportionate share of the interest of Natixis in the equity of the network banks of the other group. As a result of the Combination Transactions, the two groups are combined, and this proportionate share of equity is eliminated in the consolidation process. The estimated impact on consolidated Tier 1 capital is approximately €2.8 billion.

The following table sets forth the calculation of the estimated pro forma consolidated Tier 1 and Core Tier 1 ratios of the BPCE SA Group and the Groupe BPCE, in each case as of March 31, 2009. The "Core Tier 1" ratio is calculated in the same manner as the Tier 1 ratio, except that hybrid securities are excluded from Tier 1 capital. For purposes of the calculation of the Core Tier 1 ratio, deductions from regulatory capital relating to the cooperative investment certificates held by Natixis in the regional retail network banks are allocated on a pro rata basis among hybrid instruments and other Tier 1 capital. The estimated pro forma consolidated Tier 1 and Core Tier 1 ratios are calculated as if the issuance of deeply subordinated notes and preference shares to SPPE (as described under "The Combination Transactions") and the sale by Natixis of its interest in CACEIS (pursuant to the negotiations described in the 2008 Natixis Annual Report) had taken place as of March 31, 2009.

Estimated Pro forma Capital Adequacy Ratio Information	As of March 31, 2009	
	BPCE SA Group	Groupe BPCE
	(billions of euros except %)	
Weighted risks		
Credit risk	141	361
Market risk	27	27
Operational risk	10	29
Total	178	417
Tier 1 capital	17.5	36.5
Tier 1 ratio	9.8%	8.7%
Core Tier 1 capital	11.8	26.9
Core Tier 1 ratio	6.7%	6.4%

Risk Management

As central body, BPCE will have responsibility, with respect to the entire Groupe BPCE, for implementing structures and procedures to monitor and manage risks, to ensure that proper internal control procedures are followed and to monitor compliance with limits and procedures established for the Group.

The supervisory board and management board of BPCE will have responsibility for ensuring that appropriate risk management, internal control and compliance policies and functions are in place. Day-to-day functions will be handled by a Risk Management department (responsible for establishing policies and limits in areas such as credit risk, market risk and operational risk), as well as a Compliance department (responsible for monitoring compliance and reporting instances of non-compliance to appropriate senior management bodies). The Finance Department will also be responsible for monitoring and managing liquidity risk and implementing asset-liability management procedures, as well as ensuring compliance with capital adequacy requirements.

The BPCE risk management and compliance function will cover all of the credit institutions in Groupe BPCE, including the retail network banks, Natixis, the BPCE specialized affiliates that are credit institutions (Société Marseillaise de Crédit, Financière Océor, BCP) and the other credit institutions in the Affiliated Group (principally Crédit Foncier de France and Banque Palatine). Certain of these credit institutions (including Natixis) also have their own risk management and compliance functions, which will work in close coordination with those in place at BPCE.

The bodies that will be responsible for risk management and compliance at BPCE will initially be composed of the analogous bodies existing within CNCE and BFBP, which will be integrated over time to form BPCE's risk management and compliance bodies. The risk management and compliance policies and procedures of CNCE, BFBP and their respective groups, as well as those of Natixis, are described in the 2008 GCE Annual Report, the 2008 GBP Annual Report and the 2008 Natixis Annual Report.

The 2008 GCE Annual Report, the 2008 GBP Annual Report and the 2008 Natixis Annual Report also contain information relating to the credit risks, market risks and operational risks borne by the Groupe Caisse d'Épargne, the Groupe Banque Populaire and Natixis, respectively. This includes risk-related information prepared pursuant to IFRS 7 and Pillar III of the Basel II standards.

GOVERNMENT SUPERVISION AND REGULATION IN FRANCE

The French Banking System

The French banking system consists primarily of privately-owned banks and financial institutions, as well as a number of state-owned banks and financial institutions, all of which are subject to the same banking laws and regulations.

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

French Supervisory Bodies

The French Monetary and Financial Code (*Code monétaire et financier*) sets forth the conditions under which credit institutions, including banks, may operate. The French Monetary and Financial Code vests related supervisory and regulatory powers in certain administrative authorities.

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

The Consultative Committee on Financial Legislation and Regulations (*Comité consultatif de la législation et de la réglementation financières*) reviews, at the request of the Minister of the Economy, any draft bill or regulations, as well as any draft EU regulations relating to the insurance, banking and investment service industry other than those draft regulations issued by the *Autorité des marchés financiers*.

The Credit Institutions and Investment Firms Committee (*Comité des établissements de crédit et des entreprises d'investissement*) is chaired by the Governor of the Bank of France (*Banque de France*). It makes individual decisions, grants banking and investment firm licenses, and grants specific exemptions as provided in applicable banking regulations.

The Banking Commission (*Commission bancaire*), which is chaired by the Governor of the Bank of France, is responsible for the supervision of credit institutions and investment firms. It supervises the enforcement of laws and regulations applicable to banks and other credit institutions and investment firms, and controls their financial standing. Banks are required to submit periodic (either monthly, quarterly or semi-annually) accounting reports to the *Commission bancaire* concerning the principal areas of their activity. The *Commission bancaire* may also request additional information that it deems necessary and may carry out on-site inspections. These reports and controls allow a close monitoring of the condition of each bank and also facilitate computation of the total deposits of all banks and their use. Where regulations have been violated, the *Commission bancaire* may act as an administrative court and impose sanctions, which may include deregistration of a bank, resulting in its winding-up. The *Commission bancaire* also has the power to appoint a temporary administrator to provisionally manage a bank that it deems to be mismanaged. The decisions of the *Commission bancaire* may be appealed to the French Administrative Supreme Court (*Conseil d'Etat*). Insolvency proceedings may be initiated against banks or other credit institutions, or investment firms only after formal consultation with the *Commission bancaire*.

Banking Regulations

BPCE must comply with minimum capital ratio requirements. In addition to these requirements, the principal regulations applicable to deposit banks concern risk diversification and liquidity, monetary policy, restrictions on equity investments and reporting requirements. In the various countries in which the Issuer operates,

it complies with the specific regulatory ratio requirements in accordance with procedures established by the relevant supervisory authorities.

In France, BPCE must comply with the norms of financial management set by the Minister of the Economy, the purpose of which is to ensure the creditworthiness and liquidity of French credit institutions.

Each French credit institution is required to calculate, as of the end of each month, the ratio of the weighted total of certain short-term and liquid assets to the weighted total of short-term liabilities. This liquidity ratio (*coefficient de liquidité*) is required to exceed 100%.

French credit institutions must satisfy, on a consolidated basis, certain restrictions relating to concentration of risks (*ratio de contrôle des grands risques*). The aggregate of a French credit institution's loans and a portion of certain other exposure (*risques*) to a single customer may not exceed 25% of the credit institution's regulatory capital as defined by French capital ratio requirements. In addition, the aggregate amount of individual exposures exceeding 10% of the credit institution's regulatory capital may not exceed eight times such regulatory capital.

French credit institutions are required to maintain on deposit with the European Central Bank a certain percentage of various categories of demand and short-term deposits. Deposits with a maturity of more than two years are not included in calculating the amount required to be deposited. The required reserves are remunerated at a level corresponding to the average interest rate over the maintenance period of the main refinancing operations of the European System of Central Banks.

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

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

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

Examination

The principal means used by the *Commission bancaire* to ensure compliance by large deposit banks with applicable regulations is the examination of the detailed periodic (monthly or quarterly) financial statements and other documents that these banks are required to submit to the *Commission bancaire*. In the event that any examination were to reveal a material adverse change in the financial condition of a bank, an inquiry would be made, which could be followed by an inspection. The *Commission bancaire* may also inspect banks on an unannounced basis.

Reporting Requirements

In addition to providing the *Commission bancaire* with the detailed monthly report mentioned above, credit institutions must also report monthly (and, with respect to lease financings, quarterly) to the *Banque de France* the names and related amounts of certain customers (only for companies and individuals engaged in commercial activities) having loan utilization exceeding approximately €25,000. The *Banque de France* then returns to each credit institution a list stating, as to that credit institution's customers, total loan utilizations from all reporting credit institutions.

Credit institutions must make periodic reports, collectively referred to as *états périodiques*, to the *Commission bancaire*. The *états périodiques* comprise principally (a) a statement of the activity of the concerned institution during the relevant period (*situation*), to which is attached exhibits that provide a more detailed breakdown of the amounts involved in each category, (b) a statement of income, together with exhibits, and (c) certain additional data relating to operations (*indicateurs d'activité*) such as the number of employees, customer accounts and branches.

Deposit Guarantees

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

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

Internal Control Procedures

French credit institutions are required to establish appropriate internal control systems, including with respect to risk management and the creation of appropriate audit trails.

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

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

Money Laundering

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

French Bank Recapitalization Program

The French bank recapitalization program that was implemented on October 16, 2008 includes two main components:

First, the French government, through a special purpose company whose obligations are guaranteed by the French State, will extend up to €320 billion of liquidity to banks that wish to participate, so long as such banks satisfy mandatory capital requirements. Participating banks may thus obtain financing with a maturity of up to 5 years, secured by a pledge of eligible loans (first ranking mortgage loans, loans to local and regional governments, loans to businesses with at least a fourth priority ranking, and consumer loans to individuals). Draws under the liquidity facility bear interest at the rate of the underlying loans, plus a premium that is essentially a guarantee fee, intended to result in the overall financing cost for the bank being equal to the financing cost that it would bear in the market in normal market conditions. The liquidity facility will be available until December 31, 2009.

Second, the French government, through another special purpose company (SPPE) whose obligations are guaranteed by the French State, may acquire deeply subordinated notes or preference shares of banks, qualifying as Tier 1 capital. SPPE holds deeply subordinated notes and will subscribe to preference shares and warrants of BPCE in connection with the Combination Transactions. See “The Combination Transactions.”

Under both programs, participating banks must undertake to make loans to finance economic activity and to abide by ethical obligations relating to themselves and their management. Such ethical obligations include caps on severance payments to management, abandonment of the concurrent status of corporate officer and employee (a technical French distinction that can in some circumstances provide advantages to members of management under French labor law), and the systematic use of compensation committees. Also, participating banks must enter an agreement that includes voluntary measures to promote refinancing of mortgage loans for persons in financial difficulty, as well as financing for small and medium businesses and a commitment to increase the amount of their outstanding loans by 3 or 4% annually.

MANAGEMENT OF BPCE

As of the date hereof, prior to the Combination Transactions, BPCE is a *société anonyme à conseil d'administration*, a corporation under French law. Its board of directors (which may include corporate entities) is currently composed of four members: Mr. François Pérol, Mr. François Riahi and CNCE (represented by Mr. Alain Lemaire) and BFBP (represented by Mr. Yvan de la Porte du Theil).

Following the Combination Transactions, pursuant to the BPCE Protocol, BPCE will be converted into a *société anonyme à directoire et conseil de surveillance*, a form of corporation under French law with a two-tier management structure. In accordance with the legal requirements applicable to such entities, BPCE will have a management structure pursuant to which a Management Board (*directoire*) manages its day-to-day affairs under the general supervision of a Supervisory Board (*conseil de surveillance*), the members of which are elected by shareholders. This Exchange Offering Memorandum will refer to the members of the Management Board and the members of the Supervisory Board collectively as “directors.” The provisions relating to the management and supervisory bodies of BPCE following the Combination Transactions are described below.

BPCE is not aware of any conflicts of interest between the duties of the individuals listed below with respect to BPCE and their private interests or other duties.

Supervisory Board

Composition

The BPCE Protocol provides that the Supervisory Board shall be composed of 18 members, in addition to representatives of the employees and/or employee shareholders in accordance with applicable laws and regulations. Of the 18 members, the BPCE Protocol provides that seven will be nominated by the Banques Populaires, seven will be nominated by the Caisses d'Epargne, and four will be nominated by the French State (of whom two shall be independent members). Each member will be elected by the shareholders at an ordinary general meeting of the shareholders for a renewable six-year term. Under French law, legal entities may be appointed as board members as long as they appoint permanent representatives to represent them on the board.

Pursuant to the BPCE Protocol, a representative of each of the two groups of shareholders (Banques Populaire, and Caisses d'Epargne) will alternate terms of two financial years serving as the Chairman of the Supervisory Board. The first Chairman of the Supervisory Board will be appointed by the Banques Populaires. The Vice Chairman of the Supervisory Board is nominated by the shareholder group not represented by the Chairman.

Pursuant to BPCE's proposed bylaws, the Supervisory Board will also include non-voting members (*censeurs*). The non-voting directors receive the same information as the Supervisory Board members and attend all Supervisory Board meetings. However, they can only serve in an advisory capacity and cannot vote. Pursuant to the BPCE's bylaws, they will be appointed by an ordinary general meeting of shareholders for a renewable six-year term.

The following table sets forth information regarding the candidates for the Supervisory Board proposed for approval at the shareholders meeting of BPCE scheduled for July 31, 2009.

Name

Principal Activity

Chairman of the Supervisory Board

Philippe Dupont

Chairman of the Board of Directors of Banque Fédérale des Banques Populaires

Business address: Immeuble Le Ponant de Paris - 5, rue Leblanc - 75511 PARIS Cedex 15

Name**Principal Activity****Vice-Chairman of the Supervisory Board**

Yves Toublanc Chairman of the *Conseil d'Orientation et de Surveillance* (Supervisory and Orientation Board, or "COS") of the Caisse d'Epargne Rhône-Alpes
Business address: 42, boulevard Eugène Deruelle – 69003 Lyon

Directors

Catherine Amin-Garde Chairman of the COS of the Caisse d'Epargne Loire Drôme Ardèche
Business address: 17, rue des Frères Ponchardier – 42012 Saint-Etienne Cedex 2

Gérard Bellemon Chairman of Banque Populaire Val de France
Business address: Banque Populaire Val de France - 9, avenue Newton - 78183 St-Quentin-en-Yvelines

Thierry Cahn Chairman of Banque Populaire d'Alsace
Business address: Banque Populaire d'Alsace - Immeuble Le Concorde - 4, quai Kléber - BP 10401 - 67001 Strasbourg Cedex

Bernard Comolet Chairman of the Management Board of the Caisse d'Epargne Ile-de-France
Business address: 19 rue du Louvre – BP 94 – 75021 Paris Cedex 1

Jean Criton Chief Executive Officer of Banque Populaire Rives de Paris
Business address: Banque Populaire Rives de Paris - Immeuble Sirius - 76-78, avenue de France -75204 Paris Cedex 13

Pierre Desvergnès Chairman of CASDEN Banque Populaire
Business address: CASDEN Banque Populaire - 91, cours des Roches - Noisiel - 77424 Marne-La-Vallée Cedex 2

Stève Gentili Chairman of BRED Banque Populaire
Business address: BRED Banque Populaire - 18 quai de la Rapée - 75604 Paris Cedex 12

Francis Henry Chairman of the COS of the Caisse d'Epargne Lorraine Champagne Ardenne
Business address: 2, rue Royale – 57000 Metz

Bernard Jeannin Chief Executive Officer of Banque Populaire Bourgogne Franche-Comté
Business address: Banque Populaire Bourgogne Franche-Comté - 14, Boulevard de la Trémouille - BP 310 - 21008 Dijon Cedex

Pierre Mackiewicz Chairman of the COS of the Caisse d'Epargne Côte d'Azur
Business address: L'Arenas – 455, Promenade des Anglais – BP 3297 – 06205 Nice Cedex

Didier Patault Chairman of the Management Board of the Caisse d'Epargne Bretagne-Pays de Loire
Business address: 4, rue du Chêne Germain – 35510 Cesson-Sévigné

<u>Name</u>	<u>Principal Activity</u>
Pierre Valentin	Chairman of the COS of the Caisse d'Epargne Languedoc-Roussillon <i>Business address:</i> 254, rue Michel Teule – BP7330 – 34184 Montpellier Cedex 04
<u>Non-voting directors</u>	
Pierre Carli	Chairman of the Management Board of the Caisse d'Epargne Midi-Pyrénées <i>Business address:</i> 42, rue du Languedoc – BP629 – 31002 Toulouse
Alain Condaminas.....	Chief Executive Officer of Banque Populaire Occitane <i>Business address:</i> Banque Populaire Occitane - 33-43, Avenue Georges Pompidou - 31135 Balma Cedex
Jean Mérelle.....	Chairman of the Management Board of the Caisse d'Epargne Nord France Europe <i>Business address:</i> 12, place Saint-Hubert – BP 80119 – 59001 Lille Cedex
Christian du Payrat.....	Chief Executive Officer of Banque Populaire du Massif Central <i>Business address:</i> Banque Populaire du Massif Central - 18, Bd Jean Moulin - BP 53 - 63002 Clermont-Ferrand Cedex
Michel Sorbier	Chairman of Fédération Nationale des Caisses d'Epargne <i>Business address:</i> 5 rue Masseran – 75007 Paris

The French State has advised BPCE that it expects to nominate its members (including the independent members) during the month of July 2009.

Powers of the Supervisory Board

The Supervisory Board has the responsibility of supervising the management of BPCE.

Under French law, the BPCE Protocol and BPCE's proposed bylaws, the Supervisory Board will make certain major decisions by a simple majority vote of members present and represented (the "**Important Decisions**"), and certain decisions determined to be "**Essential Decisions**" that require 15 out of 18 affirmative votes.

Important Decisions include:

- Disposals of certain assets and pledges on assets above certain thresholds to be determined by the Supervisory Board;
- The designation of members of the Supervisory Board, Management Board, board of directors and if applicable, of chief executive officers and deputy chief executive officers of certain Principal Subsidiaries, as well as their compensation;
- Approving the BPCE SA Group's internal policies and strategy;
- Authorizing all transactions in excess of €200 million;
- Approving the annual budget for BPCE;
- Approving the opening or closing of any Caisse d'Epargne or Banque Populaire branch, as well as any mergers of such branches; and
- Examining and approving the BPCE SA Group's risk management policies.

Essential Decisions include:

- The nomination and removal of the Chairman of the Management Board;
- The removal of, and on the recommendation of the Chairman of the Management Board, the nomination of, other members of the Management Board;
- The decision to name one (or two) Management Board members as Chief Executive Officer;
- The decision to relieve a Management Board member of the title of Chairman of the Management Board or of Chief Executive Officer;
- Any subscription or purchase of equity interests, other investments or divestitures by any means involving an amount greater than €1 billion;
- All increases in BPCE's authorized capital, immediately or in the long term, with a waiver of preferential subscription rights;
- Any merger, contribution or spin-off transactions to which BPCE is a party;
- A proposal to the Shareholder's Meeting to modify BPCE's bylaws or 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.

Management Board

Pursuant to BPCE's proposed bylaws, the Management Board will consist of two to five members nominated for a term of four years by the Supervisory Board (and as proposed by the Chairman of the Management Board for other members), and chosen according to merit without regard to which of the two shareholder groups they represent. Initially, the Chairman of the Management Board is expected to be Mr. François Pérol. Upon the proposal of the Chairman of the Management Board, the Supervisory Board may name one or several of the members of the Management Board as Chief Executive Officer, with the same representative powers vis-à-vis third parties as the Chairman. The Chairman of the Management Board is appointed by the Supervisory Board and serves for a term of four years. Under French law, a member of the Management Board must be an individual, but need not be a shareholder of BPCE.

Under BPCE's proposed bylaws, the members of the Management Board may be removed by a Shareholders' Meeting. A change in the position of the Chairman of the Management Board requires the vote of the Supervisory Board in accordance with the majority rules applicable to Essential Decisions.

The Groupe Caisse d'Épargne and Groupe Banque Populaire have announced the names of the persons that they to be the members of the Management Board of BPCE, subject to the determination of the Supervisory Board following its constitution. The Management Board members are expected to be:

François Pérol	François Pérol, 46, General Inspector of Finance, began his career at the French Ministry of the Economy, Finance and Industry, where he was successively Deputy Inspector and then Inspector at the General Inspectorate of Finance (1990-1994), Rapporteur and then Deputy Secretary General of the Inter-Ministerial Committee for Industrial Restructuring (1994-1996), Head of the Financial Markets Office at the French Treasury Department (1996-1999), Secretary General of the Paris Club (1999-2001), Deputy Director responsible for business financing and development at the Treasury Department (2001-2002) and Principal Private Secretary to the Minister of the Economy, Finance and Industry (2002-2004). In 2005, he became a managing partner of Rothschild & Cie and in 2007 was appointed Deputy Secretary General to the French President's office. In March 2009, he joined the Banque Populaire Group and Caisse d'Épargne Group as Chief Executive Officer of Banque Fédérale des Banques Populaires and Chairman of the Management Board of Caisse Nationale des Caisses d'Épargne. He is also Chairman of the Board of Natixis.
<i>Chairman and Chief Executive Officer</i>	
Nicolas Duhamel.....	Nicolas Duhamel, 55, was Inspector of Finance at the French Ministry of Economy and Finance until 1984. He then held financial responsibilities in several companies: head
<i>Member, Chief Financial</i>	

<i>Officer</i>	of France Telecom's finance department from 1984 to 1988, finance director of Havas group from 1993 to 1998, and chief operating officer of Vivendi Universal's publishing division until 2001. Since 2002, Nicolas Duhamel has been chief operating officer, finance director of La Poste group and member of its Executive Committee.
Alain Lemaire <i>Member</i>	Alain Lemaire, 59, began his career at Caisse des Dépôts et Consignations, during which he was appointed Director of Savings Funds and member of the Executive Committee and at Crédit Local de France. He joined Groupe Caisse d'Epargne in 1997 as member of the Management Board of CENCEP, an entity that led to the creation of the CNCE in 1999, in charge of Development. Chief Executive Officer of Crédit Foncier from 1999 to 2002, he is Chairman of Caisse d'Epargne Provence-Alpes-Corse since 2002. He has been a member of the Management Board and Chief Executive Officer of Caisse Nationale des Caisses d'Epargne since October 19, 2008.
Yvan de la Porte Theil <i>Member</i>	Yvan de la Porte du Theil, 60, joined Groupe Banque Populaire in 1973. In 1982, he was appointed Deputy Chief Executive Officer of Banque Populaire Val de France (1982-92). Within the Chambre Syndicale des Banques Populaires, he was Director of Business Development, Communications and International Affairs (1993-95), Deputy Chief Executive Officer (1995-99), Deputy Chief Executive Officer of Business Development, International Affairs, Organisation and Technology (2000). He has been Chief Executive Officer of Banque Populaire Val de France since 2000 and Deputy Chief Executive Officer of Banque Fédérale des Banques Populaires since March 2009.
Jean-Luc Vergne <i>Member</i>	Jean-Luc Vergne, 60, was previously Director of Human Resources at PSA Peugeot Citroën since February 2007 and member of the general management committee. He joined the automobile group in 2000 as Director of Human Relations and Resources. He has also been Director of Human Resources at Sanofi (1987-1992), Elf (1993-1998) and Chairman of Elf International Services (1996-1999). He is Chairman of AFPA, the National Association for Adult Vocational Training.

Powers of the Management Board

The Management Board carries out its functions under the control of the Supervisory Board, with broad powers to act under any circumstances on behalf of BPCE, within the limit of the corporate purpose and subject to powers attributed by French law and by BPCE's bylaws to the shareholders or to the Supervisory Board (including the Important Decisions and the Essential Decisions). The Management Board prepares and presents reports, budgets and the consolidated financial statements to the Supervisory Board. It convenes all general shareholders' meetings, sets the agenda and implements decisions of the shareholders. Any actions concerning BPCE with respect to third parties may be carried out by the Chairman of the Management Board or by the Chief Executive Officer.

General Management Committee

The General Management Committee will be responsible for overseeing the day-to-day operations of Groupe BPCE, including coordinating group activities, determining the group's strategy and supervising the implementation of strategic initiatives by the group's management and business units. The General Management Committee members are expected to be:

<u>Name</u>	<u>Function</u>
François Pérol	Chairman of the Management Board
Guy Cotret.....	Real Estate
Nicolas Duhamel.....	Finance
Alain Lemaire	Caisse d'Epargne retail banking
Laurent Mignon	CEO of Natixis

Yvan de la Porte du Theil	Banque Populaire retail banking
Philippe Queuille	Operations
François Riahi	Strategy
Jean-Luc Vergne	Human Resources

The principal business address of each member of the Management Board and General Management Committee with respect to his activities with BPCE is: 50 avenue Pierre Mendès-France 75013 Paris, France.

PRINCIPAL SHAREHOLDERS OF BPCE

Common Shares

The following table shows the number of common shares, percentage of voting share capital and percentage of voting rights to be held by each principal shareholder network following the Combination Transactions.

Shareholders	%	% of voting rights
Banques Populaires (20 regional banks ¹)	50.0	50.0
Caisses d'Épargne (17 regional banks)	50.0	50.0
Total	100%	100%

¹Including CASDEN Banque Populaire and Crédit Coopératif

Preferred Shares and Warrants Held by SPPE

On the closing date of the Combination Transactions, SPPE will subscribe to preference shares of BPCE, in an amount of approximately €3 billion, representing approximately 30% of the outstanding share capital of BPCE. The preference shares will bear no voting rights. BPCE will have the right to redeem the preference shares at any time after the first anniversary of their issuance. Simultaneously with the issuance of the preference shares, SPPE will also subscribe to BPCE warrants that may be exercised five years after their issuance (if they remain outstanding) for new ordinary BPCE shares representing a maximum voting interest of 20%. The preference shares and the warrants will be redeemable by BPCE at any time after one year following their issuance. As a consequence, the French State (through SPPE) may, after five years, hold up to 20% of voting rights in BPCE's shareholders' meetings.

THE EXCHANGE OFFERS

Expected Timetable

The times and dates below are indicative only and are subject to change.

Commencement of the Offers

Announcement of the Offers. Copies of the Exchange Offering Memorandum are available from the Dealer Managers, the Exchange Agents and the Information Agent.

9:00 a.m. (Paris time) on July 6, 2009

Expiration Time

Final deadline for receipt of valid Exchange Instructions by the relevant Exchange Agent in order for holders of Existing Securities to be able to participate in the Offers. End of Offer Period.

5:00 p.m. (New York time) on July 31, 2009

Announcement of Offer Results

Announcement of whether BPCE will accept validly tendered Existing Securities for exchange pursuant to all or any of the Offers and of the final aggregate principal amount of each series of (i) Existing Securities accepted for exchange and (ii) New Notes to be issued.

As soon as reasonably practicable after the Expiration Time (expected to be on or about August 3, 2009)

Settlement

Settlement Date for the Offers and delivery of New Notes in exchange of Existing Securities validly submitted for exchange.

August 6, 2009

*The above times and dates are subject to the right of BPCE to extend, re-open, amend and/or terminate the Offers (subject to applicable law and as provided in this Exchange Offering Memorandum). Holders of Existing Securities are advised to check with any bank, securities broker or other intermediary through which they hold Existing Securities whether such intermediary needs to receive instructions before the deadlines set out above in order for holders to be able to participate in, or (in the limited circumstances in which withdrawal is permitted) withdraw their instruction to participate in, the Offers. **The deadlines set by each Clearing System for the submission of Exchange Instructions (where they are to be submitted to a Clearing System) may also be earlier than the relevant deadlines above. See “Procedures for Tendering Existing Securities”.***

Unless stated otherwise, announcements will be made by BPCE (i) by the issue of a press release (which will be distributed to a Notifying News Service and will be available on the websites of the Groupe Caisse d’Epargne (www.groupe.caisse-epargne.fr) and the Groupe Banque Populaire (www.banquepopulaire.fr), subject to any legal restrictions), (ii) by the delivery of notices to the Clearing Systems and the Exchange Agents for communication to Direct Participants or Account Holders, and (iii) through the website of the Luxembourg Stock Exchange (www.bourse.lu). Copies of all such announcements, press releases and notices can also be obtained from the Exchange Agents and the Information Agent, whose contact details appear on the last page of this Exchange Offering Memorandum. In addition, holders of Existing Securities may contact the Dealer Managers for information using the contact details on the last page of this Exchange Offering Memorandum.

Definitions

Account Holder	Any authorised financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, including Euroclear and Clearstream, Luxembourg.
Business Day	(i) A day other than a Saturday or a Sunday or a public holiday on which commercial banks and foreign exchange markets are open for business in London, Paris, New York and Luxembourg and (ii) for any payment to be made in euros, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (TARGET2) is operating.
Clearing System Notice	The form of notice (such as the “ <i>Deadlines and Corporate Events</i> ” or similar form of notice) to be sent to Direct Participants on or about the date of this Exchange Offering Memorandum informing Direct Participants of the procedures to be followed in order to participate in the Offers.
Clearing Systems	Euroclear France; Euroclear; Clearstream, Luxembourg; and DTC.
Clearstream, Luxembourg	Clearstream Banking, <i>société anonyme</i> .
Dealer Managers	BNP Paribas and Natixis
Direct Participant	Each person who is shown in the records of Euroclear or Clearstream, Luxembourg and DTC as a holder of Existing Securities.
DTC	The Depository Trust Company.
Euroclear	Euroclear Bank S.A./N.V.
Euroclear France	Euroclear France S.A.
Exchange Agents	The Principal Exchange Agent, the French Exchange Agent and the US Exchange Agent
Exchange Amount	In respect of each series of Existing Securities, the principal amount of New Notes to be delivered for a single Existing Security of an authorized denomination or minimum denomination (as the case may be), subject to adjustment for fractional interests, as described under “—Fractional Interests.” The Exchange Amount for each series of Existing Securities will be equal to the Exchange Consideration, multiplied by the authorized denomination or minimum denomination for such series, and divided by €1,000 or \$1,000, as the case may be.
Exchange Consideration	In respect of each series of Existing Securities, the related Exchange Price plus an amount equal to accrued and unpaid interest or distributions, from (and including) the most recent interest payment or distribution payment date on the Existing Securities, to (but excluding) the Settlement Date. The Exchange Consideration will be determined per €1,000 or US\$1,000, as applicable, in principal amount of Existing Securities.
Exchange Instruction	Depending on whether Existing Securities are held with DTC, Euroclear, Clearstream, Luxembourg, or Euroclear France, a DTC Notice, an Electronic Instruction Notice or a Paper Acceptance and Transfer Notice. See “—Procedures for Tendering.”

Exchange Price	In respect of each series of Existing Securities, the price for each €1,000 or US\$1,000, as applicable, in principal amount at which Existing Securities are accepted for exchange by BPCE, expressed in euros or in U.S. dollars, as the case may be. The Exchange Price is set forth under “Terms of the Offers – Exchange Price, Exchange Consideration and Exchange Amount.”
Expiration Date	July 31, 2009
Expiration Time	5:00 p.m. (New York time) on July 31, 2009 (subject to the right of BPCE to extend, re-open, amend and/or terminate the Offers).
French Exchange Agent	Deutsche Bank AG, Paris
Information Agent	Global Bondholder Services Corporation
Minimum Delivery Amount	The minimum aggregate principal amount of a series of Existing Securities that (when added to accrued interest thereon) must be delivered by a holder in order for such holder to receive New Notes in a principal amount at least equal to the relevant Minimum New Note Amount. Existing Securities delivered in a principal amount that is less than the Minimum Delivery Amount will not be accepted for exchange.
Minimum New Note Amount	€50,000 (in the case of Offers involving the Series EUR-1 New Notes and the Series EUR-2 New Notes) or US\$100,000 (in the case of Offers involving the Series USD-1 Notes and the Series USD-2 New Notes).
Minimum Principal Amount	The minimum aggregate principal amount of New Notes of each Series that must be issued upon the exchange of validly tendered Existing Securities, failing which the conditions to the Offers in which New Notes of such Series are to be delivered will not be satisfied (subject to BPCE’s right to amend the terms of the Offers).
New Note Coupon	The New Note Coupon will be the fixed rate of interest to be borne by the New Notes upon issuance. See “The New Notes.”
New Note Price	100% of the principal amount of the New Notes.
New Notes	Undated deeply subordinated notes of BPCE to be issued in four series, two denominated in euros (“ Series EUR-1 ” and “ Series EUR-2 ”) and two denominated in U.S. dollars (“ Series USD-1 ” and “ Series USD-2 ”). See “The New Notes.”
Notifying News Service	A recognized financial news service or services (e.g. Reuters/Bloomberg) as selected by BPCE.
Principal Exchange Agent	Deutsche Bank AG, London Branch
Settlement Date	August 6, 2009 (subject to the right of BPCE to extend, re-open, amend and/or terminate the Offers).
US Exchange Agent	Deutsche Bank Trust Company Americas

Reasons for the Offers

The Offers and the issuance of the New Notes will establish BPCE as a new reference issuer of securities (including Tier 1 capital securities), which is an essential part of its role as central body of the Groupe BPCE. See “Business – Role of BPCE as Central Body.” BPCE is seeking to provide the opportunity for holders of Natixis Tier 1 capital securities to become holders of new Tier 1 capital securities of BPCE.

The Offers are also intended to improve and strengthen the capital base of the BPCE SA Group by increasing the share of its Tier 1 capital that will be composed of Core Tier 1 capital. See “Summary – Capital Adequacy Ratios” and “Business – Capital Adequacy Ratios.”

On or shortly following the Settlement Date, BPCE will sell to Natixis the Existing Securities that BPCE will receive in connection with the Offers. Natixis will cancel (or for Existing Securities issued by NBP Capital Trust I and NBP Capital Trust III procure the cancellation of) all such Existing Securities (which will result in the realization of a profit that will increase the Core Tier 1 capital of Natixis and of the BPCE SA Group). Natixis will simultaneously issue new deeply subordinated notes to BPCE, which will count as Tier 1 capital for Natixis.

General Presentation of the Offers

BPCE is offering to holders of certain outstanding Tier 1 securities (“**Existing Securities**”) of Natixis, NBP Capital Trust I and NBP Capital Trust III the opportunity to exchange their Existing Securities for newly issued undated deeply subordinated notes (the “**New Notes**”) of BPCE, to be issued in four series, two denominated in euros (“**Series EUR-1**” and “**Series EUR-2**”) and two denominated in U.S. dollars (“**Series USD-1**” and “**Series USD-2**”), subject to the conditions described herein.

BPCE is making seven separate offers (each, an “**Offer**”), one for each outstanding issue of Existing Securities. Subject to the conditions described herein (including the Minimum New Note Amount requirements described below), eligible holders that validly offer to exchange Existing Securities of a given issue will receive New Notes of the series and with a principal amount determined as follows:

- €430 principal amount of Series EUR-1 New Notes for every €1,000 principal amount of the €300 million Natixis Undated Deeply Subordinated Floating Rate Notes issued on January 25, 2005 (ISIN FR0010154278) (€1,000 is the denomination of the Existing Securities of such series).
- €800 principal amount of Series EUR-2 New Notes for every €1,000 liquidation amount of the €200 million NBP Capital Trust I 8.32% Non-cumulative Trust Preferred Securities issued on June 28, 2000 (ISIN XS0113462609) (€1,000 is the denomination of the Existing Securities of such series).
- €580 principal amount of Series EUR-2 New Notes for every €1,000 principal amount of the €750 million Natixis Undated Deeply Subordinated Perpetual Fixed to Floating Rate Notes issued on October 18, 2007 (ISIN FR0010531012) (€29,000 principal amount of Series EUR-2 New Notes for each €50,000 denomination Existing Security of such series).
- €690 principal amount of Series EUR-2 New Notes for every €1,000 principal amount of the €150 million Natixis Undated Deeply Subordinated Perpetual Fixed to Floating Rate Notes issued on March 31, 2008 (ISIN FR0010600163) (€34,500 principal amount of Series EUR-2 New Notes for each €50,000 denomination Existing Security of such series).
- US\$570 principal amount of Series USD-1 New Notes for every \$1,000 liquidation amount of the US\$200 million NBP Capital Trust III 7.375% Noncumulative Trust Preferred Securities issued on October 27, 2003 (ISIN XS0176710068) (\$1,000 is the denomination of the Existing Securities of such series).

- US\$750 principal amount of Series USD-1 New Notes for every \$1,000 principal amount of the US\$300 million Natixis U.S. Dollar Denominated Fixed Rate Undated Deeply Subordinated Non-Cumulative Notes issued on April 16, 2008 (ISIN FR0010607747) (\$1,500 principal amount of Series USD-1 New Notes for each \$2,000 denomination Existing Security of such series).
- US\$760 principal amount of Series USD-2 New Notes for every \$1,000 principal amount of the US\$750 million Natixis Subordinated Fixed to Floating Rate Notes issued on April 30, 2008 (ISIN US63872AAA88 for Rule 144A Notes and ISIN USF6483LHM57 for Regulation S Notes) (\$76,000 principal amount of Series USD-2 New Notes for each \$100,000 minimum denomination Existing Security of such series).

BPCE will also deliver additional New Notes of the applicable series in a principal amount equal to the accrued and unpaid interest on the related Existing Securities to (but excluding) the Settlement Date, as provided herein, subject to adjustment for fractional interests, as described under “—Fractional Interests.”

The New Notes are being offered in minimum amounts of €50,000 (for the Series EUR-1 Notes and the Series EUR-2 Notes), or \$100,000 (for the Series USD-1 Notes and the Series USD-2 Notes) (in each case, the “**Minimum New Note Amount**”). Holders of Existing Securities must deliver a principal amount of Existing Securities at least equal to the Minimum Delivery Amount, or such Existing Securities will not be accepted for exchange.

Existing Securities may be tendered by eligible holders in the manner described herein, at any time from 9:00 a.m. (Paris time) on July 6, 2009 until 5:00 p.m. (New York time) on July 31, 2009 (such date and time, as they may be extended, the “**Expiration Time**”). Tenders will be irrevocable and may not be withdrawn except in the circumstances described herein under “—Withdrawal Rights.” BPCE expects the settlement date for the Offers to occur on or about August 6, 2009. BPCE may modify, extend or cancel any or all of the Offers at any time prior to 9:00 a.m. New York time on the business day immediately following the close of the Offer period, by providing notice in the manner described herein.

The Offers are subject to a number of conditions described herein, including the effective completion of the Combination Transactions and the tender of Existing Securities of each series sufficient to ensure that the New Notes of the related Series will be issued in at least the Minimum Principal Amount for such Series. See “—Minimum Principal Amount Condition” and “—Conditions to the Offers.”

The New Notes will be issued in the denominations of €1,000 (for Series EUR-1 and Series EUR-2) or US\$1,500 (for Series USD-1) or US\$100,000 and integral multiples of US\$1,000 in excess thereof (for Series USD-2). Application will be made for the New Notes to be admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange’s Regulated Market.

BPCE expressly reserves the right, at any time, in its absolute discretion, to extend the period of time during which the exchange offer is open, and delay acceptance for exchange of any Existing Securities, by giving written notice of such extension to the holders of Existing Securities as described below. BPCE will extend the duration of the exchange offer if required by applicable law, and may choose to extend it in order to provide additional time for holders to tender their Existing Securities for exchange. During any such extension, all Existing Securities previously tendered will remain subject to the Offers and may be accepted for exchange by BPCE, subject to any withdrawal rights in the limited circumstances set forth under “—Withdrawal Rights.” Any Existing Securities not accepted for exchange for any reason will be returned without expense to the tendering holder promptly after the expiration or termination of the Offers. Holders whose Existing Securities tendered for exchange are not accepted, or who do not participate in the Offers, will not be eligible to receive New Notes in exchange for such Existing Securities and will continue to hold such Existing Securities subject to their terms and conditions. In accordance with Rule 14e-1 under the U.S. Securities Exchange Act of 1934, as amended, if BPCE elects to increase or decrease the amount of Existing Securities sought in any Offer, such Offer will remain open for at least ten business days from the date that the notice of such change is first published or sent to holders of the Existing Securities.

The New Notes have not been and will not be registered under the Securities Act and the Offers are subject to restrictions in a number of jurisdictions. Each holder that tenders its Existing Securities will be bound by the

representations, warranties and undertakings set forth under “—Procedures for Tendering Existing Securities” below, and will be deemed to represent, warrant and agree as set forth under “Transfer Restrictions”.

None of BPCE, the Dealer Managers or the Exchange Agents (or their respective directors, employees or affiliates) makes any recommendation as to whether or not holders should tender their Existing Securities for exchange in the Offers.

Terms of the Offers

BPCE is offering to exchange New Notes for Existing Securities in seven separate offers, on the terms and subject to the conditions set forth herein. The New Notes will be issued at par. The principal amount of New Notes to be issued in exchange for validly tendered Existing Securities will be determined on the basis of the terms set forth below.

The Existing Securities

There are seven series of Existing Securities, each of which is the subject of a separate Offer. The seven series (and their definitions for purposes of this Exchange Offering Memorandum) are described in the following table (all Existing Securities were issued by Natixis or its predecessors, except as noted in the table):

Title and Definition	Aggregate Principal Amount	Issue Date	ISIN	Denomination
Euro-Denominated Existing Securities				
Natixis Undated Deeply Subordinated Floating Rate Notes ("CMS Existing Securities")	€300,000,000	January 25, 2005	FR0010154278	€1,000
NBP Capital Trust I 8.32% Non-cumulative Trust Preferred Securities ("NBP I Trust Preferred Securities")	€200,000,000	June 28, 2000	XS0113462609	€1,000 (liquidation amount)
Natixis Undated Deeply Subordinated Perpetual Fixed to Floating Rate Notes ("F2F-1 Existing Securities")	€750,000,000	October 18, 2007	FR0010531012	€50,000
Natixis Undated Deeply Subordinated Perpetual Fixed to Floating Rate Notes ("F2F-2 Existing Securities")	€150,000,000	March 31, 2008	FR0010600163	€50,000
U.S. Dollar-Denominated Existing Securities				
NBP Capital Trust III 7.375% Noncumulative Trust Preferred Securities ("NBP III Trust Preferred Securities")	US\$200,000,000	October 27, 2003	XS0176710068	US\$1,000 (liquidation amount)
Natixis U.S. Dollar Denominated Fixed Rate Undated Deeply Subordinated Non-Cumulative Notes ("USD Fixed Rate Existing Securities")	US\$300,000,000	April 16, 2008	FR0010607747	US\$2,000
Natixis Subordinated Fixed to Floating Rate Notes ("USD F2F Existing Securities")	US\$750,000,000	April 30, 2008	US63872AAA88 (for Rule 144A Notes) and USF6483LHM57 (for Regulation S Notes)	US\$100,000 (minimum denomination)

Exchange Price, Exchange Consideration and Exchange Amount

The principal amount of New Notes of a Series that BPCE is offering (subject to the conditions set forth herein) in exchange for Existing Notes of the related series depends on the Exchange Price and the Exchange Consideration for the Existing Notes of such series.

The Exchange Price is the price (expressed as an amount in euros or U.S. dollars, as the case may be), for each €1,000 or \$1,000 principal amount of Existing Securities of a given series.

BPCE will also deliver New Notes of a series in respect of the amount of interest accrued and unpaid on the Existing Securities of the related series from (and including) the latest interest payment date or distribution payment date on such Existing Securities, to (but excluding) the Settlement Date. The sum of the Exchange Price for a series of Existing Securities and the amount of such accrued interest per €1,000 or \$1,000 principal amount, as the case may be, is equal to the Exchange Consideration for such series of Existing Securities.

Existing Securities may only be delivered in authorized denominations (as set forth in the terms and conditions of such Existing Securities). The principal amount of New Notes of a Series to be delivered (subject to adjustment as described under “—Fractional Interests”) for each Existing Security of an authorized denomination (or the minimum denomination, in the case of the USD F2F Existing Securities) is referred to as the “Exchange Amount” and is equal to the Exchange Consideration, multiplied by the authorized denomination (or minimum denomination), and divided by €1,000 or \$1,000, as the case may be.

The following table sets forth, for each series of Existing Securities, the related Series of New Notes, the Exchange Price, the Exchange Consideration (based on the assumption that the Offers are not extended), the authorized or minimum denomination, and the Exchange Amount for such authorized or minimum denomination.

Existing Securities	Series of New Notes	Exchange Price Per €1,000 or \$1,000	Exchange Consideration (including accrued interest) per €1,000 or \$1,000	Authorized or Minimum Denomination	Exchange Amount(1)
Euro-Denominated Existing Securities					
CMS Existing Securities	EUR-1	€430	€454.30	€1,000	€454.30
NBP I Trust Preferred Securities	EUR-2	€800	€808.43	€1,000	€808.43
F2F-1 Existing Securities	EUR-2	€580	€630.42	€50,000	€31,521
F2F-2 Existing Securities	EUR-2	€690	€720.33	€50,000	€36,016.50
U.S. Dollar-Denominated Existing Securities					
NBP III Trust Preferred Securities	USD-1	US\$570	US\$571.84 ⁽²⁾	US\$1,000 (liquidation amount)	US\$571.84
USD Fixed Rate Existing Securities	USD-1	US\$750	US\$777.50	US\$2,000	US\$1,555
USD F2F Existing Securities	USD-2	US\$760	US\$786.67	US\$100,000 (minimum denomination)	US\$78,667

(1) Per Authorized or Minimum Denomination, and subject to adjustment as described under “—Fractional Interests.”

(2) The distribution rate on the NBP Preferred Capital Trust III Existing Securities is scheduled to reset on July 27, 2009, on the basis of LIBOR determined two London business days before such date. The figure in the table is based on the LIBOR rate as of July 2, 2009 and is subject to adjustment.

Minimum New Note Amount and Minimum Delivery Amount

The New Notes are being offered in minimum amounts of €50,000 (for the Series EUR-1 Notes and the Series EUR-2 Notes), or \$100,000 (for the Series USD-1 Notes and the Series USD-2 Notes) (in each case, the “**Minimum New Note Amount**”). Each holder of Existing Securities must deliver a principal amount of Existing Securities (the “**Minimum Delivery Amount**”) sufficient (when added to accrued interest on such Existing Securities) to allow it to receive the relevant Minimum New Note Amount, or such holder’s Existing Securities will not be accepted for exchange. The following table sets forth the Minimum Delivery Amount for the Existing Securities of each series, and the related Exchange Consideration.

Existing Securities	Minimum Delivery Amount	Exchange Consideration for Minimum Delivery Amount ⁽¹⁾
Euro-Denominated Existing Securities		
CMS Existing Securities	€117,000	€50,310
NBP I Trust Preferred Securities	€63,000	€50,400
F2F-1 Existing Securities	€100,000	€58,000
F2F-2 Existing Securities	€100,000	€69,000
U.S. Dollar-Denominated Existing Securities		
NBP III Trust Preferred Securities	US\$176,000	US\$100,320
USD Fixed Rate Existing Securities	US\$134,500	US\$100,500
USD F2F Existing Securities	US\$132,000	US\$100,320

(1) Subject to adjustment as described under “—Fractional Interests.”

Any holder of Existing Securities that delivers a principal amount of Existing Securities equal to or in excess of the Minimum Delivery Amount will receive New Notes, subject to the conditions to the Offers described herein. Because the authorized denominations of the New Notes (€1,000 or US\$1,500) (other than the Series USD-2 New Notes) are significantly smaller than the Minimum New Note Amounts, holders who deliver Existing Securities in amounts greater than the related Minimum Delivery Amount will receive New Notes in respect of substantially all of their Existing Securities delivered, subject to adjustment as described under “—Fractional Interests.”

Holders of Existing Securities who do not deliver an amount of Existing Securities at least equal to the Minimum Delivery Amount will not be able to receive New Notes in connection with the Offers.

Pricing of the New Notes

The New Note Coupon for the New Notes of each Series is set forth in the table below. For the Series EUR-2 and USD-2 New Notes, the interest rate will change after the First Call Date, as described in more detail under “The New Notes.”

The New Notes will be issued at par (100% of their principal amount). The New Notes of each Series will be issued with a maximum aggregate principal amount set forth below, which has been determined on the assumption that all of the related Existing Securities are validly tendered in each Offer. Even if the Offers are highly successful, it is unlikely that this assumption will prove true. It is a condition to the completion of the Offers that valid tenders of Existing Securities be sufficient so that the New Notes of each Series be issued in an aggregate principal amount equal to the related Minimum Principal Amount (as set forth below). See “—Conditions to the Offers.”

The following table sets forth, for each series of New Notes, the maximum principal amount to be issued (assuming that 100% of the related Existing Securities are validly tendered in each Offer), the Minimum Principal Amount.

Series	Maximum Principal Amount	Minimum Principal Amount
EUR - 1	€129,000,000	€25 million
EUR - 2	€698,500,000	€50 million
USD - 1	US\$339,000,000	US\$25 million
USD - 2	US\$570,000,000	US\$50 million

Fractional Interests

The New Notes will be issued in authorized denominations of €1,000 (for the Series EUR-1 and Series EUR-2 New Notes) or US\$1,500 (for the Series USD-1 New Notes) or US\$100,000 and integral multiples of US\$1,000 in excess thereof (for the Series USD-2 New Notes).

If the amount of New Notes deliverable to a holder who validly tenders Existing Securities pursuant to an Offer (the “non-rounded amount”) would not be an even multiple of an authorized denomination of such New Notes, then such holder will receive the whole number of New Notes immediately below such number, in which case the holder will receive a cash payment in lieu of a fractional New Note in an amount equal to the difference between the non-rounded amount and the principal amount of such whole number of New Notes. Payments to a holder in respect of Series EUR-1 or Series EUR-2 New Notes will be made in euros, and payments to a holder in respect of Series USD-1 or Series USD-2 Notes will be made in U.S. dollars. In order to receive any such cash payments, holders that are Direct Participants and Account Holders must specify a cash account where the payments are to be made. Holders whose Existing Securities are held through a broker, dealer, commercial bank, trust company or other nominee should contact such custodian or nominee with any questions regarding such cash payments.

Minimum Principal Amount Condition

BPCE intends to proceed with the exchange of New Notes for Existing Securities only if the aggregate principal amount of the New Notes of a given Series is sufficient to ensure an appropriate level of liquidity (although no assurance can be given that a trading market will develop for any of the New Notes). As a result, it is a condition to each Offer in respect of which a given Series of New Notes is to be delivered that the aggregate

principal amount of New Notes of such Series to be delivered in the relevant Offers is at least equal to the Minimum Principal Amount for such Series (the “**Minimum Principal Amount Condition**”).

The Minimum Principal Amount for the Series EUR-1 Notes will be €25 million, for the Series EUR-2 Notes will be €50 million, for the Series USD-1 Notes will be \$25 million and for the Series USD-2 Notes will be \$50 million.

BPCE reserves the right to waive the Minimum Principal Amount Condition in respect of any Offer. However, in such event the Expiration Time will be extended (if necessary) so that it occurs at least five (5) business days after such waiver is announced, and holders of the related Existing Securities will have the right to withdraw their tenders for up to two (2) business days following such announcement, as described under “—Withdrawal Rights.”

Conditions to the Offers

Notwithstanding any other provision of the Offers, BPCE is not required to accept for exchange, or to issue the New Notes in exchange for, any Existing Securities, and may terminate or amend any Offer at its discretion, at any time prior to 9:00 a.m (New York time) on the New York business day following the Expiration Date. In addition, each Offer is conditioned upon the absence of any of the following events occurring prior to BPCE’s acceptance of the Existing Securities:

- (1) there shall have been instituted, threatened or be pending any action, proceeding or investigation (whether formal or informal), or there shall have been any material adverse development to any action or proceeding currently instituted, threatened or pending, before or by any court, governmental, regulatory or administrative agency or instrumentality, or by any other person, in connection with such Offer that, in the reasonable judgment of BPCE in consultation with the Dealer Managers, either (a) is, or is reasonably likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of the BPCE SA Group (b) would or might prohibit, prevent, restrict or delay consummation of such Offer;
- (2) an order, statute, rule, regulation, executive order, stay, decree, judgment or injunction shall have been proposed, enacted, entered, issued, promulgated, enforced or deemed applicable by any court or governmental, regulatory or administrative agency or instrumentality that, in the reasonable judgment of BPCE, either (a) would or might prohibit, prevent, restrict or delay consummation of such Offer or (b) is, or is reasonably likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of the BPCE SA Group;
- (3) there shall have occurred or be likely to occur any event affecting the business or financial affairs of the BPCE SA Group that, in the reasonable judgment of BPCE, would or might prohibit, prevent, restrict or delay consummation of such Offer;
- (4) BPCE shall have been notified by the Secretariat Général de la Commission Bancaire that the related New Notes will not qualify as Tier 1 capital in accordance with Applicable Banking Regulations (as defined in the Terms and Conditions of the New Notes);
- (5) there has occurred (a) any general suspension of, or limitation on, trading in securities on the New York Stock Exchange, NYSE Euronext Paris or the Luxembourg Stock Exchange or in the over-the-counter market, whether or not mandatory, (b) any significant adverse change in the securities or financial markets in the Europe or the United States or on the Luxembourg Stock Exchange, (c) a declaration of a banking moratorium or any suspension of payments in respect to banks in the United States or Europe, (d) any limitation (whether or not mandatory) by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, or other event that, in the reasonable judgment of BPCE, might affect the extension of credit by banks or other lending institutions, (e) a material change in United States or European currency exchange rate or a

general suspension of, or material limitation on, the markets therefor, or (f) a commencement of war, armed hostilities, terrorist acts or other national or international calamity directly or indirectly involving the United States or Europe;

- (6) the Combination Transactions have not been completed (the Combination Transactions are themselves subject to the conditions described under “Combination Transactions”); or
- (7) the Minimum Principal Amount Condition is not met with respect to any Offer.

The foregoing conditions (other than the condition set forth in clause 6) are for the sole benefit of BPCE and may be asserted by BPCE regardless of the circumstances giving rise to any such condition (including any action or inaction by BPCE) and may be waived by BPCE, in whole or in part, at any time and from time to time before 9:00 a.m., New York time, on the business day following the applicable Expiration Time (subject, with respect to clause (7), to the provisions set forth under “Minimum Principal Amount Condition”). The failure by BPCE at any time to exercise any of the foregoing rights will not be deemed a waiver of any other right and each right will be deemed an ongoing right that may be asserted at any time and from time to time.

Acceptance, No Scaling of Existing Securities

Upon satisfaction or waiver of all of the conditions to the Offers (unless any Offer is modified, extended or terminated), BPCE will accept, promptly after the Expiration Time, any and all outstanding Existing Securities validly tendered and not withdrawn and will issue the New Notes promptly after acceptance of the Existing Securities, on the Settlement Date. For purposes of the Offers, BPCE shall be deemed to have accepted properly tendered Existing Securities for exchange if and when BPCE gives oral (confirmed in writing) or written notice to the Exchange Agents.

If BPCE decides to accept valid offers of Existing Securities for exchange pursuant to one or more Offer(s), BPCE will accept for exchange all of the Existing Securities of the series that are the subject of such Offer(s) and there will be no scaling of any Offers of Existing Securities of such series for exchange. BPCE may decide to accept Offers of Existing Securities of any one or more series of Existing Securities for exchange but not any other Offer in respect of any other series of Existing Securities, and may make any such decision for any reason.

Differences between the Existing Note Conditions and the New Note Conditions

The economic terms (interest rates and call dates) of the New Notes are significantly different from the economic terms of the Existing Securities in particular in respect of the Series EUR-2 New Notes and the Series USD-2 New Notes, in which the Step-up Margin is substantially higher than the 100 basis point step-up in the Existing Securities. In addition, the F2F-1, F2F-2 and USD-F2F Existing Securities provide for the payment of a make-whole amount in case of redemption prior to the first call dates upon the occurrence of tax or regulatory events, while the New Notes offered in exchange do not provide for any make-whole amount. Otherwise, the terms and conditions of each series of Existing Securities and the series of New Notes to be exchanged therefor are generally similar in substance, with the exception of the Trust Preferred Securities. Holders of Existing Securities that are Trust Preferred Securities (which clear through Euroclear and Clearstream, Luxembourg) should also note that the New Notes exchanged for the Trust Preferred Securities will clear through Euroclear France, Euroclear and Clearstream, and will have a different ISIN prefix than such Existing Securities.

The Trust Preferred Securities were issued by NBP Capital Trust I and NBP Capital Trust III, and represent beneficial ownership interests in Company Preferred Securities issued by NBP Preferred Capital I, L.L.C. and NBP Preferred Capital III, L.L.C., respectively, both of which are Delaware limited liability companies (the “LLCs”). The principal asset of each LLC is a subordinated note issued by Natixis. The LLCs also benefit from deeply subordinated Support Agreement undertakings of Natixis. The common securities of the LLCs are held by the New York branch of Natixis. The New Notes offered by BPCE in exchange for the Trust Preferred Securities are direct, deeply subordinated obligations of BPCE, with the terms set forth under “The New Notes – Terms and Conditions of the Series USD-1 New Notes.”

Investors should carefully consider the differences between the New Notes and the related Existing Securities in deciding whether to deliver Existing Securities for exchange in connection with the Offers.

Announcements

As soon as reasonably practicable after the Expiration Time, BPCE will announce (i) whether BPCE is accepting valid offers in respect of each Series of Existing Securities; (ii) the aggregate principal amounts of each Series of Existing Securities BPCE will be accepting for exchange; and (iii) the aggregate principal amount of each Series of New Notes to be issued. The notice will also confirm the Settlement Date.

Unless stated otherwise, announcements will be made by BPCE (i) by the issue of a press release (which will be distributed to a Notifying News Service and will be available on the websites of the Groupe Caisse d'Epargne (www.groupe.caisse-epargne.fr) and the Groupe Banque Populaire (www.banquepopulaire.fr), subject to any legal restrictions), (ii) by the delivery of notices to the Clearing Systems for communication to Direct Participants or Account Holders, and (iii) through the website of the Luxembourg Stock Exchange (www.bourse.lu). Copies of all such announcements, press releases and notices can also be obtained from the Exchange Agents and the Information Agent, whose contact details appear on the last page of this Exchange Offering Memorandum. In addition, holders of Existing Securities may contact the Dealer Managers for information using the contact details on the last page of this Exchange Offering Memorandum.

Settlement Date and Delivery of New Notes

The Settlement Date is expected to be August 6, 2009.

If Existing Securities validly delivered for exchange pursuant to an Offer are accepted for exchange by BPCE, BPCE will procure that the New Notes will be delivered through the Clearing Systems for credit to participating holders on the Settlement Date. The New Notes will be delivered and cash payments made to the Clearing System accounts in which the relevant Existing Securities are held or, in the case of Existing Securities held through Euroclear France, to the French Exchange Agent, who will arrange for the credit of the related New Notes and any cash payment to the account of the relevant Account Holder through Euroclear France. The delivery of such New Notes to the Clearing Systems will discharge the obligation of BPCE to all holders of Existing Securities in respect of the delivery of the New Notes.

Provided that BPCE delivers (or has delivered on its behalf) to the Clearing Systems or the French Exchange Agent, as the case may be, on or before the Settlement Date the New Notes in exchange for all Existing Securities accepted pursuant to the Exchange Offers, under no circumstances will any additional interest or distributions be payable to a holder of Existing Securities because of any delay in the delivery of the New Notes by the relevant Clearing System or the French Exchange Agent, as the case may be, or any other intermediary with respect to such Existing Securities.

Procedures for Tendering Existing Securities

A holder wishing to participate in any of the Offers must submit, or arrange to have submitted on its behalf, at or before the Expiration Time and, in each case, before the applicable deadlines set by each Clearing System (unless the Offer is closed earlier), a duly completed Exchange Instruction to the relevant Clearing System (or, in the case of holders whose Existing Securities are held with Euroclear France, the French Exchange Agent) in accordance with the requirements of such Clearing System and in the manner specified herein. Holders of Existing Securities should check with the bank, securities broker or any other intermediary through which they hold their Existing Securities whether such intermediary will apply different deadlines for participation to those set out in this Exchange Offering Memorandum and, if so, should follow those deadlines. A separate Exchange Instruction must be completed by or on behalf of each Direct Participant or Account Holder.

Depending on the Clearing System in which its Existing Securities are held, a holder of Existing Securities wishing to participate in the Offers must follow one of the following procedures:

- a holder of Existing Securities held with DTC must submit, or arrange to have submitted on its behalf, the electronic notice(s) described under “—Book-Entry Delivery and Tender of Notes for Exchange Through ATOP”), (a “**DTC Notice**”);
- a holder of Existing Securities held with Euroclear or Clearstream, Luxembourg must submit, or arrange to have submitted on its behalf, an electronic instruction notice (an “**Electronic Instruction Notice**”); or
- a holder of Existing Securities held with Euroclear France must submit, or arrange to have submitted on its behalf, a hard copy acceptance notice in the form set forth as Annex 1 to this Exchange Offer Memorandum (a “**Paper Acceptance and Transfer Notice**”) to the French Exchange Agent (see “—3. Procedure for Existing Securities held with Euroclear France—Form of Paper Acceptance and Transfer Notice);

all in accordance with the requirements of the relevant Clearing System (or, in the case of holders whose Existing Securities are held with Euroclear France, the French Exchange Agent) and in the manner specified hereafter.

The delivery of Existing Securities for exchange by a holder where such Existing Securities are held in a Clearing System will be deemed to have occurred upon receipt by the relevant Exchange Agent of a valid Exchange Instruction from the relevant Clearing System (or, with respect to Existing Securities held with Euroclear France, upon direct receipt of a Paper Acceptance and Transfer Notice by the French Exchange Agent).

The receipt of an Exchange Instruction will be acknowledged in accordance with the standard practices of such Clearing System (or, in the case of Existing Securities held with Euroclear France, by the French Exchange Agent). In the case of holders whose Existing Securities are held through Euroclear or Clearstream, Luxembourg, the receipt of Exchange Instructions will result in the blocking of such Existing Securities in the holder’s account so that no transfers may be effected in relation to such Existing Securities. Holders whose Existing Securities are held with the other Clearing Systems must take the appropriate steps so that no transfers may be effected in relation to Existing Securities delivered for exchange at any time after the date of submission of an Exchange Instruction in accordance with the requirements and the deadlines required by such Clearing System (or, in the case of Existing Securities held with Euroclear France, the requirements and the deadlines required by the French Exchange Agent).

To be valid, an Exchange Instruction must specify the Existing Securities to which the Exchange Instruction relates, the securities account to which such Existing Securities are credited and any other information required by the relevant Clearing System or the relevant Exchange Agent. All questions as to the validity, form and eligibility (including time of receipt) of any Exchange Instruction will be determined solely by BPCE. BPCE’s determination as to whether or when an Exchange Instruction is received, whether it is duly completed or whether it is validly withdrawn shall be final and binding.

1. Book-Entry Delivery and Delivery of DTC Existing Securities for Exchange Through ATOP

This section applies only to one series of Existing Securities, namely Natixis’s US\$750 million Subordinated Fixed to Floating Rate Notes issued on April 30, 2008, which are referred to above as the USD-F2F Existing Securities. To the extent held directly or indirectly through DTC, the USD-F2F Existing securities are referred to herein as the “**DTC Existing Securities.**” The DTC Existing Securities are held in book-entry form through the facilities of DTC. Holders wishing to tender their DTC Existing Securities must transfer or cause to be transferred such DTC Existing Securities to the US Exchange Agent through DTC’s Automated Tender Offer Program (“**ATOP**”). Holders holding their DTC Existing Securities through a broker, dealer, commercial bank, trust company or other nominee must contact such custodian or nominee if they wish to tender their Existing Securities.

To deliver DTC Existing Securities for exchange pursuant to the Offers, holders must transmit an agent’s message to the US Exchange Agent at the address set forth on the back cover of this Exchange Offering Memorandum on or prior to the Expiration Time. The term “**agent’s message**” means a message, transmitted by DTC to and received by the US Exchange Agent and forming a part of a book-entry confirmation, which states that DTC has received an express acknowledgment from the participant tendering DTC Existing Securities for exchange

stating that (i) such participant has received a copy of this Exchange Offering Memorandum and agrees to be bound by the terms and conditions of the Offer and (ii) that BPCE may enforce such agreement against such participant.

In addition, a timely confirmation of a book-entry transfer (a “**book-entry confirmation**”) of such Existing Securities into the US Exchange Agent’s account at DTC pursuant to the procedure for book-entry transfer must be received by the US Exchange Agent, on or prior to the Expiration Time, together with the agent’s message. The US Exchange Agent will establish an ATOP account at DTC on BPCE’s behalf promptly after the commencement date of the Offers. Any DTC participant can make book-entry delivery of DTC Existing Securities credited to the participant’s DTC account by causing DTC to transfer those DTC Existing Securities into the US Exchange Agent’s ATOP account in accordance with DTC’s procedures for such transfers. Although delivery of DTC Existing Securities may be effected through book-entry at DTC, an agent’s message must be received by the US Exchange Agent prior to the applicable DTC deadline prior to the Expiration Time.

Delivery through DTC of any DTC Existing Securities transmitted through ATOP is at the risk of the tendering holder; delivery will be deemed made only when actually received by the US Exchange Agent. **Holders desiring to tender their DTC Existing Securities on the Expiration Date should note that such holders must allow sufficient time for completion of the ATOP procedures during normal business hours of DTC on such date. Delivery of such documents to DTC does not constitute delivery to the US Exchange Agent.** Delivery of the tendered DTC Existing Securities must be made to the US Exchange Agent pursuant to the book-entry delivery procedures described above.

In all cases, issuance of New Notes for Existing Securities that are accepted for exchange will be made only after timely receipt by the US Exchange Agent of:

- a timely book-entry confirmation of such Existing Securities into the US Exchange Agent’s account at DTC;
- a properly completed and duly executed agent’s message; and
- any other required documents.

2. Procedure for Existing Securities held with Euroclear or Clearstream, Luxembourg

A holder of Existing Securities held with Euroclear or Clearstream, Luxembourg wishing to participate in the Offers must submit, or arrange to have submitted on its behalf, at or before 15:00 Paris time on the Expiration Date and before the deadlines set by each such Clearing System (unless any Offer is modified, extended or terminated earlier), a duly completed Electronic Instruction Notice to Euroclear or Clearstream, Luxembourg.

The receipt of such Electronic Instruction Notice will be acknowledged in accordance with the standard practices of Euroclear or Clearstream, Luxembourg, and will result in the blocking of Existing Securities in the holder’s account so that no transfers may be effected in relation to such Existing Securities.

Holders of Existing Securities must take the appropriate steps through Euroclear or Clearstream, Luxembourg so that no transfers may be effected in relation to such blocked Existing Securities at any time after such date, in accordance with the requirements of the relevant Clearing System and the deadlines required by such Clearing System. By delivering an Electronic Instruction Notice and blocking its Existing Securities, each holder of Existing Securities will be deemed to consent to have the relevant Clearing System provide details concerning such holder’s identity to the Issuer, the Exchange Agents and the Dealer Managers.

Only Direct Participants in Euroclear or Clearstream, Luxembourg may submit Electronic Instruction Notices. A holder that is not a Direct Participant, must arrange for the Direct Participant through which it holds the Existing Securities that it wishes to exchange to submit an Electronic Instruction Notice on its behalf to the relevant Clearing System prior to the deadlines specified by the relevant Clearing System.

The holders of Notes that are held in the name of a broker, dealer, bank, trust company or other nominee or custodian should contact such entity sufficiently in advance of the Expiration Time if they wish to deliver Existing Securities for exchange pursuant to any of the Offers and procure that the Existing Securities are blocked in accordance with the normal procedures of the relevant Clearing System and the deadlines imposed by such Clearing System.

The receipt of an Electronic Instruction Notice by Euroclear or Clearstream, Luxembourg will constitute instructions to debit the holder's securities account on the Settlement Date in respect of all of the Existing Securities that it has submitted for exchange upon receipt by the relevant Clearing System of an instruction from the Principal Exchange Agent to receive those Existing Securities for the account of BPCE and against credit of New Notes, subject to the automatic withdrawal of those instructions in the event that any Offer is terminated by the Issuer on or prior to the Expiration Date.

3. Procedure for Existing Securities held with Euroclear France

A holder of Existing Securities held with Euroclear France wishing to participate in the Exchange Offer must submit, or arrange to have submitted on its behalf, at or before 15:00 Paris time on the Expiration Date (unless the Exchange Offer is terminated earlier), a duly completed Paper Acceptance and Transfer Notice to the French Exchange Agent.

Only Euroclear France Account Holders may submit Paper Acceptance and Transfer Notices. A holder that is not a Euroclear France Account Holder must arrange for the Euroclear France Account Holder through which it holds its Existing Securities to arrange to submit an electronic Paper Acceptance and Transfer Notice on its behalf. Paper Acceptance and Transfer Notices must be submitted by hand, mail, courier or facsimile to the French Exchange Agent, only in the form set forth in Annex 1 to this Exchange Offer Memorandum (see "Form of Paper Acceptance and Transfer Notice" below) and only at the appropriate addresses or to the facsimile numbers specified in the Paper Acceptance and Transfer Notice and in this Exchange Offer Memorandum.

In addition, a holder's Euroclear France Account Holder must give the appropriate instructions to (i) transfer the Existing Securities that it wishes to exchange to the segregated account of the French Exchange Agent opened with Euroclear France prior to or concurrently with submitting an Paper Acceptance and Transfer Notice and (ii) authorize the French Exchange Agent to debit this account on the Settlement Date in respect of the principal amount of the Existing Securities to be exchanged against credit of New Notes, subject in each case to the automatic withdrawal of those instructions in the event that the Exchange Offer is terminated by BPCE prior to the Expiration Time or such holder's Paper Acceptance and Transfer Notice is not accepted by BPCE.

The details of the Euroclear France segregated account referred to above are:

Deutsche Bank, Paris A/C Number 404, NDC ("Nature de compte") 51

Existing Securities transferred to this account must be credited not later than 15:00 Paris Time on the Expiration Date in order for Existing Securities to be accepted.

The Euroclear France Account Holder MUST identify its transfer instructions with a Unique Reference (as defined below) corresponding to each Paper Acceptance and Transfer Notice. No two Paper Acceptance and Transfer Notices may have the same Unique Reference.

BPCE, in its sole discretion, may consider invalid any Paper Acceptance and Transfer Notice submitted without such Unique Reference or, as the case may be, with a Unique Reference that does not match the Unique Reference in the corresponding transfer instruction.

A "**Unique Reference**" is a sequence of up to twelve digits or characters selected by the relevant Euroclear France Account Holder to identify the Paper Acceptance and Transfer Notice which such Euroclear France Account Holder is submitting pursuant to the terms of an Exchange Offer.

General Terms

The tender of Existing Securities by a holder pursuant to any of the procedures set forth above will constitute a binding offer by the holder to exchange its Existing Securities in accordance with the terms and subject to the conditions set forth herein.

Subject to, and effective upon, the acceptance by BPCE of the principal amount of Existing Securities tendered in accordance with the terms and subject to the conditions of the relevant Offer, a tendering holder will be deemed to have agreed to assign and transfer to, or upon the order of, BPCE, all right, title and interest in and to all of the Existing Securities tendered and to waive any and all other rights with respect to the Existing Securities (including, without limitation, any existing or past defaults and their consequences in respect of the Existing Securities and the claims the holder may have now, or may have in the future, arising out of, or related to, the Existing Securities, including, without limitation, any claims that the holder is entitled to receive additional principal or interest payments with respect to such Existing Securities or to participate in any repurchase or redemption of the Existing Securities).

In addition, by tendering its Existing Securities pursuant to an Offer, a holder will be deemed to have irrevocably granted all necessary authority to the relevant Exchange Agent (with full knowledge that such Exchange Agent acts as agent of BPCE) with respect to any tendered Existing Securities, with full power of substitution and resubstitution, to (1) transfer ownership of such Existing Securities on the account books maintained by the Clearing Systems together with all accompanying evidences of transfer and authenticity, to or upon the order of BPCE and (2) receive all benefit or otherwise exercise all rights of beneficial ownership of such Existing Securities, all in accordance with the terms of the exchange offer.

Representations, Warranties and Undertakings

By tendering Existing Securities pursuant to an Offer, a holder shall be deemed to make to BPCE, the Dealer Managers and the Exchange Agents at the Expiration Time and on the Settlement Date, and will be deemed to be bound by, the following representations, warranties and undertakings:

- it acknowledges that it has received, reviewed and accepted the terms of the exchange offer;
- it acknowledges that it has received this Exchange Offering Memorandum and has reviewed and accepts the offer and distribution restrictions, terms, conditions, risk factors, New Note Conditions and other considerations of the relevant Offer, all as described in this Exchange Offering Memorandum (including all of the documents incorporated by reference into this Exchange Offering Memorandum), and has undertaken an appropriate analysis of the implications of such Offer without reliance on BPCE, any of the Dealer Managers or the Exchange Agents;
- it acknowledges that by blocking its Existing Securities in the relevant Clearing System, it will be deemed to consent to have such Clearing System provide details concerning its identity to the Exchange Agents (and for the Exchange Agents to provide such details to BPCE and the Dealer Managers);
- upon the terms and subject to the conditions of the relevant Offer, it hereby delivers its Existing Securities on the terms and subject to the conditions of such Offer in respect of the principal amount of Existing Securities in its account blocked in the relevant Clearing System (such amount being at least equal to the Minimum Delivery Amount). Subject to and effective upon acceptance by BPCE of the Existing Securities blocked in the relevant Clearing System, it hereby renounces all right, title and interest in and to all such Existing Securities accepted by or at the direction of BPCE and hereby waives and releases any rights or claims its may have against BPCE with respect to any such Existing Securities and such Offer;
- it acknowledges that all authority conferred or agreed to be conferred pursuant to these representations, warranties and undertakings and every obligation of the holder offering to exchange its Existing

Securities shall be binding upon the successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives of such holder and shall not be affected by, and shall survive, the death or incapacity of such holder;

- it agrees to do all such acts and things as shall be necessary and execute any additional documents deemed by BPCE to be desirable, in each case to complete the transfer of the relevant Existing Securities to BPCE or its nominee in exchange for the relevant New Notes and/or to perfect any of the authorities expressed to be given hereunder;
- it acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of its participation in the Offers (including the exchange of its Existing Securities and the receipt of the relevant New Notes) and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against BPCE, any Dealer Manager, any Exchange Agent or any other person in respect of such taxes and payments;
- if the Existing Securities are accepted by BPCE for exchange, it acknowledges that the value date for delivery and receipt will be the Settlement Date;
- it is not a person to whom it is unlawful to make an invitation pursuant to the Offers under applicable securities laws and it has (before submitting, or arranging for the submission on its behalf, as the case may be, of the Exchange Instruction in respect of the Existing Securities it is offering for exchange) complied with all laws and regulations applicable to it for the purposes of its participation in the relevant Offer;
 - it is not resident of or located in the Republic of France or, if it is located in the Republic of France, it is either (i) a provider of investment services relating to portfolio management for the account of third parties (*personne fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) or (ii) a qualified investor (*investisseur qualifié*) acting for its own account or acting directly for the account of a qualified investor, all as defined in Articles L.411-1, L.411-2, D.411-1 and D.411-3 of the French *Code monétaire et financier*, and it acknowledges that the direct or indirect distribution to the public in France of any of the New Notes may be made only as provided by Articles L.411-1 to L.411-4, L.412-1 and L.621-8 to L.621-8-3 of the French *Code monétaire et financier* and applicable regulations thereunder;
 - it is not resident of or located in the Republic of Italy, it did not receive this Exchange Offering Memorandum or any invitation to participate in the Offers in Italy and it is not acting on behalf of investors located or resident in Italy and that it has not distributed or forwarded this Exchange Offering Memorandum or any other related communications or documents to or from the Republic of Italy;
 - it is not resident of or located in the United Kingdom or, if it is resident of or located in the United Kingdom, it is a person within the definition of Investment Professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”), or within Article 49(2)(a) to (d) of the Order, or a person to whom this Exchange Offering Memorandum and any other documents or materials relating to the Offers may lawfully be communicated in accordance with the Order;
 - it is outside the Kingdom of Belgium or, if it is located in the Kingdom of Belgium, it is a qualified investor within the meaning of Article 10 of the Belgian Law of 16 June 2006 on public offering of securities and admission of securities to trading on regulated markets, acting on behalf of its own account;
 - it is (i) a qualified institutional buyer, as defined in Rule 144A under the Securities Act (a “**QIB**”) that is acquiring the New Notes for its own account and not with a view to any distribution thereof, in which case it acknowledges that it has received a separate document accompanying this Exchange Offering Memorandum describing certain United States legal restrictions relating to the Offers and the

issuance of the New Notes and that it has reviewed and accepts such restrictions or (ii) located outside the United States (or a dealer or other professional fiduciary in the United States acting on a discretionary basis for a beneficial owner that is a non-U.S. person (other than an estate or trust)) and is acquiring the New Notes pursuant to Rule 903 under the Securities Act, and

- the Existing Securities being tendered in any Offer were owned by the holder and such holder has full power and authority to offer for exchange and to assign and transfer the Existing Securities tendered and to acquire New Notes issuable upon the exchange of such tendered Existing Securities. If such Existing Securities are accepted for exchange by BPCE, such Existing Securities will be transferred to, or to the order of, BPCE with good, indefeasible and unencumbered title free from all liens, charges, encumbrances, interests and restrictions of any kind, not subject to any adverse claim and together with all rights attached thereto. The holder will, upon request, execute and deliver any additional documents and/or such things deemed by BPCE to be necessary or desirable to complete the transfer and cancellation of the Existing Securities or to evidence such power and authority;
- it will not sell, pledge, hypothecate or otherwise encumber or transfer any Existing Securities tendered from the date of its tender and agrees that any purported sale, pledge, hypothecation or other encumbrance or transfer will be void and of no effect;
- if it holds its Existing Securities in Euroclear or Clearstream, Luxembourg, it holds and will hold, until the time of settlement on the Settlement Date, the Existing Securities blocked in the relevant Clearing System and that, in accordance with the requirements of such Clearing Systems and by the deadline required by such Clearing System, it has submitted, or has caused to be submitted, an electronic communication to the relevant Clearing System, as the case may be:
 - (i) to authorize the blocking of the tendered Existing Securities with effect on and from the date thereof so that, at any time pending the transfer of such Existing Securities on the Settlement Date and the cancellation thereof, no transfers of such Existing Securities may be effected; and
 - (ii) to debit the Existing Securities blocked in such Clearing System for purchase from the appropriate account on the Settlement Date;
- it has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid any issue, transfer or other taxes or requisite payments due from it in each respect in connection with any offer or acceptance in any jurisdiction and that it has not taken or omitted to take any action in breach of the representations contained herein or which will or may result in BPCE or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the exchange offer. By tendering its Existing Securities pursuant to an Offer, a holder acknowledges that BPCE will be deemed to have accepted for exchange validly tendered Existing Securities (or defectively tendered Existing Securities with respect to which BPCE has waived such defect) if, as and when BPCE gives oral or written notice thereof to the relevant Exchange Agent;
- the terms and conditions of the relevant Offer shall be deemed to be incorporated in, and form a part of, the Exchange Instruction which shall be read and construed accordingly, and that the information given by or on behalf of such holder in the Exchange Instruction is true and will be true in all respects at the time of the exchange on the Settlement Date;
- it understands that BPCE is under no obligation to accept offers of Existing Securities for exchange pursuant to the relevant Offer, and accordingly such offers may be accepted or rejected by BPCE in its sole discretion and for any reason; and
- its tender of Existing Securities, subject to the terms and conditions of the Offers generally, constitutes a grant of all necessary authority to the relevant Exchange Agent, and an irrevocable instruction to

such Exchange Agent to complete, execute and deliver any forms of transfer, certificates of title and other documents at the discretion of such Exchange Agent in relation to the Existing Securities tendered hereby in favor of BPCE or such other person or persons as BPCE may direct, and to execute all such other documents and to do all such other acts and things as may be in the opinion of such Exchange Agent necessary or expedient for the purpose of, or in connection with, the relevant Offer, and to vest in BPCE such Existing Securities.

No Recommendation

None of BPCE, the Dealer Managers and the Exchange Agents makes any recommendation as to whether or not holders of Existing Securities should submit Existing Securities for exchange. Natixis has also advised BPCE that Natixis makes no such recommendation.

BPCE will make a final and binding determination on all questions as to the validity, form and eligibility (including time of receipt) of such notices. Any Existing Securities tendered for exchange but not exchanged for any reason will be returned to the holder without cost to such holder promptly after revocation, rejection of tender or termination of the Offer.

Withdrawal Rights

It is a term of the Offers that Exchange Instructions are irrevocable except in the limited circumstances described below.

If BPCE (i) decreases the Exchange Consideration for an Offer for any Series of New Notes, or (ii) amends an Offer in any other way (including by way of the making of any other announcement, or the issue of any supplement or other form of update to this Exchange Offering Memorandum, in which any other material development is disclosed) that, in the opinion of BPCE (in consultation with the Dealer Managers) is materially prejudicial to holders that have already submitted Exchange Instructions for such Offer before the announcement of such amendment (a “**Prejudicial Amendment**”), then such Exchange Instructions may be withdrawn by tendering holders at any time from the date and time of the announcement (which announcement shall include a statement that in the opinion of BPCE such amendment is materially prejudicial to such holders) until 5:00 p.m., (New York time) on the second Business Day following such announcement (the “**Withdrawal Deadline**”) (subject to any earlier deadlines required by the Clearing Systems or the Exchange Agents and any intermediary through which holders hold their Existing Securities). The waiver of the Minimum Principal Amount Condition will be considered a Prejudicial Amendment.

For the avoidance of doubt, any extension or re-opening of an Offer (including any amendment in relation to the Expiration Time and/or Settlement Date) shall not be considered a Prejudicial Amendment provided the settlement of any such extended or re-opened Offer will be completed by BPCE by no later than 10 business days after the Expiration Date. Holders of Existing Securities wishing to exercise any right of withdrawal as set out above should do so in accordance with the procedures set out below. For the avoidance of doubt, any holder who does not exercise any such right of withdrawal in the circumstances and in the manner specified herein shall be deemed to have waived such right of withdrawal and its original Exchange Instruction will remain effective.

Withdrawal Procedures

In the event of a Prejudicial Amendment, any Exchange Instruction may be withdrawn or revised by notice from the person or entity submitting the Exchange Instruction, which notice must be received by the relevant Clearing System (or, in the case of Existing Securities held with Euroclear France, the French Exchange Agent) not later than the Withdrawal Deadline.

In such circumstances, Exchange Instructions may be revoked by a holder, or, as required, the relevant Direct Participant or Account Holder on its behalf, by submitting a valid electronic withdrawal instruction to the relevant Clearing System or, in the case of Existing Securities held with Euroclear France, a paper withdrawal notice to the French Exchange Agent.

Irregularities

All questions as to the validity, form, eligibility and valid revocation (including times of receipt) of any Exchange Instruction will be determined by BPCE in its sole discretion, which determination shall be final and binding. BPCE reserves the absolute right to reject any and all Exchange Instructions or revocation instructions not in proper form or for which any corresponding agreement by BPCE to accept would, in the opinion of BPCE and its legal advisers, be unlawful. BPCE also reserves the absolute right to waive any defects, irregularities or delay in the submission of any and all Exchange Instructions or revocation instructions. BPCE also reserves the absolute right to waive any such defect, irregularity or delay in respect of particular tenders of Existing Securities for exchange, whether or not BPCE elects to waive similar defects, irregularities or any delay in respect of any other tenders of Existing Securities for exchange.

Any defect, irregularity or delay must be cured within such time as BPCE determines, unless waived by it. Exchange Instructions will be deemed not to have been made until such defects, irregularities or delays have been cured or waived. None of BPCE, the Dealer Managers or the Exchange Agents shall be under any duty to give notice to a holder of any defects, irregularities or delays in any Exchange Instruction or revocation instruction, nor shall any of them incur any liability for failure to give such notice.

Amendment and Termination

Notwithstanding any other provision of the Offers, BPCE may, subject to applicable laws, at its option and in its sole discretion, at any time before any acceptance by it of the relevant Offer:

- (a) extend the Expiration Time for, or re-open, such Offer (in which case all references in this Exchange Offering Memorandum to “Expiration Time” and “Expiration Date” shall for the purposes of such Offer unless the context otherwise requires, be to the latest time and date to which such Expiration Time has been so extended or such Offer re-opened);
- (b) otherwise extend, re-open or amend such Offer in any respect (including, but not limited to, any increase, decrease, extension, re-opening or amendment, as applicable, in relation to the Expiration Time and Expiration Date, Settlement Date, Exchange Consideration or Step-Up Margin);
- (c) delay the acceptance of Exchange Instructions or exchange of Existing Securities validly submitted for exchange in such Offer until satisfaction or waiver of the conditions to such Offer, even if such Offer has expired; or
- (d) terminate such Offer, including with respect to Exchange Instructions submitted before the time of such termination. BPCE also reserves the right at any time to waive any or all of the conditions of any Offer as set out in this Exchange Offering Memorandum.

BPCE will ensure holders of Existing Securities are notified of any such extension, re-opening, amendment or termination as soon as is reasonably practicable after the relevant decision is made (i) by the issue of a press release to a Notifying News Service, (ii) by way of a notice delivered to the Clearing Systems for communication to Direct Participants or Account Holders and (iii) through the website of the Luxembourg Stock Exchange.

Responsibility for Delivery of Exchange Instructions

None of the BPCE, the Dealer Managers or the Exchange Agents will be responsible for the communication of tenders, Exchange Instructions by:

- beneficial owners to the Direct Participant or Euroclear France Account Holder through which they hold Existing Securities; or

- the Direct Participant or Euroclear France Account Holder to the Exchange Agents or the relevant Clearing System.

If you hold your Existing Securities through a Direct Participant or a Euroclear France Account Holder, you should contact that Direct Participant or Euroclear France Account Holder to discuss the manner in which tenders, acceptances and transmission of the corresponding Exchange Instructions and, as the case may be, transfer instructions may be made on your behalf.

In the event that the Direct Participant or Euroclear France Account Holder through which you hold your Existing Securities is unable to submit an Exchange Instruction on your behalf, you should telephone the Dealer Managers or the Principal Exchange Agent for assistance.

In any case, you are responsible for arranging the timely delivery of your Exchange Instructions.

If you hold Existing Securities or accept an Offer through a Direct Participant or a Euroclear France Account Holder, you should consult with that Direct Participant or Euroclear France Account Holder as to whether it will charge any service fees in connection with the participation in the Offer.

Exchange Agents

Deutsche Bank AG, London Branch has been appointed as the Principal Exchange Agent for the Offers; Deutsche Bank AG, Paris has been appointed as the French Exchange Agent; and Deutsche Bank Trust Company Americas has been appointed as the US Exchange Agent (collectively, the “**Exchange Agents**”). BPCE will pay the Principal Exchange Agent on behalf of the Exchange Agents reasonable and customary fees for their services and will reimburse them for reasonable out-of-pocket expenses in connection therewith.

Fees and Expenses

The principal solicitation of eligible offerees is being made through the Clearing Systems. Additional solicitations of eligible offerees may, however, be made by mail, e mail, facsimile transmission, telephone or in person by the Dealer Managers, as well as by BPCE’s officers and other employees and those of BPCE’s affiliates. No additional compensation will be paid to any officers or employees who engage in soliciting. BPCE will bear the expenses of soliciting tenders of the Existing Securities.

Holders of Existing Securities that participate in an Offer will not be required to pay any fee or commission to the Dealer Managers. If, however, a participating holder handles the transaction through its broker, dealer, commercial bank, trust company or other institution, that holder may be required to pay brokerage fees or commissions to such broker, dealer, commercial bank, trust company or other institution.

Transfer Taxes

Investors will not be obligated to pay any transfer taxes in connection with the tender of Existing Securities in the Offers unless they instruct BPCE to register New Notes in the name of, or request that Existing Securities not tendered or accepted in the exchange offer be returned to, a person other than the participating holder. In those cases, the holder will be responsible for the payment of any applicable transfer taxes.

Consequences of Failing to Exchange Existing Securities

The trading market for Existing Securities not exchanged in the exchange offer may be more limited than it is at present. Therefore, if Existing Securities are not properly tendered in the exchange offer, it may become more difficult for investors to sell or transfer their unexchanged Existing Securities. See “Risk Factors”

Governing Law with Respect to the Offers

The Offers, each Exchange Instruction and any exchange of Existing Securities pursuant to the Offers, shall be governed by and construed in accordance with French law. By submitting an Exchange Instruction, the relevant holder irrevocably and unconditionally agrees for the benefit of BPCE, the Dealer Managers and the Exchange Agents that that the competent courts in Paris are to have jurisdiction to settle any disputes which may arise out of or in connection with the Offers or any of the documents referred to above and that, accordingly, any suit, action or proceedings arising out of or in connection with the foregoing may be brought in such courts.

THE NEW NOTES

Authorization of the New Notes

The New Notes will be authorized prior to the issue date of the New Notes by a duly authorized officer of BPCE, acting pursuant to authority to be delegated to such officer by the future Management Board of BPCE. Because BPCE will, as part of the Combination Transactions, change its corporate governance structure from a one-tier board structure to a two-tier structure (as described under “Management of BPCE,”), such authority cannot be delegated until the change of structure occurs, which is currently scheduled to take place at the general shareholders meeting scheduled for July 31, 2009.

BPCE expects that the members of the Management Board will be asked to delegate the authority to authorize the issuance of the Notes at a meeting that will take place on July 31, 2009 immediately following the shareholders meeting (and a Supervisory Board meeting at which the Management Board members will be appointed). While BPCE expects that the Management Board will decide to grant such authority, there will be no official decision until the meeting on July 31, 2009. In the unlikely event that such authority is not delegated in time to permit the issue of the New Notes, BPCE will amend or terminate the Offers in accordance with the procedures set forth under “The Exchange Offers – Amendment and Termination.”

Terms and Conditions of the New Notes

The sections that follow set forth the text of the terms and conditions of the New Notes of each Series. Because the principal amount of the New Notes will not be determined until after the close of the Offers, and because the New Notes will only be authorized after the Combination Transactions and change of corporate governance structure, certain information regarding these matters is left blank in the sections below. The final terms and conditions (when they are completed) will be available at the specified office of the Fiscal Agent, and will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu), as soon as practicable. The terms omitted below will also be included in a Supplement to this Exchange Offering Memorandum to be filed with the CSSF.

Credit Ratings

The New Notes are expected to be assigned upon issue a rating of A2 by Moody’s Investors Service, Inc., BBB- by Standard & Poor’s Ratings Group and BB+ (rating watch negative) by Fitch Ratings. A credit rating is not a recommendation to buy, sell or hold securities and may be withdrawn by the assigning credit rating agency at any time.

TERMS AND CONDITIONS OF THE SERIES EUR-1 NEW NOTES

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

1 DEFINITIONS

For the purposes of these Conditions:

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

Actual/Actual - ICMA means,

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

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

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

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

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

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

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

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

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

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

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

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

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

First Call Date means September 30, 2015.

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

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

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

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

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

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

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

Noteholders means the holders of the Notes.

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

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

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

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

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

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

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

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

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

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

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

2 FORM, DENOMINATIONS AND TITLE

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

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

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

3 STATUS OF THE NOTES AND SUBORDINATION

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

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

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

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

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

There is no negative pledge in respect of the Notes.

4 INTEREST AND INTEREST SUSPENSION

4.1 General

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

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

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

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

4.2 Fixed Interest Rate

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

4.3 Interest Payable

4.3.1 On Optional Interest Payment Dates

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

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

- (ii) Occurrence of a Supervisory Event

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

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

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

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

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

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

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

4.3.2 On Compulsory Interest Payment Dates

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

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

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

5 LOSS ABSORPTION AND RETURN TO FINANCIAL HEALTH

5.1 Loss Absorption

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5.2 Return to Financial Health

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

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

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

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

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

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

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

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

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

6 REDEMPTION AND PURCHASE

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

6.1 No Final Redemption

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

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

(a) General Call Option

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

(b) Redemption for Taxation Reasons or Regulatory Reasons

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

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

pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid.

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

6.3 Purchases

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

6.4 Cancellation

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

7 PAYMENTS AND CALCULATIONS

7.1 Method of Payment

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

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

7.2 Payments on Business Days

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

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

7.3 Fiscal Agent, Paying Agent and Calculation Agent

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

FISCAL AGENT, CALCULATION AGENT AND PAYING AGENT

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

PARIS PAYING AGENT

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

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

7.4 Certificates to be final

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

8 TAXATION

8.1 Withholding Tax Exemption

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

8.2 Additional Amounts

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

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

For this purpose, the “**Relevant Date**” in relation to any Note means whichever is the later of (A) the date on which the payment in respect of such Note first becomes due and payable, and (B) if

the full amount of the moneys payable on such date in respect of such Note has not been received by the Paying Agent on or prior to such date, the date on which notice is given in accordance with Condition 11 (*Notices*) to Noteholders that such moneys have been so received.

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

9 EVENT OF DEFAULT

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

10 REPRESENTATION OF THE NOTEHOLDERS

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

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

10.1 Legal Personality

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

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

10.2 Representative

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

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

The following person is designated as Representative of the Masse:

Alice Bonardi
3 rue Taitbout
75009 Paris
France

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

Eric Noyer
3 rue Taitbout
75009 Paris
France

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

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

The Representative will not be entitled to any remuneration.

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

10.3 Powers of the Representative

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

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

10.4 General Assemblies of Noteholders

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

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

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

10.5 Powers of General Assemblies

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

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

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

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

10.6 Information to the Noteholders

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

10.7 Expenses

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

11 NOTICES

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

12 **PRESCRIPTION**

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

13 **FURTHER ISSUES**

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

14 **GOVERNING LAW AND JURISDICTION**

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

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

TERMS AND CONDITIONS OF THE SERIES EUR-2 NEW NOTES

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

1 DEFINITIONS

For the purposes of these Conditions:

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

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

Actual/Actual - ICMA means,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

First Call Date means September 30, 2019.

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

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

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

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

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

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

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

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

period beginning on (and including) a Floating Rate Interest Payment Date and ending on (but excluding) the next succeeding Floating Rate Interest Payment Date.

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

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

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

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

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

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

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

Margin means 13.13 per cent. per annum.

Noteholders means the holders of the Notes.

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

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

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

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

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

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

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

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

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

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

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

2 FORM, DENOMINATIONS AND TITLE

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

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

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

3 STATUS OF THE NOTES AND SUBORDINATION

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

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

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

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

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

There is no negative pledge in respect of the Notes.

4 INTEREST AND INTEREST SUSPENSION

4.1 General

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

For the avoidance of doubt

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

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

4.2 Fixed Interest Rate

- 4.2.1 The amount of interest (the “**Fixed Rate Interest Amount**”) payable on each Fixed Rate Interest Payment Date (other than the first Fixed Rate Interest Payment Date) will be the product of the then Principal Amount of such Note and the Fixed Interest Rate, multiplied by the Actual/Actual – ICMA day count fraction and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards). The Fixed Rate Interest Amount for each Note of a denomination of €1,000 for the first Fixed Rate Interest Payment Date will be 143.84.
- 4.2.2 If interest is required to be calculated in respect of a Fixed Rate Interest Period where the then Principal Amount of a Note is less than its Original Principal Amount for a portion thereof, it shall be calculated by the Calculation Agent by applying the Fixed Interest Rate to the then Principal Amount of such Note and multiplying such product by the Actual/Actual – ICMA day count fraction for each relevant portion of the Interest Period, adding the results for all such portions and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards). The Calculation Agent will cause such Fixed Rate Interest Amount to be notified to the Issuer, the Fiscal Agent and the Luxembourg Stock Exchange and any other stock exchange on which the Notes are for the time being listed and will cause the publication thereof in accordance with Condition 11 (*Notices*) as soon as possible after its calculation but in no event later than the fourth TARGET2 Business Day thereafter.

4.3 Floating Interest Rate

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

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

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

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

The Calculation Agent will, as soon as practicable after 11.00 a.m. (Brussels Time) on each Floating Rate Interest Calculation Date in relation to each Floating Rate Interest Period, calculate the Floating Rate Interest Amount payable in respect of each Note for such Floating Rate Interest Period. The Floating Rate Interest Amount will be calculated by applying the Floating Rate Interest Rate for such Floating Rate Interest Period to the Principal Amount of such Note as determined, if the Principal Amount of the Notes is

less than the Original Principal Amount for a portion of such Floating Rate Interest Period, from time to time within such Floating Rate Interest Period, multiplying the product by the Actual/360 day count fraction for each relevant portion of such Interest Period, adding the results for all such portions and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

4.3.3 Publication of Floating Interest Rate and Floating Rate Interest Amount

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

4.4 Interest Payable

4.4.1 On Optional Interest Payment Dates

(i) Payment of Interest on Optional Interest Payment Dates

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

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

(ii) Occurrence of a Supervisory Event

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

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

(iii) After End of Supervisory Event

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

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

4.4.2 On Compulsory Interest Payment Dates

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

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

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

5 LOSS ABSORPTION AND RETURN TO FINANCIAL HEALTH

5.1 Loss Absorption

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

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

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

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

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

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

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

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

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

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

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

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

It is also specified that, on the tenth calendar day following the last day of the financial year during which the Supervisory Event has occurred, the implementation of any loss absorption(s) related to the Notes pursuant to this Condition shall not result in an aggregate reduction exceeding,

at such date, the prorata reduction of the other deeply subordinated notes or other security which rank *pari passu* with the Notes issued by the Issuer.

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

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

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

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

5.2 Return to Financial Health

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

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

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

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

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

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

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

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

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

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

6 REDEMPTION AND PURCHASE

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

6.1 No Final Redemption

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

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

(a) General Call Option

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

(b) Redemption for Taxation Reasons or Regulatory Reasons

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

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

6.3 Purchases

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

6.4 Cancellation

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

7 PAYMENTS AND CALCULATIONS

7.1 Method of Payment

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

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

7.2 Payments on Business Days

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

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

7.3 Fiscal Agent, Paying Agent and Calculation Agent

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

FISCAL AGENT, CALCULATION AGENT AND PAYING AGENT

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

PARIS PAYING AGENT

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

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

7.2 Certificates to be final

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

8 TAXATION

8.1 Withholding Tax Exemption

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

8.2 Additional Amounts

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

- (a) to, or to a third party on behalf of, a Noteholder who is subject to such taxes, duties, assessments or other governmental charges in respect of such Note by reason of his

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

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

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

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

9 EVENT OF DEFAULT

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

10 REPRESENTATION OF THE NOTEHOLDERS

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

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

10.1 Legal Personality

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

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

10.2 Representative

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

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

The following person is designated as Representative of the Masse:

Alice Bonardi
3 rue Taitbout
75009 Paris
France

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

Eric Noyer
3 rue Taitbout
75009 Paris
France

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

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

The Representative will not be entitled to any remuneration

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

10.3 Powers of the Representative

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

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

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

10.4 General Assemblies of Noteholders

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

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

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

10.5 Powers of General Assemblies

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

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

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

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

10.6 Information to the Noteholders

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

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

10.7 Expenses

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

11. NOTICES

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

12. PRESCRIPTION

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

13. FURTHER ISSUES

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

14. GOVERNING LAW AND JURISDICTION

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

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

TERMS AND CONDITIONS OF THE SERIES USD-1 NEW NOTES

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

1 DEFINITIONS

For the purposes of these Conditions:

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

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

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

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

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

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

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

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

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

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

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

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

First Call Date means September 30, 2015.

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

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

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

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

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

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

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

Noteholders means the holders of the Notes.

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

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

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

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

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

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

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

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

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

2 FORM, DENOMINATIONS AND TITLE

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

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

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

3 STATUS OF THE NOTES AND SUBORDINATION

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

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

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

If the Original Principal Amount has been reduced in the context of one or more loss absorption(s) pursuant to Condition 5.1 (*Loss Absorption*), the rights of the Noteholders are calculated on the basis of the Original Principal Amount, to the extent that all other creditors of the Issuer (including unsubordinated creditors of

the Issuer, holders of ordinarily subordinated notes issued by the Issuer, lenders in relation to *prêts participatifs* granted to the Issuer and holders of *titres participatifs* issued by the Issuer) have been or will be fully reimbursed, as ascertained by the liquidator.

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

There is no negative pledge in respect of the Notes.

4 INTEREST AND INTEREST SUSPENSION

4.1 General

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

The Interest Amount for a Note of a denomination of €1,500 for the initial period from (and including) August 6, 2009 to (but excluding) September 30, 2010 will be US\$224.39.

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

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

4.2 Fixed Interest Rate

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

4.2.2 If interest is required to be calculated in respect of an Interest Period where the then Principal Amount of a Note is less than its Original Principal Amount for a portion thereof, it shall be calculated by the Calculation Agent by applying the Interest Rate to the then Principal Amount of such Note and multiplying such product by the 30/360 day count fraction for each relevant portion of the Interest Period, adding the results for all such portions and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards). The Calculation Agent will cause such Interest Amount to be notified to the Issuer, the Fiscal Agent and the Luxembourg Stock Exchange and will cause the publication thereof in accordance with Condition 11 (*Notices*) as soon as possible after its calculation but in no event later than the fourth Business Day thereafter.

4.3 Interest Payable

4.3.1 On Optional Interest Payment Dates

(i) Payment of Interest on Optional Interest Payment Dates

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

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

(ii) Occurrence of a Supervisory Event

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

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

(iii) After End of Supervisory Event

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

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

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

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

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

4.3.2 On Compulsory Interest Payment Dates

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

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

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

5 LOSS ABSORPTION AND RETURN TO FINANCIAL HEALTH

5.1 Loss Absorption

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5.2 Return to Financial Health

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

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

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

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

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

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

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

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

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

6 REDEMPTION AND PURCHASE

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

6.1 No Final Redemption

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

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

(a) General Call Option

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

(b) Redemption for Taxation Reasons or Regulatory Reasons

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

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

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

6.3 Purchases

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

6.4 Cancellation

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

7 PAYMENTS AND CALCULATIONS

7.1 Method of Payment

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

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

7.2 **Payments on Business Days**

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

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

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

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

FISCAL AGENT, CALCULATION AGENT AND PAYING AGENT

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

PARIS PAYING AGENT

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

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

7.4 **Certificates to be final**

All certificates, communications, opinion, determinations, calculation, quotations and decisions given, expressed, made or obtained for the purpose of the provisions of these Conditions whether by the Calculation Agent or the relevant banks in the London interbank market (or any of them)

shall (in the absence of wilful default or manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agent, and all the Noteholders. No Noteholder shall (in the absence as aforesaid) be entitled to proceed against the Calculation Agent in connection with the exercise or non-exercise by them of their powers, duties and discretions.

8 TAXATION

8.1 Withholding Tax Exemption

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

8.2 Additional Amounts

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

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

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

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

9 EVENT OF DEFAULT

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

10 REPRESENTATION OF THE NOTEHOLDERS

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

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

10.1 Legal Personality

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

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

10.2 Representative

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

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

The following person is designated as Representative of the Masse:

Alice Bonardi
3 rue Taitbout
75009 Paris
France

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

Eric Noyer
3 rue Taitbout
75009 Paris
France

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

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

The Representative will not be entitled to any remuneration.

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

10.3 Powers of the Representative

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

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

10.4 General Assemblies of Noteholders

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

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

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

10.5 Powers of General Assemblies

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

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

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

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

10.6 Information to the Noteholders

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

10.7 Expenses

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

11 NOTICES

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

12 PRESCRIPTION

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

13 FURTHER ISSUES

The Issuer may from time to time, subject to the prior written approval of the SGCB but without the consent of the Noteholders, issue further notes to be assimilated (*assimilées*) with the Notes as regards their

financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated (*assimilées*) notes will for the defence of their common interests be grouped in a single Masse having legal personality.

14 GOVERNING LAW AND JURISDICTION

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

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

TERMS AND CONDITIONS OF THE SERIES USD-2 NEW NOTES

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

1 DEFINITIONS

For the purposes of these Conditions:

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

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

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

Account Holders has the meaning set forth in Condition 2.

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

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

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

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

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

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

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

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

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

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

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

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

Euroclear has the meaning set forth in Condition 2.

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

First Call Date means September 30, 2019.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

LIBOR has the meaning set forth in Condition 4.

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

Margin means 12.98 per cent. per annum.

Noteholders means the holders of the Notes.

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

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

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

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

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

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

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

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

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

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

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

2 FORM, DENOMINATIONS AND TITLE

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

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

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

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

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

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

In all cases, Notes in definitive form delivered in exchange for a Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of DTC (in accordance with its customary procedures) and will bear the applicable restrictive legend referred to in the Fiscal Agency Agreement, unless the Issuer determines otherwise in accordance with these Terms and Conditions and in compliance with applicable law.

3. STATUS OF THE NOTES AND SUBORDINATION

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

The proceeds of the issue of the Notes will be treated for regulatory purposes as consolidated *fonds propres de base* for the Issuer. *Fonds propres de base* (**Tier 1 Capital**) shall have the meaning given to it in Article 2 of *Règlement n° 90-02* dated 23 February 1990, as amended, of the *Comité de la Réglementation Bancaire et Financière* (the **CRBF Regulation**), or otherwise recognised as *fonds propres de base* by the SGCB, or any Replacement Supervisory Authority. The CRBF Regulation should be read in conjunction

with the press release of the Bank for International Settlements dated 27 October 1998 concerning instruments eligible for inclusion in Tier 1 Capital (the **BIS Press Release**). The French language version of the BIS Press Release is attached to the report published annually by the SGCB entitled “*Modalités de calcul du ratio international de solvabilité*”.

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

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

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

There is no negative pledge in respect of the Notes.

4 INTEREST AND INTEREST SUSPENSION

4.1 General

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

For the avoidance of doubt:

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

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

the day on which all sums due in respect of the Notes up to that day are received by or on behalf of the relevant Noteholder.

4.2 Fixed Interest Rate

- 4.2.1 The amount of interest (the **Fixed Rate Interest Amount**) payable on each Fixed Rate Interest Payment Date will be the product of the then Principal Amount of such Note and the Fixed Interest Rate, multiplied by the 30/360 day count fraction (with a Calculation Period equal to the related Fixed Rate Interest Period, subject to Condition 4.2.2) and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards). The Fixed Rate Interest Amount per \$1,000 principal amount of Notes for the first Fixed Rate Interest Payment Date will be US\$121.88.
- 4.2.2 If interest is required to be calculated in respect of a Fixed Rate Interest Period where the then Principal Amount of a Note is less than its Original Principal Amount for a portion thereof, it shall be calculated by the Calculation Agent by applying the Fixed Interest Rate to the then Principal Amount of such Note and multiplying such product by the 30/360 day count fraction for each relevant portion of the Interest Period, adding the results for all such portions and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards). The Calculation Agent will cause such Fixed Rate Interest Amount to be notified to the Issuer, the Fiscal Agent and the Luxembourg Stock Exchange and any other stock exchange on which the Notes are for the time being listed and will cause the publication thereof in accordance with Condition 11 (*Notices*) as soon as possible after its calculation but in no event later than the fourth Business Day thereafter.

4.3 Floating Interest Rate

- 4.3.1 The Notes bear interest at the Floating Interest Rate from and including the First Call Date, payable on each Floating Rate Interest Payment Date. The Floating Interest Rate for each Floating Rate Interest Period will be determined by the Calculation Agent on the following basis:
- (a) the Calculation Agent will determine the offered rate for deposits in US\$ for a period equal to the relevant Floating Rate Interest Period which appears on the Reuters Screen LIBOR01 (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying comparable rates) as of 11:00 a.m., (London time), on the second Business Day before the first day of the relevant Floating Rate Interest Period (the **Floating Rate Interest Determination Date**); and
 - (b) if such rate does not appear on the relevant screen page, the Calculation Agent will:
 - (A) request the principal London office of each of four major banks in the London interbank market to provide a quotation of the rate at which deposits in US\$ are offered by it at approximately 11.00 a.m. (London time) on the Floating Rate Interest Determination Date to prime banks in the London interbank market for a period equal to the relevant Floating Interest Period and in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005 being rounded upwards) of such quotations; and

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

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

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

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

4.3.3 Publication of Floating Interest Rate and Floating Rate Interest Amount

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

4.4 Interest Payable

4.4.1 On Optional Interest Payment Dates

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

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

elapsed during the relevant Interest Period, in accordance with Conditions 4.2.2 or 4.3.2.

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

(ii) Occurrence of a Supervisory Event

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

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

(iii) After End of Supervisory Event

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

first Interest Payment Date following the End of Supervisory Event will be forfeited.

4.4.2 On Compulsory Interest Payment Dates

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

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

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

5 LOSS ABSORPTION AND RETURN TO FINANCIAL HEALTH

5.1 Loss Absorption

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5.2 Return to Financial Health

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

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

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

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

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

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

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

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

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

6 REDEMPTION AND PURCHASE

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

6.1 No Final Redemption

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

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

(a) General Call Option

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

(b) Redemption for Taxation Reasons or Regulatory Reasons

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

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

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

Interest, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible for French corporate income tax (*impôt sur les bénéfices des sociétés*) purposes.

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

6.3 Purchases

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

6.4 Cancellation

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

7 PAYMENTS AND CALCULATIONS

7.1 Method of Payment

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

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

7.2 Payments on Business Days

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

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

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

7.3 Fiscal Agent, Paying Agent and Calculation Agent

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

FISCAL AGENT AND CALCULATION AGENT

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

US PAYING AGENT

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

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

7.4 Certificates to be final

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

8 TAXATION

8.1 Withholding Tax Exemption

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

8.2 Additional Amounts

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

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

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

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

9 EVENT OF DEFAULT

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

10 MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

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

If at any time the holders of at least 10 per cent. in principal amount of the then outstanding Notes request the Fiscal Agent to call a meeting of the Noteholders for any purpose, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, the Fiscal Agent will call the meeting for such purpose. This meeting will be held at the time and place determined by the Fiscal Agent, after consultation with the Issuer, and specified in a notice of such meeting furnished to the Noteholders. This notice must be given at least 30 days and not more than 60 days prior to the meeting.

Noteholders who hold a majority in principal amount of the then outstanding Notes will constitute a quorum at a Noteholders' meeting. In the absence of a quorum, a meeting may be adjourned for a period of at least 20 days and not more than 45 days. At the reconvening of a meeting adjourned for lack of quorum, there shall be no quorum requirement. Notice of the reconvening of any meeting may be given only once, but must be given at least ten days and not more than 15 days prior to the meeting.

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

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

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

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

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

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

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

11 NOTICES

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

12 PRESCRIPTION

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

13 FURTHER ISSUES

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

14 GOVERNING LAW AND JURISDICTION

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

The Issuer has consented to the jurisdiction of any state or federal court located in The Borough of Manhattan, City of New York, in relation to any legal action or proceeding (i) arising out of, related to or in connection with the Notes and (ii) arising under any U.S. federal or state securities laws. In the Fiscal Agency Agreement, the Issuer will appoint a New York agent as its agent for service of process in any such action.

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

BOOK-ENTRY; DELIVERY AND FORM

The New Notes are being offered to qualified institutional buyers as defined in Rule 144A (the “**Rule 144A Notes**”) in a private transaction in reliance upon an exemption from the registration requirements of the Securities Act. The New Notes may also be offered in offshore transactions in reliance on Regulation S (the “**Regulation S Notes**”). The Series USD-2 New Notes will be issued in registered global form in minimum denominations of US\$100,000 and integral multiples of \$1,000 thereafter. The Series USD-1 New Notes, Series EUR-1 New Notes and Series EUR-2 New Notes will be issued in bearer form and will at all times be represented in book entry form (*dématérialisé*) in the books of the Account Holders in compliance with article L.211-4 of the French *Code monétaire et financier*. No physical document of title will be issued in respect of the USD-1 New Notes, EUR-1 New Notes and EUR-2 New Notes.

The New Notes will be issued at the settlement of the exchange offer only pursuant to valid tenders of Existing Securities.

The Dematerialized Notes (Series USD-1, EUR-1 and EUR-2 New Notes)

The Series USD-1 New Notes, Series EUR-1 New Notes and Series EUR-2 New Notes will be issued in bearer form (*au porteur*) and will be represented in dematerialized book entry form (*dématérialisé*) only, and only in denominations of US\$1,500 or €1,000 as the case may be.

Pursuant to Article L.211-4 of French Monetary and Financial Code (*Code monétaire et financier*), the ownership rights of noteholders will not be represented by any certificates (including *certificats représentatifs* contemplated by article 7 of Decree n° 83-359 of 2 May 1983) or other physical documentation of title, whether in definitive or global form, but rather by electronic records of book entries in the records of Euroclear France. No definitive or global notes will be issued nor can such notes be issued.

Title to Notes will be shown on, and transfers thereof will be effected only through, electronic book-entry in the accounts of financial institutions entitled to hold securities accounts on behalf of owners of book-entry Notes as direct and indirect participants of Euroclear France (each, an “**Approved Intermediary**”). The Notes will be registered in the name of the holder in an account maintained by such owner with an Approved Intermediary and held on behalf of such owner in the securities account of such Approved Intermediary. Each person who is at any time shown in the records of an Approved Intermediary as the holder of Notes will be treated as such for all purposes.

Investors also may elect to hold their notes through Euroclear Bank S.A./N.V. (“**Euroclear**”) or Clearstream Banking, *société anonyme* (“**Clearstream Luxembourg**”) either in their own accounts if they are participants in such systems or through the accounts of financial institutions that are participants in such systems. Notes held in Euroclear or Clearstream will be held by Euroclear or Clearstream in Euroclear France on behalf of their own participants.

The Series USD-1 New Notes, Series EUR-1 New Notes and Series EUR-2 New Notes will not be eligible for clearance with The Depository Trust Company.

The Global Notes (Series USD-2 New Notes)

Rule 144A Global Notes

Rule 144A Notes initially will be represented by one or more notes in registered global form without interest coupons (collectively, the “**Rule 144A Global Notes**”). Interests in the Rule 144A Global Note will be available for purchase only by “qualified institutional buyers” as defined in Rule 144A under the Securities Act.

Rule 144A Notes (including beneficial interests therein) will be subject to restrictions on transfer and will bear a restrictive legend as described under “Transfer Restrictions.”

Regulation S Global Notes

Regulation S Notes initially will be represented by one or more notes in registered, global form without interest coupons (collectively, the “**Regulation S Global Notes**,” and, together with the Rule 144A Global Notes, the “**Global Notes**”). The Global Notes will be deposited upon issuance with, or on behalf of, a custodian for DTC in New York, New York, and registered in the name of Cede & Co., as nominee of DTC, in each case for credit to an account of a direct or indirect participant in DTC as described below. DTC will keep a computerized record of its participants (for example, your broker) whose clients have purchased the New Notes. The participant will then keep a record of its clients who purchased the New Notes. Unless it is exchanged in whole or in part for a definitive note, a Global Note may not be transferred; except that DTC, its nominees, and their successors may transfer a Global Note as a whole to one another. Beneficial interests in the Global Note will be shown on, and transfers of the Global Note will be made only through, records maintained by DTC and its participants.

Each Regulation S Global Note will be deposited upon issuance with, or on behalf of, a custodian for DTC in the manner described in the preceding paragraph for credit to the respective accounts of the purchasers (or to such other accounts as they may direct) at Euroclear or Clearstream.

Investors may hold their interests in Regulation S Global Notes directly through Euroclear or Clearstream, if they are participants in such systems, indirectly through organizations which are participants in such systems, or organizations other than Euroclear or Clearstream that are participants in the DTC system. Euroclear and Clearstream will hold such interests in the Regulation S Global Notes on behalf of their participants through customers’ securities accounts in their respective names on the books of their respective depositories. Such depositories, in turn, will hold such interests in the Regulation S Global Notes in customers’ securities accounts in the depositories’ names on the books of DTC.

All interests in the Global Notes, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems.

Regulation S Notes will also bear the separate legend described under “Transfer Restrictions.”

Transfer of the Global Notes

Except as set forth below, the Global Notes may be transferred, in whole and not in part, solely to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for notes in definitive form except in the limited circumstances described below.

In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time.

Exchanges Among the Global Notes

Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such an interest.

Certain Book Entry Procedures for the Global Notes

The following are summaries of certain rules and operating procedures of DTC, Euroclear and Clearstream that affect the payment of principal and interest and the transfers of interests in the Global Notes and are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to change by them from time to time. None of BPCE or the Dealer Managers takes any responsibility for these operations or procedures, and investors are urged to contact the relevant system or its participants directly to discuss these matters. Upon issuance, the New Notes will be issued only in the form of one or more definitive global securities which will be deposited with, or on behalf of, DTC and registered in the name of Cede & Co., as nominee of DTC. Unless and until it is exchanged in whole or in part for notes in definitive form under the limited circumstances described below, a Global Note may not be transferred except as a whole (1) by DTC to a nominee, (2) by a nominee of DTC to DTC or another nominee of DTC or (3) by DTC or any such nominee to a successor of DTC or a nominee of such successor.

Ownership of beneficial interests in a Global Note will be limited to persons that have accounts with DTC for such Global Note (“**participants**”) or persons that may hold interests through participants. Upon the issuance of a Global Note, DTC will credit, on its book-entry registration and transfer system, the participants’ accounts with the respective principal amounts of the New Notes represented by such Global Note beneficially owned by such participants. Ownership of beneficial interests in the Global Notes will be shown on, and the transfer of such ownership interests will be effected only through, records maintained by DTC (with respect to interests of participants) and the records of such participants (with respect to the interests of persons other than such participants). The laws of some states may require that certain purchasers of securities take physical delivery of such securities in definitive form. Such laws may limit or impair the ability to own, transfer or pledge beneficial interests in the Global Notes. In addition, because DTC can act only on behalf of its participants, who in turn act on behalf of persons who hold interests through Participants, the ability of a person having an interest in Notes represented by a Global Note to pledge or transfer such interest to persons or entities that do not participate in DTC’s system, or to otherwise take actions in respect of such interest, may be affected by the lack of a physical definitive security in respect of such interest.

So long as DTC or its nominee is the registered owner of a Global Note, DTC or its nominee, as the case may be, will be considered the sole owner or holder of the New Notes represented by such Global Note for all purposes. Except as set forth below, owners of beneficial interests in a Global Note will not be entitled to have New Notes represented by such Global Note registered in their names, will not receive or be entitled to receive physical delivery of such notes in definitive form and will not be considered the registered owners or holders thereof. Accordingly, each person owning a beneficial interest in a Global Note must rely on the procedures of DTC and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder for any purpose. We understand that under existing industry practices, if we request any action of holders or if an owner of a beneficial interest in a Global Note desires to give or take any action that a holder is entitled to give or take, DTC would authorize the participants holding the relevant beneficial interests to give or take such action, and such participants would authorize beneficial owners owning through such participants to give or to take such action or would otherwise act upon the instructions of beneficial owners holding through them. The Issuer will have no responsibility or liability for any aspect of the records relating to or payments made on account of New Notes by DTC, or for maintaining, supervising or reviewing any records of DTC relating to such New Notes.

Principal and interest payments on interests represented by a Global Note will be payable by the Paying Agent to or at the direction of DTC or its nominee, as the case may be, as the registered owner of such Global Note representing the New Notes. BPCE and the Paying Agent may treat the persons in whose names the Global Notes are registered as the owners thereof for the purpose of receiving payment thereon and for any and all other purposes whatsoever. Accordingly, BPCE will not have any responsibility or liability for any facet of the records relating to or payments made on account of beneficial ownership of interests. We expect that DTC, upon receipt of any payment of principal or interest in respect of a Global Note, will immediately credit participants’ accounts with payments in amounts proportionate to their respective beneficial interests in such Global Note as shown on the records of DTC. In addition, it is DTC’s current practice to assign any consenting or voting rights to participants whose accounts are credited with New Notes on a record date, by using an omnibus proxy. We also expect that payments by participants to owners of beneficial interests in the Global Notes held through such participants will be

governed by standing customer instructions and customary practice, as is now the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such participants.

Transfers between Participants in DTC will be effected in accordance with DTC’s procedures, and will be settled in same-day funds. Transfers between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Notes, cross-market transfers between the Participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC’s rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depository; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the Settlement Date of DTC. Cash received in Euroclear or Clearstream as a result of sales of interest in a Global Security by or through a Euroclear or Clearstream participant to a Participant in DTC will be received with value on the Settlement Date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC’s Settlement Date.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. BPCE will not have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

If DTC is at any time unwilling or unable to continue as depository for the New Notes, and we fail to appoint a successor depository registered as a “clearing agency” under the Exchange Act within 90 days, or we determine not to require all of the New Notes of a series to be represented by Global Notes, we will issue New Notes in definitive form in exchange for the respective Global Notes. Any New Notes issued in definitive form in exchange for the Global Notes will be registered in such name or names, and will be issued in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof as DTC shall instruct BPCE and the Paying Agent. It is expected that such instructions will be based upon directions received by DTC from participants with respect to ownership of beneficial interests in the Global Notes.

DTC is (a) a limited purpose trust company organized under the Banking Law of the State of New York, (b) a “banking organization” within the meaning of the New York Banking Law, (c) a member of the Federal Reserve System, (d) a “clearing corporation” within the meaning of the New York Uniform Commercial Code, as amended, and (e) a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold the securities of its participants and to facilitate the clearance and settlement of transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. DTC’s participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, some of which (and/or their representatives) own DTC. Access to the DTC book-entry system is also available to others, such as banks, brokers and dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly. Investors who are not participants may beneficially own securities

held by or on behalf of DTC only through participants or indirect participants that maintain such a custodial relationship with a participant. The rules that apply to DTC and its participants are on file with the Commission. DTC is owned by a number of its participants and by the New York Stock Exchange, Inc., The American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc.

The information in this section concerning DTC and DTC's system has been obtained from sources that BPCE believes to be reliable, but BPCE takes no responsibility for the accuracy thereof.

DEALER MANAGERS, EXCHANGE AGENTS AND INFORMATION AGENT

Dealer Managers

BPCE has retained BNP Paribas and Natixis to act on its behalf as Dealer Managers in connection with the Offers. BPCE has agreed to pay the Dealer Managers a customary fee based on the aggregate principal amount of Existing Securities accepted for exchange in the Offers. BPCE has also agreed to reimburse the Dealer Managers for their reasonable and documented out-of-pocket expenses incurred in connection with the Offers, including reasonable fees and disbursements of counsel, and to indemnify the Dealer Managers against certain liabilities arising in connection with the Offers, including liabilities under the U.S. federal securities laws. Questions regarding the terms of the Offers may be directed to the Dealer Managers at the address and telephone numbers set forth on the back cover page of this Exchange Offering Memorandum.

The Dealer Managers may from time to time provide investment banking services to BPCE or Natixis. In addition, the Dealer Managers, or any of their affiliates, in the ordinary course of their business, make markets in BPCE's or Natixis' debt securities, including the Existing Securities and the New Notes, for their own accounts and for the accounts of their customers. As a result, from time to time, the Dealer Managers may own certain of BPCE's or Natixis' debt securities, including the Existing Securities and the New Notes, and may exchange notes held by them or any of their affiliates in accordance with the terms of the Offers.

Natixis, which is acting as Dealer Manager, is an affiliate of BPCE.

Exchange Agents

Deutsche Bank AG, London Branch has been appointed as Principal Exchange Agent for the Offers, and Deutsche Bank AG, Paris and Deutsche Bank Trust Company Americas have been appointed as the French Exchange Agent and the US Exchange Agent, respectively. BPCE will pay the Principal Exchange Agent on behalf of the Exchange Agents reasonable and customary fees for their services, reimburse them for their reasonable, out-of-pocket expenses in connection therewith and indemnify them against certain liabilities in connection with the Offers.

TAXATION

The information contained in this section is not intended as tax advice and does not purport to describe all of the tax considerations that may be relevant to a prospective investor in the New Notes. It is based upon tax laws (including tax treaties) and administrative decrees in the relevant jurisdictions as in effect as of the date hereof, which are subject to change, potentially with retroactive or retrospective effect.

This discussion is intended only as a descriptive summary and does not purport to be a complete analysis or listing of all potential effects of the receipt, purchase, ownership or disposition of the New Notes.

Prospective purchasers of the New Notes are advised to consult their own advisors as to the tax consequences of an investment in the New Notes.

European Union

On June 3, 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”). Pursuant to the Savings Directive and subject to a number of conditions being met, Member States are required, since July 1, 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Savings Directive (interest, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident or certain limited types of entities established in that other Member State (the “**Disclosure of Information Method**”).

For these purposes, the term “paying agent” is defined broadly and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Savings Directive, for the immediate benefit of individuals.

However, throughout a transitional period, certain Member States (Luxembourg, Belgium and Austria), instead of using the Disclosure of Information Method used by other Member States, unless the relevant beneficial owner of such payment elects for the Disclosure of Information Method or for the tax certificate procedure, withhold an amount on interest payments. The rate of such withholding is currently 20 per cent for a period of three years, starting on July 1, 2008, and 35 per cent thereafter.

Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on April 18, 2002 (the “**OECD Model Agreement**”) with respect to interest payments within the meaning of the Savings Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate applicable for the corresponding periods mentioned above and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Savings Directive. Belgium has, however, recently advised that it will elect for the Disclosure of Information Method as from January 1, 2010.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since July 1, 2005.

On November 13, 2008 the European Commission published a detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on April 24, 2009. If any of those proposed changes are made in relation to the Directive they may amend or broaden the scope of the requirements described above.

France

The following generally summarizes the material French tax consequences of receiving, owning and disposing of the New Notes by non-French resident holders.

The Savings Directive has been implemented in French law under Article 242 *ter* of the French *Code Général des Impôts* and Articles 49 I *ter* to 49 I *sexies* of Schedule III of the French *Code Général des Impôts*, which impose on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Since the New Notes constitute *obligations* under French law and therefore are deemed to be issued outside France, payments of interest and other revenues made by the Issuer in respect of the New Notes to non-French resident holders who are not concurrently shareholders of the Issuer benefit under present law (as interpreted in Ruling N° 2007/59 of the *Direction Générale des Impôts*, dated January 8, 2008 and Ruling N° 2009/23 of the *Direction Générale des Impôts*, dated April 7, 2009) from the exemption from the withholding tax set out under Article 125 A III of the French *Code Général des Impôts*, as provided for in Article 131 *quater* of the French *Code Général des Impôts*. Accordingly, such payments do not give the right to any tax credit from any French source.

Non-French resident holders of New Notes who do not hold their New Notes in connection with a business or profession conducted in France, or a permanent establishment or fixed base situated in France, will not be subject to any French income tax or capital gains tax on the exchange of the Existing Securities for the New Notes, or the sale, disposal or redemption of the New Notes.

The exchange of Existing Securities for New Notes and transfers of New Notes outside France will not be subject to any stamp duty or other transfer taxes imposed in France, provided such transfer is not recorded or referred to in any manner whatsoever in a deed executed and registered with the tax authorities in France.

Luxembourg

The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the New Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Withholding Tax

(i) Non-resident holders of New Notes

Under Luxembourg general tax laws currently in force and subject to the laws of June 21, 2005 (the “Laws”) mentioned below, and subject to the exceptions provided by the Laws, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of New Notes, nor on accrued but unpaid interest in respect of the New Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the New Notes held by non-resident holders of New Notes.

Under the Laws implementing the Savings Directive, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it is currently levied at a rate of 20% and will be levied at a rate of 35% as of July 1, 2011. Responsibility for the withholding of the tax will be assumed

by the Luxembourg paying agent. Payments of interest under the New Notes coming within the scope of the Laws would at present be subject to withholding tax of 20%. The withholding tax system only applies during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain other countries.

(ii) Resident holders of New Notes

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

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 10%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the New Notes coming within the scope of the Law would be subject to withholding tax of 10%.

Tax treatment of the Exchange

Non-Luxembourg resident holders of New Notes who do not hold their New Notes in connection with a permanent establishment or fixed base situated in Luxembourg, will not be subject to any Luxembourg income tax or capital gains tax on the exchange of the Existing Securities for the New Notes, or the sale, disposal or redemption of the New Notes.

The exchange of Existing Securities for New Notes and transfers of New Notes outside Luxembourg will not be subject to any stamp duty or other transfer taxes imposed in Luxembourg, provided such transfer is not recorded or referred to in any manner whatsoever in a deed executed and registered with the tax authorities in Luxembourg.

LEGAL MATTERS

The validity of the New Notes will be passed upon for BPCE by Cleary Gottlieb Steen & Hamilton LLP, Paris, France, and for the Dealer Managers by Allen & Overy LLP, Paris, France.

INDEPENDENT AUDITORS

BPCE's statutory financial statements as of and for the year ended December 31, 2007 and 2008 have been audited by Mazars. On July 2, 2009, BPCE appointed Mazars, PricewaterhouseCoopers Audit and KPMG Audit, a division of KPMG S.A. as its independent statutory auditors.

BFBP and Groupe Banque Populaire's consolidated financial statements as of and for the years ended December 31, 2006 and 2007 have been audited by Salustro Reydel (a member of KPMG International) and Constantin Associés, and as of and for the year ended December 31, 2008 have been audited by PricewaterhouseCoopers Audit and KPMG Audit, a division of KPMG S.A. CNCE and Groupe Caisse d'Epargne's consolidated financial statements as of and for the years ended December 31, 2006, 2007 and 2008 have been audited by PricewaterhouseCoopers Audit and Mazars. Natixis' consolidated financial statements as of and for the years ended December 31, 2006, 2007 and 2008 have been audited by Mazars, Deloitte & Associés and Salustro Reydel (a member of KPMG International).

GENERAL INFORMATION

1. The Series EUR-1, Series EUR-2 and Series USD-1 New Notes have been accepted for clearance through Euroclear France, Euroclear and Clearstream, Luxembourg. The International Securities Identification Number (“**ISIN**”) for the Series EUR-1 New Notes is FR0010777516. The ISIN for the Series EUR-2 New Notes is FR0010777524. The ISIN for the Series USD-1 New Notes is FR0010777532. The address of Euroclear France is 155, rue Réaumur, 75081 Paris Cedex 02, France. The address of Euroclear is 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, 1855 Luxembourg, Luxembourg.
2. The Series USD-2 New Notes have been accepted for clearance through DTC and through their DTC accounts, through Clearstream, Luxembourg and Euroclear. The address of DTC is 55 Water Street, New York, NY 10041-0099, United States. The ISIN for the Rule 144A Global Note is US05571AAA34. The ISIN for the Regulation S Global Note is USF11494AA36. The CUSIP number for the Rule 144A Global Note is 05571A AA3. The CUSIP number for the Regulation S Global Note is F11494 AA3.
3. The Offers were authorized pursuant to resolutions of the Board of Directors (*conseil d’administration*) of the Issuer dated July 2, 2009. The issuance of the New Notes will be authorized as provided herein under “The New Notes – Authorization of the New Notes.”
4. Copies of the audited non-consolidated accounts of the Issuer for the years ended December 31, 2007 and December 31, 2008, the constitutional documents (*statuts*) of the Issuer and this Exchange Offering Memorandum (including the documents incorporated by reference and any supplement hereto) may be obtained free of charge, and copies of the Fiscal Agency Agreement will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding. The Exchange Offering Memorandum and all documents incorporated by reference are also available on the website of the Luxembourg Stock Exchange (www.bourse.lu).
5. Mazars, statutory auditors of the Issuer, have audited and rendered an unqualified audit report on the accounts of the Issuer for the years ending December 31, 2007 and 2008. The French auditors carry out their duties in accordance with the principles of *Compagnie Nationale des Commissaires aux Comptes* (CNCC). The address of Mazars is: Exaltis, 61, rue Henri Regnault, 92075 La Défense Cedex, France.
6. Since December 31, 2008 there has been no significant change in the financial or trading position and no material adverse change in the prospects of the Issuer, except as disclosed or incorporated by reference in this Exchange Offering Memorandum.
7. Except as disclosed or incorporated by reference in this Exchange Offering Memorandum, there are no governmental, legal or arbitration proceedings pending or, to the Issuer’s knowledge, threatened against the Issuer, or any subsidiary of the Issuer during the 12 months prior to the date hereof which may have or have had in the recent past a significant effect, in the context of the Offers and the issuance of the New Notes, on the financial position or profitability of the Issuer.
8. There is no explicit yield to maturity. The New Notes do not carry a fixed date for redemption and the Issuer is not obliged, and under certain circumstances is not permitted, to make payments on the Notes at the full stated rate.
9. At the date of this Exchange Offering Memorandum, there is no conflict of interest that is material to the Offers or the issuance of the New Notes.
10. The Issuer was registered as a *société anonyme* in the *Registre du Commerce et des Sociétés* in Paris on January 22, 2007 (with a duration until January 21, 2106) under registration number 493 455 042 R.C.S. Paris. The registered office of the Issuer is located at 5, rue Masseran 75007 Paris, tel. +33 1 58 40 41 42.

INCORPORATION BY REFERENCE

This Exchange Offering Memorandum should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Exchange Offering Memorandum and that have been filed with the Luxembourg competent authority for the purpose of the Prospectus Directive and the relevant implementing measures in the Grand Duchy of Luxembourg, and shall be incorporated in, and form part of, this Exchange Offering Memorandum (together, the “**Documents Incorporated by Reference**”):

- (e) the English translation of the Groupe Caisse d’Epargne 2008 registration document (*document de référence*) (the “**GCE 2008 Annual Report**”), a French version of which was filed with the *Autorité des marchés financiers* under registration N° D.09-0212, dated April 8, 2009;
- (f) the English translation of the Groupe Banque Populaire 2008 registration document (*document de référence*) (the “**GBP 2008 Annual Report**”), a French version of which was filed with the *Autorité des marchés financiers* under registration N° D.09-0315, dated April 27, 2009;
- (g) the English translation of the Natixis 2008 registration document (*document de référence*) (the “**Natixis 2008 Annual Report**”), a French version of which was filed with the *Autorité des marchés financiers* under registration N° D.09-0208, dated April 7, 2009; and
- (h) the English translation of the update of the Natixis 2008 Annual Report (*actualisation du document de référence*) (the “**Natixis First Update**”), a French version of which was filed with the *Autorité des marchés financiers* under registration N° D.09-0208-A.01, dated June 26, 2009.

Notwithstanding the foregoing, (A) the following statements shall not be deemed incorporated herein: the statement by Mr. François Pérol, President of the Management Board of the Groupe Caisse d’Epargne, on page 510 of the GCE 2008 Annual Report referring to the *lettre de fin de travaux* of the statutory auditors; the statement by Mr. Philippe Dupont, President of the Groupe Banque Populaire, on page 598 of the GBP 2008 Annual Report referring to the *lettre de fin de travaux* of the statutory auditors; the statement by Mr. Dominique Ferrero, Natixis Executive Chairman, on page 489 of the Natixis 2008 Annual Report referring to the *lettre de fin de travaux* of the statutory auditors; and the statement by Mr. Laurent Mignon, Natixis Chief Executive Officer, on page 75 of the Natixis First Update referring to the *lettre de fin de travaux* of the statutory auditors; and (B) any statement contained in the Documents Incorporated by Reference shall be deemed to be modified or superseded for the purpose of this Exchange Offering Memorandum to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Exchange Offering Memorandum.

The Documents Incorporated by Reference are available on the websites of the Groupe Caisse d’Epargne (www.groupe.caisse-epargne.fr) (item (a)), the Groupe Banque Populaire (www.banquepopulaire.fr) (item (b)) and Natixis (www.natixis.fr) (items (c) and (d)), and on the website of the Luxembourg Stock Exchange (www.bourse.lu). For Luxembourg Stock Exchange purposes, the Documents Incorporated by Reference will also be available free of charge to the public at the premises of the Listing Agent in Luxembourg.

Below are tables that reference the topics incorporated by reference in the Documents Incorporated by Reference.

GBP 2008 Annual Report

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PRESENTATION	Pages 5 to 13 of the GBP 2008 Annual Report
2008 Key Figures	Pages 6 to 7 of the GBP 2008 Annual Report
The Group’s history	Pages 8 to 9 of the GBP 2008 Annual Report
Key events of 2008	Pages 10 to 11 of the GBP 2008 Annual Report

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Banque Populaire Group organization chart at December 31, 2008	Page 12 of the GBP 2008 Annual Report
The Group worldwide	Page 13 of the GBP 2008 Annual Report
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Member-stakeholders	Pages 16 to 18 of the GBP 2008 Annual Report
Banque Populaire banks	Pages 19 to 25 of the GBP 2008 Annual Report
Banque Fédérale des Banques Populaires	Pages 26 to 56 of the GBP 2008 Annual Report
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INFORMATION RELATING TO BANQUE FÉDÉRALE DES BANQUE POPULAIRES	Pages Pages 58 to 104 of the GBP 2008 Annual Report of the GBP 2008 Annual Report
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Information about the share capital	Page 62 of the GBP 2008 Annual Report
Shareholding structure	Pages 63 to 64 of the GBP 2008 Annual Report
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CORPORATE GOVERNANCE	Pages 107 to 137 of the GBP 2008 Annual Report
Board of Directors of Banque Fédérale des Banques Populaires (BFBP)	Pages 108 to 126 of the GBP 2008 Annual Report
Chairman's report on the conditions in which the work of the Board of Directors is prepared and organized	Pages 127 to 133 of the GBP 2008 Annual Report
Executive body at December 31, 2008	Page 134 of the GBP 2008 Annual Report
Corporate governance rules for the Banque Populaire banks	Pages 135 to 137 of the GBP 2008 Annual Report
THE GROUP'S BUSINESSES	Pages 139 to 151 of the GBP 2008 Annual Report
Personal customers	Pages 140 to 141 of the GBP 2008 Annual Report
Private banking and Real estate activities	Pages 142 to 145 of the GBP 2008 Annual Report
Small businesses	Pages 145 to 148 of the GBP 2008 Annual Report
Corporate and institutional clients	Pages 148 to 150 of the GBP 2008 Annual Report
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CHAIRMAN'S REPORT ON INTERNAL CONTROL PROCEDURES	Pages 153 to 173 of the GBP 2008 Annual Report
General Organization	Pages 154 to 162 of the GBP 2008 Annual Report
Risk monitoring and control procedures	Pages 162 to 170 of the GBP 2008 Annual Report
Internal control of financial reporting and disclosure	Pages 170 to 173 of the GBP 2008 Annual Report

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STATUTORY AUDITORS' REPORT PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF BANQUE FÉDÉRALE DES BANQUES POPULAIRES	Pages 175 to 176 of the GBP 2008 Annual Report
2008 FINANCIAL REPORTS	Pages 179 to 554 of the GBP 2008 Annual Report
Banque Fédérale des Banques Populaires management report	Pages 180 to 228 of the GBP 2008 Annual Report
Banque Fédérale des Banques Populaires consolidated financial statements	Pages 229 to 236 of the GBP 2008 Annual Report
Banque Fédérale des Banques Populaires notes to the consolidated financial statements	Pages 237 to 351 of the GBP 2008 Annual Report
Banque Fédérale des Banques Populaires statutory auditors' report on the consolidated financial statements	Pages 352 to 353 of the GBP 2008 Annual Report
Banque Populaire Group management report	Pages 354 to 419 of the GBP 2008 Annual Report
Banque Populaire Group consolidated financial statements	Pages 419 to 426 of the GBP 2008 Annual Report
Banque Populaire Group notes to the consolidated financial statements	Pages 427 to 552 of the GBP 2008 Annual Report
Banque Populaire Group statutory auditors' report on the consolidated financial statements	Pages 553 to 554 of the GBP 2008 Annual Report
SUSTAINABLE DEVELOPMENT	Pages 557 to 585 of the GBP 2008 Annual Report
The Banque Populaire Group's commitment	Pages 558 to 560 of the GBP 2008 Annual Report
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Patronage and sponsorship	Pages 566 to 567 of the GBP 2008 Annual Report
Reporting required under France's NRE act – workforce information	Pages 568 to 576 of the GBP 2008 Annual Report
Reporting required under France's NRE act – environmental information	Pages 577 to 585 of the GBP 2008 Annual Report
GENERAL INFORMATION	Pages 587 to 595 of the GBP 2008 Annual Report
Material contracts	Page 588 of the GBP 2008 Annual Report
Investments	Page 588 of the GBP 2008 Annual Report
Dependency	Page 588 of the GBP 2008 Annual Report
Trends	Page 588 of the GBP 2008 Annual Report
Significant changes	Page 588 of the GBP 2008 Annual Report
Legal and arbitration proceedings	Page 589 of the GBP 2008 Annual Report
Persons responsible for auditing the financial statements	Pages 589 to 591 of the GBP 2008 Annual Report

Information Incorporated by Reference	Page Reference
Statutory auditors' special report on related-party agreements	Pages 592 to 594 of the GBP 2008 Annual Report
Financial communications	Page 595 of the GBP 2008 Annual Report
Documents on display	Page 595 of the GBP 2008 Annual Report

Information contained in the documents incorporated by reference other than information listed in the table above is for information purposes only.

GCE 2008 Annual Report

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THE GROUP IN 2008	Pages 3 to 30 of the GCE 2008 Annual Report
Messages from the Chairman	Pages 4 to 5 of the GCE 2008 Annual Report
Foreword	Pages 6 to 7 of the GCE 2008 Annual Report
Profile and history of the Group	Page 8 of the GCE 2008 Annual Report
Organization of the Group at December 31, 2008	Page 9 of the GCE 2008 Annual Report
2008 key figures	Pages 10 to 11 of the GCE 2008 Annual Report
Groupe Caisse d'Epargne's operating divisions	Pages 12 to 26 of the GCE 2008 Annual Report
Outlook	Pages 27 to 28 of the GCE 2008 Annual Report
Investments	Pages 29 to 30 of the GCE 2008 Annual Report
CORPORATE GOVERNANCE	Pages 31 to 99 of the GCE 2008 Annual Report
Chairman's report on the work of the Supervisory Board and on the internal control procedures for the year ended December 31, 2008	Pages 32 to 69 of the GCE 2008 Annual Report
Management and Supervisory Boards and executive management	Pages 70 to 99 of the GCE 2008 Annual Report
HUMAN RESOURCES AND ENVIRONMENTAL INFORMATION	Pages 101 to 132 of the GCE 2008 Annual Report
Human resources information	Pages 102 to 108 of the GCE 2008 Annual Report
Social responsibility information	Pages 109 to 111 of the GCE 2008 Annual Report
Finance, sustainable development and the environment	Pages 112 to 132 of the GCE 2008 Annual Report
RISK MANAGEMENT	Pages 134 to 195 of the GCE 2008 Annual Report
Information on risk management	Pages 136 to 141 of the GCE 2008 Annual Report
Scope of application of the third pillar of Basel II	Pages 141 to 142 of the GCE 2008 Annual Report
Capital management and regulatory capital requirements	Pages 142 to 147 of the GCE 2008 Annual Report
Credit and counterparty risk management	Pages 147 to 154 of the GCE 2008 Annual Report

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Risk reduction techniques	Pages 154 to 156 of the GCE 2008 Annual Report
Securitization	Pages 157 to 159 of the GCE 2008 Annual Report
FSF Reporting	Pages 159 to 177 of the GCE 2008 Annual Report
Market risk	Pages 177 to 181 of the GCE 2008 Annual Report
Asset/liability management risks	Pages 181 to 187 of the GCE 2008 Annual Report
Equity risk	Pages 187 to 189 of the GCE 2008 Annual Report
Operational risk	Page 190 of the GCE 2008 Annual Report
Intermediation and settlement risk	Pages 191 of the GCE 2008 Annual Report
Compliance risk	Pages 191 to 192 of the GCE 2008 Annual Report
Other risks	Pages 193 to 195 of the GCE 2008 Annual Report
MANAGEMENT REPORT	Pages 197 to 224 of the GCE 2008 Annual Report
Significant events of 2008	Pages 199 to 201 of the GCE 2008 Annual Report
Groupe Caisse d'Epargne's results	Pages 202 to 203 of the GCE 2008 Annual Report
Activity and results by operating line	Pages 203 to 215 of the GCE 2008 Annual Report
Activity and results of the CNCE group	Pages 215 to 217 of the GCE 2008 Annual Report
Balance sheet and equity	Pages 218 to 221 of the GCE 2008 Annual Report
Subsequent event and outlook for 2009	Page 222 of the GCE 2008 Annual Report
Appendices	Pages 223 to 224 of the GCE 2008 Annual Report
FINANCIAL REPORT	Pages 226 to 486 of the GCE 2008 Annual Report
Financial results of Groupe Caisse d'Epargne	Pages 228 to 328 of the GCE 2008 Annual Report
Aggregate financial information of the Caisses d'Epargne	Pages 329 to 341 of the GCE 2008 Annual Report
Financial results of the Caisse Nationale des Caisses d'Epargne group	Pages 342 to 437 of the GCE 2008 Annual Report
Financial statements of the Caisse Nationale des Caisses d'Epargne	Pages 439 to 486 of the GCE 2008 Annual Report
INFORMATION RELATING TO THE ISSUER	Pages 487 to 509 of the GCE 2008 Annual Report
Information relating to the company	Pages 488 to 499 of the GCE 2008 Annual Report
Statutory Auditors' Special Report on regulated agreements and commitments with third parties	Pages 500 to 509 of the GCE 2008 Annual Report

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Natixis 2008 Annual Report

Information Incorporated by Reference	Page Reference
Profile	Page 1 of the Natixis 2008 Annual Report
Key Figures 2008	Pages 2 to 3 of the Natixis 2008 Annual Report
Simplified organization chart of Natixis businesses (as of 31.12.2008)	Page 4 of the Natixis 2008 Annual Report
NATIXIS SHARES	Pages 5 to 11 of the Natixis 2008 Annual Report
Natixis share capital	Page 6 of the Natixis 2008 Annual Report
Key share data	Page 7 of the Natixis 2008 Annual Report
Trading in Natixis shares	Page 8 of the Natixis 2008 Annual Report
Shareholder relations	Pages 9 to 11 of the Natixis 2008 Annual Report
CORPORATE GOVERNANCE	Pages 13 to 45 of the Natixis 2008 Annual Report
Board composition and preparation and organization of its work	Pages 14 to 17 of the Natixis 2008 Annual Report
Structure of executive bodies	Pages 14 to 17 of the Natixis 2008 Annual Report
Role and operating rules of the executive bodies	Pages 18 to 26 of the Natixis 2008 Annual Report
Policies and rules for determining compensation and all benefits in kind paid to members of the executive bodies	Pages 27 to 44 of the Natixis 2008 Annual Report
Potential conflicts of interest	Page 45 of the Natixis 2008 Annual Report
OPERATIONS	Pages 47 to 78 of the Natixis 2008 Annual Report
Corporate and Investment Banking	Pages 48 to 57 of the Natixis 2008 Annual Report
Asset Management	Pages 58 to 61 of the Natixis 2008 Annual Report
Private Equity and Private Banking	Pages 62 to 63 of the Natixis 2008 Annual Report
Services	Pages 64 to 70 of the Natixis 2008 Annual Report
Receivables Management	Pages 71 to 72 of the Natixis 2008 Annual Report
The contribution of retail banking	Pages 73 to 78 of the Natixis 2008 Annual Report
RESOURCES	Pages 79 to 90 of the Natixis 2008 Annual Report
Human resources	Pages 80 to 88 of the Natixis 2008 Annual Report
Other resources	Pages 89 to 90 of the Natixis 2008 Annual Report
SUSTAINABLE DEVELOPMENT	Pages 91 to 116 of the Natixis 2008 Annual Report
A firm commitment to sustainable development	Pages 92 to 100 of the Natixis 2008 Annual Report
NRE Annexes – Workforce information	Pages 101 to 111 of the Natixis 2008 Annual Report
NRE Annexes – Environmental performance	Pages 112 to 116 of the Natixis 2008 Annual Report

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FINANCIAL DATA	Pages 117 to 396 of the Natixis 2008 Annual Report
Risk factors	Pages 118 to 127 of the Natixis 2008 Annual Report
Management Report	Pages 128 to 191 of the Natixis 2008 Annual Report
The Supervisory Board's comments on the Executive Board's management report and the 2008 financial statements	Page 192 of the Natixis 2008 Annual Report
Recent development	Pages 193 to 194 of the Natixis 2008 Annual Report
Financial data	Pages 195 to 334 of the Natixis 2008 Annual Report
Statutory Auditors' report on the consolidated financial statements	Pages 335 to 388 of the Natixis 2008 Annual Report
Statutory Auditors' report on the parent company financial statements	Pages 389 to 390 of the Natixis 2008 Annual Report
Special report on related party agreements and commitments	Pages 391 to 396 of the Natixis 2008 Annual Report
CHAIRMAN'S REPORT ON CORPORATE GOVERNANCE AND INTERNAL CONTROL	Pages 397 to 414 of the Natixis 2008 Annual Report
Composition, preparation and organization of tasks undertaken by the Supervisory Board	Page 398 of the Natixis 2008 Annual Report
Internal control procedures	Pages 399 to 413 of the Natixis 2008 Annual Report
Auditors' report on Chairman's report	Page 414 of the Natixis 2008 Annual Report
LEGAL INFORMATION	Pages 415 to 483 of the Natixis 2008 Annual Report
Report from the Executive Board on the resolutions to be put to the vote at the General Shareholders' Meeting	Pages 416 to 417 of the Natixis 2008 Annual Report
Draft resolutions for the Combined General Shareholders' Meeting on April 30, 2009	Pages 418 to 432 of the Natixis 2008 Annual Report
General information about Natixis	Pages 433 to 437 of the Natixis 2008 Annual Report
General information about Natixis' share capital	Pages 438 to 443 of the Natixis 2008 Annual Report
Distribution of the capital and voting rights	Pages 444 to 448 of the Natixis 2008 Annual Report
Major contracts	Pages 449 to 452 of the Natixis 2008 Annual Report
List of corporate officer positions	Pages 453 to 483 of the Natixis 2008 Annual Report
ADDITIONAL INFORMATION	Pages 485 to 492 of the Natixis 2008 Annual Report
Historical Information concerning Natixis	Pages 486 to 487 of the Natixis 2008 Annual Report
The list of countries in which Natixis is present under its own name or through its subsidiaries or commercial representatives	Page 488 of the Natixis 2008 Annual Report
Documents available to the public	Page 489 of the Natixis 2008 Annual Report

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Natixis First Update

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INTRODUCTION	Page 4 of the Natixis First Update
Long-term rating	Page 4 of the Natixis First Update
CORPORATE GOVERNANCE	Pages 5 to 17 of the Natixis First Update
Structure of executive and oversight bodies	Pages 5 to 10 of the Natixis First Update
Board of Directors (as of June 23, 2009)	Pages 5 to 9 of the Natixis First Update
Executive Management (as of June 23, 2009)	Page 9 of the Natixis First Update
Group Management Committee (as of June 23, 2009)	Page 9 of the Natixis First Update
Executive Committee (as of June 23, 2009)	Page 10 of the Natixis First Update
Role and operating rules of the executive bodies	Pages 10 to 18 of the Natixis First Update
Board of Directors	Pages 10 to 13 of the Natixis First Update
Specialist Committees	Pages 14 to 16 of the Natixis First Update
Executive Management	Page 16 of the Natixis First Update
Annual Shareholders' Meetings	Pages 16 to 18 of the Natixis First Update
OPERATIONS	Page 18 of the Natixis First Update
FINANCIAL DATA	Pages 19 to 62 of the Natixis First Update
Interim Financial data at March 31, 2009	Pages 19 to 59 of the Natixis First Update
Recent events	Pages 60 to 61 of the Natixis First Update
Auditors' fees	Page 61 of the Natixis First Update
Five-year performance	Page 62 of the Natixis First Update
LEGAL INFORMATION	Pages 63 to 75 of the Natixis First Update
General information about Natixis: New corporate by-laws adopted by the Combined Ordinary & Extraordinary Shareholders' Meeting of April 30, 2009	Pages 63 to 72 of the Natixis First Update
Distribution of share capital and voting rights	Pages 73 to 75 of the Natixis First Update
Amount of share capital and number of voting rights at April 30, 2009	Page 73 of the Natixis First Update
Additional clauses added to the Natixis Shareholders' Agreement between BFBP and CNCE	Pages 73 to 75 of the Natixis First Update
ADDITIONAL INFORMATION	Pages 75 to 80 of the Natixis First Update
Person responsible for the Reference Document Update	Page 75 of the Natixis First Update
Person Responsible for auditing the financial statements	Page 76 of the Natixis First Update
Statutory Auditors	Page 76 of the Natixis First Update
Alternate Auditors	Page 76 of the Natixis First Update

Information contained in the documents incorporated by reference other than information listed in the table above is for information purposes only.

STATUTORY FINANCIAL STATEMENTS OF BPCE

The following are the annual financial statements for BPCE for the years ended December 31, 2007 and December 31, 2008. BPCE is currently named CEBP, and will change its name to BPCE prior to the completion of the Combination Transactions. It was formerly known as GCE NAO Société par Actions Simplifiée and the financial statements were issued in BPCE's former name.

Statutory Auditors' Reports

GCE NAO—Annual Financial Statements for the Year Ended December 31, 2007

In accordance with the terms of our appointment as statutory auditor by the sole shareholder, we hereby present our report for the year ended December 31, 2007 on:

- our audit of the accompanying financial statements of GCE NAO;
- the substantiation of our assessments;
- the specific investigations and disclosures required by law.

These annual financial statements are the responsibility of the Chairman. Our responsibility is to express an opinion on these financial statements based on our audit.

I - Opinion on the annual financial statements

We conducted our audit in accordance with professional standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall annual financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the annual financial statements present fairly, in all material respects, the assets and liabilities and financial position of the company at December 31, 2007 and the results of the company's operations for the year then ended, in accordance with French generally accepted accounting principles.

II – Substantiation of our assessments

Pursuant to the provisions of article L. 823-9 of the French Commercial Code on the substantiation of our assessments, we advise you that our assessments involved verifying the appropriateness of the accounting principles applied.

Our assessments formed an integral part of our overall audit of the annual financial statements, and therefore contributed to the opinion expressed in the first part of this report.

III –Specific investigations and disclosures

We also conducted the specific investigations required by law in accordance with the professional standards applied in France.

We have no matters to report as to the fairness and consistency with the financial statements of the information given in the Chairman's management report and in other documents sent to the sole shareholder with respect to the company's financial position and financial statements.

La Défense, April 30, 2008

MAZARS & GUERARD
Michel Barbet-Massin
Statutory Auditor

GCE NAO—Annual Financial Statements for the Year Ended December 31, 2008

To the sole shareholder,

In accordance with the terms of our appointment as statutory auditor by your Company's bylaws, we hereby present our report for the year ended December 31, 2008 on:

- our audit of the accompanying financial statements of GCE NAO;
- substantiation of our assessments;
- the specific investigations and disclosures required by law.

These annual financial statements are the responsibility of the Chairman. Our responsibility is to express an opinion on these financial statements based on our audit.

I – Opinion on the annual financial statements

We conducted our audit in accordance with professional standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free from material misstatement. An audit includes examining evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes using sample testing techniques or other select methods to assess the accounting principles used and significant estimates made by management, as well as evaluating the overall annual financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the annual financial statements present fairly, in all material respects, the assets and liabilities and financial position of the company at December 31, 2008 and the results of the company's operations for the year then ended, in accordance with French generally accepted accounting principles.

II – Substantiation of our assessments

Pursuant to the provisions of article L. 823-9 of the French Commercial Code on the substantiation of our assessments, we advise you that our assessments involved verifying the appropriateness of the accounting principles applied.

Our assessments formed an integral part of our overall audit of the annual financial statements, and therefore contributed to the opinion expressed in the first part of this report.

III – Specific investigations and disclosures

We also conducted the specific investigations required by law.

We have no matters to report as to the fairness and consistency with the financial statements of the information given in the Chairman's management report and in other documents sent to the sole shareholder with respect to the company's financial position and financial statements.

La Défense, March 20, 2009

MAZARS
Michel Barbet-Massin
Statutory Auditor

New central body shell company balance sheet for the years ended December 31, 2007 and 2008

<i>In €</i>	12/31/2008	12/31/2007
Assets		
Receivables	979	225
Cash	31,477	34,389
Total assets	32,456	34,612
Liabilities		
Capital	37,000	37,000
Retained earnings	-7,531	-
Net income	-1,420	-7,531
Total capital	28,049	29,469
Other liabilities	4,408	5,143
Total liabilities	32,456	34,612

New central body shell company income statement for the years ended December 31, 2007 and 2008

<i>In €</i>	2008	2007
Revenues	0	0
Other purchases and external charges	2,578	7,910
Taxes	55	55
Operating income	-2,633	-7,965
Other interest income	1,213	434
Pre-tax income	-1,420	-7,531
Net income	-1,420	-7,531

Notes to financial statements for the year ended December 31, 2007

The SASU (single-person simplified company with shares) was formed on December 19, 2006.

Its purpose is to acquire, hold and manage direct and indirect stakes in any investment company, credit institution, insurance company or financial, real-estate, industrial or commercial company, and to acquire and manage any shares, bonds, units, bills or any other financial securities or instruments and any transferable or real-estate rights, and to sell or realize any such assets in any form whatsoever.

The 2007 accounting period ran from December 19, 2006 to December 31, 2007.

Total assets, before appropriation of income from the period ended December 31, 2007, amounted to €34,612 and the loss for the period was €7,531.

The notes and tables below form an integral part of the financial statements. These financial statements were prepared in accordance with laws and regulations in force.

I) Post-balance sheet events

NONE.

II) Accounting principles, rules and methods

Generally accepted accounting conventions have been applied in accordance with the general principles for preparing and presenting parent-company financial statements defined by the Code de Commerce, decree 83-1020 of November 29, 1983 and the 1999 PCG (general accounting plan), in accordance with the principles of prudence, compliance and true and fair view, and with the basic accounting concepts of:

- going concern,
- consistency of accounting methods from one period to the next, and
- accrual basis.

The basic method used for the valuation of items recorded in the accounts is the historical cost method.

III). Notes to the balance sheet

Intangible assets and property, plant and equipment

NONE

Non-current financial assets

Investments in non-consolidated subsidiaries

NONE

Marketable securities

NONE

Notes to financial statements for the year ended December 31, 2008

ACCOUNTING RULES AND POLICIES
Code de Commerce - articles 9 and 11 - Decree 83-1020
of 29 November 1983 articles 7, 21, 24, 24-1, 24-2 and 24-3)

INTRODUCTION

The 2008 accounting period ran from 01/01/2008 to 31/12/2008.

Total assets at period-end amounted to €32,456.33.

The company made a net loss of €1,420.26.

These financial statements were finalised on 03/03/2009 and the information below forms an integral part of the financial statements.

2008 HIGHLIGHTS

GCE NAO had no activity during the period.

A tax consolidation agreement was signed on March 27, 2008 between Caisse Nationale des Caisses d'Epargne et de Prévoyance (CNCEP) and GCE NAO. The agreement took effect on January 1, 2008.

Allocation of corporate income tax

GCE NAO (the consolidated subsidiary) pays to CNCE (the parent), as a contribution to the group's corporate income tax payment and regardless of the effective amount of that tax payment, a sum equal to the tax that would have been applicable to its earnings and/or net long-term capital gains for the period if it had been taxable separately, minus all tax rights including tax losses from which it would have benefited in the absence of tax consolidation.

MATERIAL POST-BALANCE SHEET EVENTS

No material events took place after the balance-sheet date.

ACCOUNTING RULES AND POLICIES

Generally accepted accounting conventions have been applied in accordance with the principle of prudence and with the basic accounting concepts of:

- Going concern
- consistency of accounting methods from one period to the next
- accrual basis,

and compliance with general rules for preparing and presenting full-year financial statements.

The basic method used for the valuation of items recorded in the accounts is the historical cost method.

The main accounting methods used are as follows:

I - NON-CURRENT ASSETS

None

II - INVESTMENTS IN NON-CONSOLIDATED SUBSIDIARIES

None

III - RECEIVABLES

None

IV - CHANGE IN ACCOUNTING METHODS

There was no change in valuation method during the period.

There was no change in presentation method during the year.

V - ADDITIONAL INFORMATION

Workforce

There were no employees at period-end.

Executive compensation

No compensation was paid to the Chairman in 2008.

Consolidation

None

Off-balance sheet commitments

None

Fees paid to the auditors in 2008

Fees invoiced by the auditors for the statutory audit of the 2008 financial statements and recognized in 2008 amounted to €3,619

**FORM OF PAPER ACCEPTANCE AND TRANSFER NOTICE
(FOR EXISTING SECURITIES HELD THROUGH EUROCLEAR FRANCE ONLY)**

BPCE

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

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

Note: Only the signature annex needs to be sent to the French Exchange Agent. If you need assistance in completing this form, please call the French Exchange Agent at the number below.

- (i) **IMPORTANT: THIS PAPER ACCEPTANCE AND TRANSFER NOTICE IS TO BE USED ONLY FOR AN EXCHANGE OF EXISTING SECURITIES HELD WITH EUROCLEAR FRANCE. IT MAY NOT BE USED TO EXCHANGE EXISTING SECURITIES HELD WITH ANY OTHER CLEARING SYSTEM.** Procedures for the exchange of Existing Securities held with DTC, Euroclear or Clearstream, Luxembourg are described under “The Exchange Offers—Procedures for Tendering Existing Securities” in the Exchange Offering Memorandum.
- (ii) This Paper Acceptance and Transfer Notice should be sent to the French Exchange Agent at the facsimile number set forth below. Unless the relevant Offer is terminated, exchange acceptances must be received by the French Exchange Agent prior to 15:00 hours, Paris Time, on July 31, 2009 (the **Expiration Date**).
- (ii) This Paper Acceptance and Transfer Notice will not be valid unless the Existing Securities to be exchanged are transferred to the segregated account of the French Exchange Agent with Euroclear France so as to be credited to such account prior to 15:00 hours Paris time on the Expiration Date, as specified in the Exchange Offering Memorandum dated July 3, 2009 (the **Exchange Offering Memorandum**).

The French Exchange Agent for the Exchange Offer is:

Deutsche Bank AG, Paris
3, avenue de Friedland
75008 Paris, France
Tel: +33 1 4495 6338 and +33 1 4495 6782
Facsimile: + 33 1 4289 5726
Email: xchange.offer@db.com

Delivery of this Paper Acceptance and Transfer Notice other than to the facsimile number set forth above will not constitute valid delivery. In no event should a holder of Existing Securities send this Paper Acceptance and Transfer Notice to the Dealer Managers, the Information Agent or BPCE.

Please read the whole of this Paper Acceptance and Transfer Notice and the Exchange Offering Memorandum carefully before completing this form. Capitalized terms used but not defined herein have the meanings set forth in the Exchange Offering Memorandum.

1. We confirm that we have read the whole of the Exchange Offering Memorandum and this Paper Acceptance and Transfer Notice.
2. Upon the terms and subject to the conditions of the Offers set forth in the Exchange Offering Memorandum and in this Paper Acceptance and Transfer Notice, we hereby accept the Offers in respect of the principal amount of Existing Securities specified in the Signature Annex below (the **Existing Securities to be Exchanged**).
3. *Upon the terms and subject to the conditions of the Offers, we hereby agree to transfer to BPCE all right, title and interest in and to the Existing Securities to be Exchanged, and release and discharge*

the issuers of the Existing Securities from any and all claims we may have now or in the future arising out of, or relating to, such Existing Securities including, without limitation, any claims that we are entitled to receive additional principal, premium or interest payments with respect to such Existing Securities to be Exchanged. We hereby irrevocably appoint the French Exchange Agent as our attorney (with full knowledge that the French Exchange Agent also acts as agent of BPCE) with respect to such Existing Securities (such power of attorney being deemed to be an irrevocable power of attorney), with power to: (i) arrange for the transfer to BPCE of such Existing Securities to be Exchanged, (ii) present evidence of such transfer and all evidences of authority and any other required documents to BPCE, and (iii) receive all benefits and otherwise exercise all rights of beneficial ownership of such Existing Securities to be Exchanged, all in accordance with the terms and conditions of the Offers and of such Existing Securities to be Exchanged.

4. Our acceptance of an Offer may be revoked by us only in the limited circumstances described under “The Exchange Offers—Withdrawal Rights” in the Exchange Offering Memorandum. Absent any such revocation, acceptance of an Offer pursuant to this Paper Acceptance and Transfer Notice will become binding and irrevocable in accordance with the terms and conditions of the Offers.
5. We hereby represent and warrant to each of BPCE, the Exchange Agents and the Dealer Managers that we have full power and authority to deliver the Existing Securities to be Exchanged, and to transfer such Existing Securities to BPCE or its agent with good and marketable title free and clear of all liens, charges, claims, encumbrances, interests, rights of third parties and restrictions of any kind. We will, upon request, execute and deliver any additional documents and/or take such other actions as deemed necessary or desirable by the Exchange Agents or by BPCE to complete the exchange of such Existing Securities to be Exchanged.
6. All authority conferred by this Paper Acceptance and Transfer Notice shall not be affected by, and shall survive, the death or incapacity of the undersigned, and any obligation of the undersigned hereunder shall be binding upon the heirs, executors, administrators, trustees in bankruptcy, personal and legal representatives, successors and assigns of the undersigned.
7. We understand that the delivery of any Existing Securities to be Exchanged is not effective, and the risk of loss of the Existing Securities to be Exchanged does not pass to the French Exchange Agent, until receipt by the French Exchange Agent of this Paper Acceptance and Transfer Notice by facsimile, properly completed and duly executed, together with all accompanying evidences of authority and any other required documents in form satisfactory to BPCE. All questions as to the form of all documents and the validity (including time of receipt) and acceptance of an Offer will be determined by BPCE, in its sole discretion, which determination shall be final and binding.
8. **We hereby make, and agree to be bound by, each of the representations, warranties and undertakings set forth in the Exchange Offering Memorandum under “The Exchange Offers—Representations, Warranties and Undertakings”, both as of the Expiration Time and as of the Settlement Date. All such representations and warranties and undertakings are made to BPCE, the Exchange Agents and the Dealer Managers.**

**FOR EXISTING SECURITIES
HELD THROUGH EUROCLEAR FRANCE ONLY**

SIGNATURE ANNEX

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

To: Deutsche Bank AG, Paris 3, avenue de Friedland 75008 Paris, France Tel: +33 1 4495 6338 and +33 1 4495 6782 Facsimile: + 33 1 4289 5726 Email: xchange.offer@db.com

All questions must be answered unless otherwise indicated below.

- (1) Name of Euroclear France Account Holder Signing this Signature Annex*:
- Company Name: _____
- Euroclear France Account Number: _____
- Contact Person: _____
- Address: _____
- Telephone (with international dial code): _____
- Facsimile (with international dial code): _____
- Email Address: _____
- (2) Total Number of Holders Aggregated by Euroclear France Account Holder: _____

IMPORTANT: Please ensure that one, and only one, Paper Acceptance and Transfer Notice is submitted with respect to each Offer.

(3) Check the box below opposite the Existing Securities being delivered for exchange in the relevant Offer. **Select only one.** Offers for other series of Existing Securities should be submitted in a separate Paper Acceptance and Transfer Notice.

- CMS Existing Securities (FR0010154278) for Series EUR-1 New Notes
- F2F-1 Existing Securities (FR0010531012) for Series EUR-2 New Notes
- F2F-2 Existing Securities (FR0010600163) for Series EUR-2 New Notes
- USD Fixed Rate Existing Securities (FR0010607747) for Series USD-1 New Notes

Note: This Paper Acceptance and Transfer Notice may be used only for an exchange of Existing Securities held with Euroclear France. It may not be used to exchange Existing Securities that are held with any other Clearing System, including the NBP I Trust Preferred Securities (ISIN XS0113462609), the NBP III Trust Preferred Securities (ISIN XS0176710068) and the USD F2F Existing Securities (ISIN

US63872AAA88 for Rule 144A Notes and ISIN USF6483LHM57 for Regulation S Notes). Procedures for the exchange of Existing Securities held with DTC, Euroclear or Clearstream, Luxembourg are described under “The Exchange Offers—Procedures for Tendering Existing Securities” in the Exchange Offering Memorandum.

(4) Aggregate principal amount of Existing Securities to be Exchanged: € / US\$ _____

Euroclear France account number from which the Existing Securities to be Exchanged have been debited and to which New Notes will be credited: _____

Unique Reference:(*must be completed*) _____

Cash account details to which cash payment will be made (Euroclear France Account Holder details only):

Name of Beneficiary Bank _____

Beneficiary Bank Swift Code _____

Beneficiary Bank Account Number (IBAN) _____

Beneficiary Name _____

(5) The Offers and this Paper Acceptance and Transfer Notice are governed by and construed in accordance with the laws of France. By submitting a Paper Acceptance and Transfer Notice, a holder of Existing Securities irrevocably and unconditionally agrees for the benefit of BPCE, the Dealer Managers and the Exchange Agents that the competent courts within the jurisdiction of Paris are to have jurisdiction to settle any disputes that may arise out of or in connection with the Offers or any of the documents referred to above and that, accordingly, any suit, action or proceedings arising out of or in connection with the foregoing may be brought in such courts.

Signed:Dated:

Print name of Signatory*:

Capacity:

(for and on behalf of)

Print name of holder of Existing Securities:

Footnote:

(*) The person or entity signing this Paper Acceptance and Transfer Notice must be a Euroclear France Account Holder. The name of such Euroclear France Account Holder must be stated exactly as such Euroclear France Account Holder's name appears on the official security position listing of Euroclear France.

NOTES TO PAPER ACCEPTANCE AND TRANSFER NOTICE

1. Delivery of Paper Acceptance and Transfer Notice

Delivery of this Paper Acceptance and Transfer Notice to the French Exchange Agent constitutes confirmation that the Existing Securities to be Exchanged hereby have been transferred to the segregated Euroclear France account No. 404, NDC 51 (*nature de compte*) of the French Exchange Agent, and confirmation of such transfer must be received by the French Exchange Agent from the relevant Clearing System at its address set forth herein prior to 15:00 Paris Time on the Expiration Date. Paper Acceptance and Transfer Notices and accompanying documents and instruments received after such time on the Expiration Date may be rejected. Delivery of a Paper Acceptance and Transfer Notice will not be deemed made until all required letters, confirmations, notifications and other required documents in proper form are received by the French Exchange Agent.

Delivery of documents to a Clearing System does not constitute delivery to the French Exchange Agent. This Paper Acceptance and Transfer Notice should be delivered only to the French Exchange Agent and NOT to BPCE, the Dealer Managers, the Information Agent or any Clearing System. The method of delivery of this Paper Acceptance and Transfer Notice and all required documents is at the election and risk of the holder of Existing Securities.

No alternative, conditional or contingent acceptance will be accepted. All holders of Existing Securities, by execution of this Paper Acceptance and Transfer Notice (or a facsimile thereof), waive any right to receive any notice of the acceptance of their Paper Acceptance and Transfer Notice.

2. Execution of Paper Acceptance and Transfer Notice

This Paper Acceptance and Transfer Notice may be signed only by a Euroclear France Account Holder.

3. Requests for Assistance or Additional Copies

Any questions or requests for assistance or additional copies of the Exchange Offering Memorandum or this Paper Acceptance and Transfer Notice may be directed to the Dealer Managers, the Principal Exchange Agent or the French Exchange Agent at the telephone numbers and address set forth in the Exchange Offering Memorandum. A holder of Existing Securities may also contact its broker, dealer, commercial bank or trust company or other participant or nominee for assistance concerning the Offers.

4. Filing

The legal notice (*notice légale*) relating to the Exchange Offer and the issue of the New Notes and copies of the constitutional documents of the Issuer will be lodged with the Trade and Companies Registry of Luxembourg (*Registre du Commerce et des Sociétés de Luxembourg*) prior to the listing of the New Notes, where such documents are available for inspection and where copies thereof can be obtained.

Registered Office of the Issuer:

BPCE
5, rue Masseran
75007 Paris
France

The Exchange Agents for the Offers are:

Principal Exchange Agent :

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

French Exchange Agent:

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

U.S. Exchange Agent:

The U.S. Exchange Agent by mail:
DB Services Tennessee Inc.
P.O. Box 305050
Nashville, Tennessee 37230
United States of America
Attn: Reorganisation Unit

*The U.S. Exchange Agent by facsimile and
email (Eligible Institutions only):*
Facsimile: +1-615-833-3889
Email: db.reorg@db.com
Confirmation: +1-800-735-7777

*The U.S. Exchange Agent by hand delivery or
courier delivery:*
DB Services Tennessee Inc.
648 Grassmere Park Road
Nashville, Tennessee 37211
United States of America
Attn: Reorganisation Unit

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

The Information Agent for the Offers is:

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

*Fiscal Agent, Paying Agent and Calculation Agent for
the New Notes*

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

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

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

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

The Dealer Managers for the Offers are:

BNP Paribas
10 Harewood Avenue
London NW1 6AA
United Kingdom

NATIXIS
30, avenue Pierre Mendès-France
75013 Paris
France

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

Cleary Gottlieb Steen & Hamilton LLP
12, rue de Tilsitt
75008 Paris
France

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

Allen & Overy LLP
Edouard VII
26, boulevard des Capucines
75009 Paris
France

Auditors to the Issuer

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

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

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



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

EXCHANGE OFFERING MEMORANDUM

BNP Paribas

NATIXIS

July 3, 2009