

FINAL TERMS dated 20 May 2011



BANQUE FEDERATIVE DU CREDIT MUTUEL
Euro 45,000,000,000 Euro Medium Term Note Programme

Series No: 135
Tranche No: 3

Issue of EUR 214,000,000 Floating Rate Note due 20 April 2013 (Series No: 135, Tranche 3) to be consolidated and form a single series with the EUR 400,000,000 Floating Rate Note due 20 April 2013 (Series No: 135, Tranche 1) and the EUR 150,000,000 Floating Rate Note due 20 April 2013 (Series No: 135, Tranche 2)

Under the Programme

Issued by
Banque F d rative du Cr dit Mutuel

Citigroup Global Markets Limited

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the Base Prospectus dated 16 March 2006 and the supplements to the Base Prospectus dated 16 May 2006, 9 June 2006, 6 October and 12 December 2006. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC (the "Prospectus Directive") and must be read in conjunction with the Base Prospectus dated 7 July 2010 and the supplements to the Base Prospectus dated 17 August 2010, 11 January 2011, 7 March 2011 and 29 April 2011, which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated 16 March 2006 and the supplements to the Base Prospectus dated 16 May 2006, 9 June 2006, 6 October and 12 December 2006 and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus dated 16 March 2006 as so supplemented and the Base Prospectus dated 7 July 2010 as so supplemented. The Base Prospectus dated 16 March 2006 and the supplements to such Base Prospectus dated 16 May 2006, 9 June 2006, 6 October and 12 December 2006 and the Base Prospectus dated 7 July 2010 and the supplements to the Base Prospectus dated 17 August 2010, 11 January 2011, 7 March 2011 and 29 April 2011 are available for viewing at Banque F d rative du Cr dit Mutuel, 34 rue du Wacken 67000 Strasbourg and www.bfcm.creditmutuel.fr, and copies may be obtained from, BNP Paribas Securities Services, Luxembourg Branch (in its capacity as Principal Paying Agent), 23, avenue de la Porte Neuve, L-2085 Luxembourg and will be available on the Luxembourg Stock Exchange website (www.bourse.lu).

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| 1. | Issuer: | Banque F d rative du Cr dit Mutuel |
| 2. | (i) Series Number: | 135 |
| | (ii) Tranche Number: | 3 |

To be consolidated, form a single series and be interchangeable for trading purposes with the EUR 400,000,000 Floating Rate Note due April 2013 (Series No: 135, Tranche 1) issued on 20 August 2006 (the "Original Notes") and the EUR 150,000,000 Floating Rate Note due April 2013 (Series No: 135, Tranche 2) issued on 29 March 2007 40 days after the Issue Date (the "**Exchange Date**")

3. Specified Currency: EUR
4. Aggregate Nominal Amount:
 - (i) Series: EUR 764,000,000
 - (ii) Tranche: EUR 214,000,000
5. (i) Issue Price of Tranche: 98.94 per cent of the Aggregate Nominal Amount plus 34 days accrued interest in respect of the period from and including 20 April 2011 to but excluding the Issue Date
 - (ii) Net Proceeds: EUR 212,027,288.56 including 34 days accrued interest in respect of the period from and including 20 April 2011 to but excluding the Issue Date
6. (i) Specified Denominations: EUR 50,000
 - (ii) Calculation Amount: Not Applicable
7. (i) Issue Date : 24 May 2011
 - (ii) Interest Commencement Date 20 April 2011
8. Maturity Date: Specified Interest Payment Date falling on or nearest to 20 April 2013 subject to adjustment in accordance with the Business Day Convention specified below
9. Form of Notes: Bearer
 - Type of Notes: Floating Rate
10. Interest Basis: 3 month EURIBOR + 0.125% Floating Rate
11. Redemption/Payment Basis: Redemption at par
12. Change of Interest or Redemption/Payment Basis: Not applicable

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| 13. | Put/Call Options: | Not applicable |
| 14. | (i) Status of the Notes: | Unsubordinated |
| | (ii) Date Board approval for issuance of Notes obtained: | Decision of Christian Klein dated May 20, 2011, acting pursuant to the resolution of the Board of Directors passed on 24 February 2011 |
| | Listing: | Luxembourg - See "Listing Application" on page 6 below |
| 15. | Method of distribution: | Non-Syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 16. | Fixed Rate Note Provisions | Not Applicable |
| 17. | Floating Rate Note Provisions | Applicable |
| | (i) Interest Period(s) | The period beginning on (and including) the Issue Date and ending on (but excluding) the first Specified Interest Payment Date and each successive period beginning on (and including) a Specified Interest Payment Date and ending on (but excluding) the next succeeding Specified Interest Payment Date |
| | (ii) Specified Interest Payment Dates: | 20 July, 20 October, 20 January and 20 April in each year commencing on 20 July 2011 up to and including the Maturity Date subject to adjustment in accordance with the Business Day Convention specified below |
| | (iii) Business Day Convention: | Modified Following Business Day Convention |
| | (iv) Additional Financial Centre(s): | TARGET |
| | (v) Manner in which the Rate(s) of Interest and Interest Amount is to be determined: | Screen Rate Determination |
| | (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): | Not applicable |
| | (vii) Screen Rate Determination: | |
| | - Relevant Rate: | 3 months EURIBOR |
| | - Interest Determination Date(s): | 2 TARGET Business Days prior to the first day in each Interest Accrual Period |
| | - Relevant Time: | 11:00 am (Brussels time) |

	– Primary Source for Floating Rate:	Reuters Page EURIBOR 01
	– Reference Banks (if Primary Source is “Reference Banks”):	Not applicable
	– Relevant Financial Centre:	Eurozone
	– Benchmark:	EURIBOR
	– Representative Amount:	Not applicable
	–Effective Date:	Not applicable
	–Specified Duration:	Three (3) months
	(viii) ISDA Determination:	Not applicable
	(ix) Margin(s):	+ 0.125 per cent. per annum
	(x) Minimum Rate of Interest:	Not applicable
	(xi) Maximum Rate of Interest:	Not applicable
	(xii) Day Count Fraction:	Actual/360 unadjusted
	(xiii) Rate Multiplier:	Not applicable
	(xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	Not applicable
18.	Zero Coupon Note Provisions	Not Applicable
19.	Index-Linked / Other Variable Linked Interest Note Provisions	Not Applicable
20.	Dual Currency Note Provisions	Not Applicable
PROVISIONS RELATING TO REDEMPTION		
21.	Issuer Call Option	Not Applicable
22.	Noteholder Put Option	Not Applicable
23.	Final Redemption Amount	EUR 50,000 per Note of EUR 50,000 specified denomination
24.	Early Redemption Amount	

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| (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions): | EUR 50,000 per Note of EUR 50,000 specified denomination |
| (ii) Redemption for taxation reasons permitted on days other than Specified Interest Payment Dates: | Yes |
| (iii) Unmatured Coupons to become void upon early redemption [Bearer Notes only]: | Yes |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 25. Form of Notes: | Bearer Notes: |
| (i) New Global Note: | No |
| (ii) Temporary or Permanent Global Note: | Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note. |
| (iii) Applicable TEFRA exemptions: | D Rules |
| 26. Additional Financial Centre(s) or other special provisions relating to payment dates: | Not Applicable |
| 27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | No |
| 28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and if different from those specified in the Temporary Global Note, consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable |

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| 29. | Details relating to Notes redeemable in instalments: amount of each instalment, date on which each payment is to be made: | Not Applicable |
| 30. | Redenomination, renominatisation and reconventioning provisions: | Not Applicable |
| 31. | Consolidation provisions: | The provisions in Condition 12 apply |
| 32. | Other terms or special conditions: | Not Applicable |

DISTRIBUTION

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| 33. | (i) If syndicated, names of Managers (specifying Lead Manager): | Not Applicable |
| | (ii) Date of Subscription Agreement (if any) : | Not Applicable |
| | (iii) Stabilising Manager(s) (if any): | Not Applicable |
| 34. | If non-syndicated, name and address of relevant Dealer: | Citigroup Global Markets Limited
Citigroup Centre
London

E14 5LB |
| 35. | Total commission and concession: | Not Applicable |
| 36. | Additional selling restrictions: | Not Applicable |

OPERATIONAL INFORMATION

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| 37. | Intended to be held in a manner which would allow Eurosystem eligibility: | No |
| 38. | Temporary ISIN Code: | XS0629046664 until the Exchange Date and thereafter : |
| | Permanent ISIN Code: | XS0250886388 |
| 39. | Temporary Common Code: | 062904666 until the Exchange Date and thereafter : |
| | Permanent Common Code: | 025088638 |
| 40. | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Societe Anonyme and the relevant identification number(s): | Not Applicable |

41. Delivery: Delivery against payment
42. Names and addresses of additional Paying Agent(s) (if any): Not Applicable

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Euro 45,000,000,000 Euro Medium Term Note Programme of Banque Fédérative du Crédit Mutuel.

- (i) Listing: Regulated Market of the Luxembourg Stock Exchange
- (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from the Issue Date.
- The Original notes and Tranche 2 are already admitted to trading.
- (iii) Estimate of total expenses related to admission to trading: EUR 400

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. RATINGS

Ratings: The Notes to be issued will be rated:

S&P: A+

Moody's: Aa3

Fitch: AA-

2. RISK FACTORS

Not Applicable

3. NOTIFICATION

Not Applicable

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer General Corporate Purposes

(ii) Estimated net proceeds: EUR 212,027,288.56

(iii) Estimated total expenses: Not applicable

6. YIELD

Indication of yield: Not Applicable

7. HISTORIC INTEREST RATES

Not Applicable

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms. Those definitions will be endorsed on the definitive Notes. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are issued by Banque Fédérative du Crédit Mutuel (the "**Issuer**") pursuant to an amended and restated agency agreement dated 3 November 2005 (as amended and/or supplemented as at the date of issue of the Notes (the "**Issue Date**"), the "**Agency Agreement**") between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as fiscal agent and principal paying agent (the "**Fiscal Agent**") and as initial calculation agent (the "**Calculation Agent**") and Citibank, N.A., London office, The Bank of New York, Brussels and BNP Paribas Securities Services, as paying agents (together with the Fiscal Agent and any additional or other paying agents in respect of the Notes from time to time appointed and, where the context so admits, the "**Paying Agents**"). If a Calculation Agent is not specified on the Notes and the terms and conditions require that a Calculation Agent be appointed then the Fiscal Agent shall act as Calculation Agent. The Noteholders (as defined below), the holders of the interest coupons (the "**Coupons**") appertaining to interest bearing Notes and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Notes of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them. The Notes are issued with the benefit of a deed of covenant (as amended and/or supplemented as at the Issue Date, the "**Deed of Covenant**") dated 3 November 2005 executed by the Issuer in relation to the Notes.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection at the specified offices of each of the Paying Agents.

References below to "**Conditions**" are, unless the context requires otherwise, to the numbered paragraphs below.

1. Form, Denomination and Title

The Notes are issued in bearer form.

Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes that do not bear interest, in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Any Note the principal amount of which is redeemable in instalments is issued with one or more Receipts attached.

Title to the Notes, Receipts, Coupons and Talons shall pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Note and the Receipts relating to it, "**holder**" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Note, Receipt, Coupon or Talon and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2. Status

(a) Status of Unsubordinated Notes:

Unsubordinated Notes (being those Notes the status of which the applicable Final Terms specify as Unsubordinated Notes) and the Receipts and Coupons relating to them constitute (subject to Condition 3) direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank and will rank *pari passu* and rateably without any preference among themselves and save for statutorily preferred exceptions, at least equally with all other unsecured and unsubordinated obligations (including deposits), present and future, of the Issuer.

(b) Status of Subordinated Notes:

(i) General

Subordinated notes ("**Subordinated Notes**") comprise Ordinarily Subordinated Notes, Deeply Subordinated Notes, Dated Subordinated Notes and Undated Subordinated Notes (all as defined below).

(ii) Ordinarily Subordinated Notes

Ordinarily subordinated notes and, if the applicable Final Terms specify that the payment obligations of the Issuer under the Coupons are subordinated, the Coupons relating to them ("**Ordinarily Subordinated Notes**"), constitute direct, unconditional and unsecured obligations of the Issuer and rank *pari passu* among themselves and with all other present and future unsecured, unconditional and subordinated indebtedness of the issuer but in priority to the *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer.

(iii) Deeply Subordinated Notes

Deeply subordinated notes and, if the applicable Final Terms specify that the payment obligations of the Issuer under the Coupons are subordinated, the Coupons relating to them ("**Deeply Subordinated Notes**") constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and (unless otherwise specified in the relevant Final Terms) *pari passu* with all other present and future Deeply Subordinated Notes, but behind *prêts participatifs* granted to, and *titres participatifs* issued by the Issuer and Ordinarily Subordinated Notes.

(iv) Dated Subordinated Notes

Subordinated Notes (which terms, for the avoidance of doubt, include both Ordinarily Subordinated Notes and Deeply Subordinated Notes) may have a specified maturity date ("**Dated Subordinated Notes**"). Unless otherwise specified in the relevant Final Terms, payments of interest relating to Dated Subordinated Notes constitute obligations which rank equally with the obligations of the Issuer in respect of Unsubordinated Notes issued by the Issuer in accordance with Condition 2(a).

(v) Undated Subordinated Notes

Subordinated Notes (which terms, for the avoidance of doubt, include both Ordinarily Subordinated Notes and Deeply Subordinated Notes) may not have a specified maturity date ("**Undated Subordinated Notes**"). Unless otherwise specified in the relevant Final Terms, payments of interest relating to Undated Subordinated Notes will be deferred in accordance with the provisions of Condition 4(e).

The use of the proceeds of issues of Undated Subordinated Notes will be set out in the applicable Final Terms.

The net proceeds of the issue of Undated Subordinated Notes may count as Upper Tier 2 Capital. In the event of the Issuer incurring losses, such losses will be charged first against accumulated profits ("*report à nouveau*"), then against reserve, and capital, and finally, to the extent necessary, against the subordinated loans (including

interest on such Notes) of the Issuer, in order to allow the Issuer to comply with the regulatory requirements applicable to banks in France, especially those relating to solvency ratios, and in order to allow the Issuer to continue its activities.

(vi) Payment of Subordinated Notes in the event of liquidation of the Issuer

Subject to applicable law in the event of the voluntary liquidation of the Issuer, bankruptcy proceedings or any other similar proceeding affecting the Issuer or in the event of transfer of the whole of its business (*cession totale de l'entreprise*) or if the Issuer is liquidated for any other reason, the payments of the creditors of the Issuer shall be made in the following order of priority (in each case subject to the payment in full of priority creditors):

- (a) unsubordinated creditors of the Issuer
- (b) holders of Ordinarily Subordinated Notes
- (c) lenders in relation to *prêts participatifs* granted to the Issuer
- (d) holders of *titres participatifs* issued by the Issuer, and
- (e) holders of Deeply Subordinated Notes.

In the event of incomplete payment of unsubordinated creditors on the *liquidation judiciaire* of the Issuer, the obligations of the Issuer in connection with the Ordinarily Subordinated Notes and the Receipts and, if the applicable Final Terms specify that the payment obligations of the Issuer under the Coupons are subordinated, the Coupons will be terminated by operation of law (then subsequently the lenders in relation to *prêts participatifs*, holders of *titres participatifs* and holders of Deeply Subordinated Notes).

(vii) Capital Adequacy

The relevant Final Terms may provide for additions or variations to the Conditions applicable to the Subordinated Notes for the purposes *inter alia* of enabling the proceeds of the issue of such Subordinated Notes to count as (i) *fonds propres de base* within the meaning of Article 2 of Regulation no. 90-02 dated 23 February 1990, as amended, of the *Comité de la Réglementation Bancaire et Financière* (“**CRBF**”), (in which case such Subordinated Notes will need to be Deeply Subordinated Notes) (“**Tier 1 Capital**”); (ii) *fonds propres complémentaires* within the meaning of Article 4(c) of the CRBF Regulation no. 90-02 of 23 February 1990 (“**Upper Tier 2 Capital**”); (iii) *fonds propres complémentaires* within the meaning of Article 4(d) of the CRBF Regulation no. 90-02 of 23 February 1990 as amended (“**Lower Tier 2 Capital**”, together with Upper Tier 2 Capital “**Tier 2 Capital**”) or (iv) *fonds propres surcomplémentaires* within the meaning of Article 3.3 of the CRBF Regulation no. 95-02 of 21 July 1995 as amended (“**Tier 3 Capital**”), if such Regulation is applicable.

Article 2 of the CRBF Regulation no. 90-02 dated 23 February 1990 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**”).¹

¹ The French language version of the BIS Press Release is attached to the annual report of the *Commission Bancaire*.

3. Negative Pledge

The Issuer undertakes for the benefit of the holders of Unsubordinated Notes that, so long as any of the Unsubordinated Notes, Receipts or Coupons remain outstanding (as defined in the Agency Agreement), it will not create or permit to subsist any mortgage, lien, charge, pledge or other security interest (*sûreté réelle*) upon any of its assets or revenues, present or future, to secure any Relevant Indebtedness (as defined below) incurred by it or guaranteed by it (whether before or after the issue of the Notes) unless the Notes are equally and rateably secured so as to rank *pari passu* with such Relevant Indebtedness. For the purposes of this Condition, “**Relevant Indebtedness**” means any indebtedness for borrowed money in the form of, or represented by bonds, notes or other securities (including securities initially privately placed) which are for the time being, or are capable of being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter-market or other securities market.

4. Interest and other Calculations

(i) **Rate of Interest and Accrual of Interest:**

Each Note bears interest on its outstanding principal amount (or, if it is a Partly Paid Note, in accordance with Condition 4(e)) from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Specified Interest Payment Date.

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).

(ii) **Business Day Convention:**

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding Business Day and (B) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) **Rate of Interest on Floating Rate Notes:**

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following (unless otherwise specified in the relevant Final Terms):

- (i) if the Primary Source for the Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
 - (x) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
 - (y) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date;

- (ii) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (i)(x) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (i)(y) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest

Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent; and

- (iii) if paragraph (ii) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in (the euro-zone as selected by the Calculation Agent (the “**Principal Financial Centre**”)) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (x) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (y) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre), the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(iv) Rate of Interest on Index-Linked Notes:

The Rate of Interest and/or the Interest Amount (whether on any Specified Interest Payment Date, early redemption, maturity or otherwise) payable in respect of Index Linked Notes shall be determined in accordance with the Index, Formula, exchange rate (or any combination thereof) in the manner specified in the applicable Final Terms.

(v) Interest on Partly-Paid Notes:

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes) interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(vi) Rate of Interest on Zero Coupon Notes:

Where a Note the Rate of Interest of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5(b)).

(vii) Deferral of Interest – Undated Subordinated Notes:

In the case of Undated Subordinated Notes issued by the Issuer and when so specified in the applicable Final Terms, the Board of Directors may decide, prior to any date for the payment of interest, to suspend payment of interest accrued during any interest period if at the most recent Annual General Meeting of the shareholders of the Issuer which preceded the corresponding date for the payment of interest no dividend was declared, paid or set apart for payment on or with respect to any class of share capital of the Issuer provided that notice of such decision is given to the relevant shareholders as soon as reasonably practicable following the taking of such decision and in any event no later than seven days prior to any date for the payment of interest. In such a case, any interest so suspended shall constitute “Arrears of Interest” (which term shall include interest on such unpaid interest) the payment of which shall be deferred until the date for the payment of interest immediately following the date upon which any dividend has been declared, paid or set apart for payment on or with respect to any class of share capital of the Issuer at the most recent Annual General Meeting of the shareholders of the Issuer. Arrears of Interest shall bear interest at the same rate as the Notes to which they relate.

Arrears of Interest may, at the option of the Issuer, be paid in whole or in part at any time upon the expiry of not less than seven days' notice to such effect given to the Noteholders in accordance with these Conditions but all Arrears of Interest shall (subject to applicable laws and regulations) become due in full on whichever is the earliest of (i) the date for the payment of interest immediately following the date upon which a dividend is next declared, paid or set apart as aforesaid, or (ii) the date set for any redemption or purchase pursuant to Conditions 5(d) (in the case of redemption) or 5(f) (in the case of purchase), provided all the Notes are so purchased, or (iii) the commencement of a liquidation or dissolution proceedings affecting the Issuer contemplated by Condition 9(b).

Where Arrears of Interest are paid in part, each such payment shall be applied in or towards satisfaction of the full amount of the Arrears in Interest accrued in respect of the earliest Interest period in respect of which Arrears of Interest have accrued and have not been paid in full.

(viii) Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding:

- (ix) If any Margin or Rate Multiplier is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (iii) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph;
- (x) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be;
- (xi) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country or countries of such currency.

(xii) Calculations:

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding principal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(xiii) Determination and Publication of Rates of Interest, Interest Amounts, Redemption Amounts and Instalment Amounts:

As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any Redemption Amount or Instalment Amount, obtain any quote or make any determination or calculation, it shall determine the Rate of Interest and calculate the amount of interest payable (the "Interest Amounts") in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Specified Interest Payment Date and, if required to be calculated, the Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon

receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange, as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and the Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Specified Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(b), the Interest Amounts and the Specified Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of each Rate of Interest, Interest Amount, Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(xiv) Definitions:

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Business Day” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a **“TARGET Business Day”**) and/or
- (iii) in the case of a specified currency and/or one or more specified financial centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the specified currency in the specified financial centre(s) or, if no currency is specified, generally in each of the financial centres so specified

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the **“Calculation Period”**):

- (i) if **“Actual/365”** or **“Actual/Actual-ISDA”** is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if **“Actual/365 (Fixed)”** is specified hereon, the actual number of days in the Calculation Period divided by 365
- (iii) if **“Actual/360”** is specified hereon, the actual number of days in the Calculation Period divided by 360
- (iv) if **“30/360”**, **“360/360”** or **“Bond Basis”** is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month))

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month) and
- (vi) if “**Actual/Actual-ICMA¹**” is specified hereon:
 - (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (b) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date and

“**Determination Date**” means the date specified as such hereon or, if none is so specified, the Interest Payment Date.

“**Effective Date**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the applicable Final Terms or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified hereon

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if

¹ As of 1 July 2005, ISMA and IPMA have merged. The merged association is called ICMA (the International Capital Market Association).

the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro

“Interest Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Specified Interest Payment Date and each successive period beginning on (and including) any Specified Interest Payment Date and ending on (but excluding) the next succeeding Specified Interest Payment Date

“Interest Period Date” means each Specified Interest Payment Date unless otherwise specified hereon

“Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuter Markets 3000 (“**Reuters**”) and Telerate (“**Telerate**”)) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate

“Rate of Interest” means the rate of interest payable from time to time in respect of this Note and which is either specified, or calculated in accordance with the provisions on this Note

“Redemption Amount” means the Final Redemption Amount or the Early Redemption Amount, as the case may be, of the Note, which in each case, unless otherwise specified hereon, shall be its nominal amount

“Reference Banks” means the institutions specified as such in the applicable Final Terms or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which if EURIBOR is the relevant Benchmark shall be Europe)

“Relevant Financial Centre” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the financial centre as may be specified as such in the applicable Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR shall be Europe) or, if none is so connected, London

“Relevant Rate” means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date

“Relevant Time” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified hereon or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre or, if no such customary local time exists, 11.00 hours in the Relevant Financial Centre and, for the purpose of this definition **“local time”** means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, Brussels time

“Representative Amount” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the amount specified as such in the applicable Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time

“Specified Currency” means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated

“Specified Duration” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the duration specified hereon or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 4(b)

“**TARGET System**” means the Trans-European Real-Time Gross-Settlement Express Transfer (TARGET) System or any successor thereto.

(vii) Calculation Agent and Reference Banks:

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the Final Terms applicable to this Note and for so long as any Note is outstanding (as defined in the Agency Agreement). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount or the Redemption Amount or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

Notice of any change in the Calculation Agent shall promptly be given to the Noteholders in accordance with Condition 13 below.

5. Redemption, Purchase and Options

(a) Redemption by Instalments and Final Redemption:

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5 or the relevant Instalment Date (being one of the dates so specified on the Notes) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(d) or 5(e), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified on it. The outstanding principal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the principal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount. In the case of Subordinated Notes, no Instalment date may occur prior to the expiry of a five year period from the issue date of such Subordinated Notes.
- (ii) Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(d) or 5(e), each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its principal amount or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount). Subordinated Notes, the proceeds of which constitute Tier 1 Capital or Upper Tier 2 shall be Undated Subordinated Notes. The Maturity Date, in relation to Subordinated Notes the proceeds of which constitute Lower Tier 2 Capital, will not be less than five years from the Issue Date and where the proceeds constitute Tier 3 Capital, will not be less than two years from the Issue Date.

(b) Early Redemption of Zero Coupon Notes:

- (i) The Early Redemption Amount payable in respect of any Note that does not bear interest prior to the Maturity Date, the Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 5 or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note.

- (ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.
- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5 or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(d).

(c) Redemption for Taxation 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 7 below and the obligation to pay such additional amounts cannot be avoided by reasonable measures available to the Issuer, the Issuer may, at its option, and subject to the prior approval of the *Secrétariat Général* of the *Commission Bancaire* in the case of Subordinated Notes the proceeds of which constitute Tier 1 Capital, Tier 2 Capital or Tier 3 Capital, on any Specified Interest Payment Date or, if so specified on this Note, at any time, subject to having given not more than 45 nor less than 30 days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 13 redeem all, but not some only, of the Notes at their Early Redemption Amount together with, unless otherwise specified in the Final Terms, any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer 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 or Couponholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7 below and the obligation to pay such additional amounts cannot be avoided by reasonable measures available to the Issuer (which measures, if they exist, the Issuer shall be obliged to take), then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 13 and subject to prior approval of the *Secrétariat Général* of the *Commission Bancaire* in the case of Subordinated Notes the proceeds of which constitute Tier 1 Capital, Tier 2 Capital or Tier 3 Capital, redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount together with, unless otherwise specified in the applicable Final Terms, any interest accrued to the date set for redemption on (A) the latest practicable Specified 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 Specified 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 or (B) if so specified on this Note, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer

could make payment of the full amount payable in respect of the Notes, Receipts or Coupons or, if that date is passed, as soon as practicable thereafter.

(d) Redemption at the Option of the Issuer and Exercise of Issuer's Options:

If so provided on the Notes, the Issuer may, subject to the prior approval of the *Secrétariat Général* of the *Commission Bancaire* in the case of Subordinated Notes the proceeds of which constitute Tier 1 Capital, Tier 2 Capital or Tier 3 Capital and to compliance by the Issuer with all relevant laws, regulations and directives and on giving irrevocable notice to the Noteholders falling within the Issuer's Notice Period redeem, or exercise any Issuer's option in relation to, all or, if so provided, some of the Notes in the principal amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount together with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange requirements. So long as the Notes are listed on the Regulated Market or EuroMTF and the rules of the Luxembourg Stock Exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation in Luxembourg a notice as provided in Condition 13 specifying the aggregate nominal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

(e) Redemption at the Option of Noteholders and Exercise of Noteholders' Options:

If so provided hereon, and provided that this Note is not a Subordinated Note the proceeds of which constitute Tier 1 Capital, Tier 2 Capital or Tier 3 Capital, the Issuer shall, at the option of the holder of any such Note, redeem such Note on the Optional Redemption Date so provided hereon at its Redemption Amount together with interest accrued to the date fixed for redemption.

So long as the Notes are listed on the Regulated Market, or any other market, of the Luxembourg Stock Exchange and the rules of that Stock Exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation in Luxembourg a notice as provided in Condition 13 specifying the aggregate nominal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

To exercise such option or any other Noteholders' option that may be set out on this Note the holder must deposit such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent within the Notice Period. No Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) Purchases:

The Issuer may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith) in the open market or otherwise at any price. In the case of Subordinated Notes the proceeds of which constitute Tier 2 Capital or Tier 3 Capital, any such purchase will be subject to the prior approval of the *Secrétariat Général* of the *Commission Bancaire* (i) if it relates (individually or when aggregated with any previous purchase) to 10 per cent. or more of the principal amount of the Notes or (ii) if such purchase is made in the context of an *Offre Publique d'Achat* (OPA) or an *Offre Publique d'Echange* (OPE). In the case of Subordinated Notes the proceeds of which constitute Tier 1 Capital, any such purchase will be subject to the prior approval of the *Secrétariat Général* of the *Commission Bancaire*.

(g) Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified in the relevant Final Terms.

(h) Cancellation:

All Notes purchased by or on behalf of the Issuer must be surrendered for cancellation by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold.

6. Payments and Talons

(a) Notes:

Payments of principal and interest in respect of the Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(e)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(e)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by transfer to an account denominated in that currency with, a Bank. “**Bank**” means a bank in the principal financial centre for that currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) Payments in the United States:

Notwithstanding the foregoing, if any Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(c) Payments Subject to Fiscal Laws:

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) Appointment of Agents:

The Fiscal Agent, the Paying Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent or the Calculation Agent and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Paying Agent having a specified office in a European city which, (A) so long as the Notes are listed on the Regulated Market or EuroMTF, shall be Luxembourg, and (B) so long as the Notes are listed on any other stock exchange and the rules of such stock exchange so require, shall be a specified city of the country of such stock exchange, (iv) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any European Union Directive implementing the conclusions 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 (which may be any of the Paying

Agents referred to in (iii) (A) or (B) above) and (v) such other agents as may be required by the rules of any other stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Notes denominated in U.S. dollars in the circumstances described in paragraph (b) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 13 below.

(e) *Unmatured Coupons and Receipts and unexchanged Talons:*

- (i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Notes should be surrendered for payment together with all unexpired Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Redemption Amount due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
- (ii) If the Notes so provide, upon the due date for redemption of any Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Note, any unexpired Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Note is presented for redemption without any unexpired Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note.

(f) *Talons:*

On or after the Specified Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

(g) *Non-Business Days:*

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are

open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “**Financial Centres**” in the applicable Final Terms and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) in the case of a payment in euro, which is a TARGET Business Day (being a day on which the TARGET System is operating).

7. Taxation

The Notes constituting *obligations* being issued (or being deemed to be issued) outside the Republic of France, payments in respect of the Notes will be made without withholding or deduction for, or on account of, taxes imposed by or on behalf of the Republic of France, or any taxing authority thereof.

The tax regime applicable to Notes which do not constitute *obligations* will be set out in the relevant Final Terms.

- (a) If French law should require that payments of principal of, or interest by or on behalf of the Issuer in respect of any Note, Receipt or Coupon be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the Noteholders, the Receiptholders or the Couponholders, after deduction or withholding of such taxes or duties, will receive the full amount then expressed to be due and payable; provided, however, that the Issuer may, in that event, redeem all of the Notes then outstanding in accordance with Condition 5(c) and provided further that no additional amounts shall be due in respect of any Note, Receipt or Coupon presented for payment:
 - (i) by a holder (or a third party on behalf of a holder) who is subject to such taxes or duties in respect of such Note, Receipt, or Coupon by reason of his having some connection with the Republic of France other than the mere holding of such Note, Receipt or Coupon; or
 - (ii) more than 30 days after the Relevant Date, except to the extent that such holder would have been entitled to such additional amounts on presenting such Note, Receipt or Coupon for payment on the last day of such period of 30 days; or
 - (iii) where such withholding or deduction 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 or Regulation implementing the conclusions 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 Regulation; or
 - (iv) by or on behalf of a holder of a Note, Coupon or Receipt who would be able to avoid such withholding or deduction by presenting the relevant Note, Coupon or Receipt to another Paying Agent in a Member State of the European Union.

As used in these Conditions, “**Relevant Date**” in respect of any Note, Receipt or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 13 that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) “principal” and/or

“interest” shall be deemed to include any additional amounts which may be payable under this Condition 7.

8. Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect thereof. There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon in respect of which the claim for payment would be void pursuant to this Condition 8 or Condition 4 above.

9. Events of Default

(a) *Unsubordinated Notes:*

If any of the following events (“**Events of Default**”) occurs and is continuing, the holder of any Unsubordinated Note may give written notice to the Fiscal Agent at its specified office that such Unsubordinated Note is immediately repayable, whereupon the Early Redemption Amount of such Unsubordinated Note together with accrued interest to the date of payment shall become immediately due and payable:

- (i) if default is made in the payment of any principal or interest due on the Notes or any of them on the due date and such default, in the case of any payment of interest, continues for a period of 15 days or more after written notice thereof is received by the Issuer from the Fiscal Agent (and the Fiscal Agent shall be bound to give such notice forthwith upon the request of any Noteholder); or
- (ii) if the Issuer fails to perform or observe any of its other obligations under the Notes or any of them and (except where such failure is incapable of remedy when no notice will be required) such failure continues for a period of 60 days after written notice is received by the Issuer from the Fiscal Agent (and the Fiscal Agent shall be bound to give such notice forthwith upon the request of any holder of Unsubordinated Notes) specifying such default and requiring the same to be remedied; or
- (iii) if (a) any other present or future indebtedness of the Issuer or any of its Principal Subsidiaries (as defined below) for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any event of default or the like (howsoever described), or (b) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or the Issuer or any of its Principal Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (iii) have occurred equals or exceeds euro 30,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the euro as quoted by any leading bank on the day on which this paragraph operates); or
- (iv) the Issuer or any of its Principal Subsidiaries enters into an amicable settlement (*accord amiable*) with its creditors or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or any of its Principal Subsidiaries or for a transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer or any of its Principal Subsidiaries, or the Issuer or any of its Principal Subsidiaries is subject to similar proceedings or, in the absence of legal proceedings, the Issuer or any of its Principal Subsidiaries makes a conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors; or
- (v) the Issuer or any of its Principal Subsidiaries sells, transfers or otherwise disposes of, directly or indirectly, the whole or a substantial part of its undertaking or assets, or the Issuer or any of its Principal Subsidiaries enters into or commences any proceedings in furtherance of voluntary liquidation or dissolution, except (a) in the case of a disposal of all or substantially all of the Issuer's assets in favour of an entity which simultaneously assumes all or substantially all of the Issuer's liabilities including the Notes (b) in the case of a disposal of all or substantially all of any such Principal

Subsidiary's assets in favour of the Issuer or any other Subsidiary of the Issuer or in connection with a merger or reorganisation of the Issuer, when the Issuer has received at least 30 days prior to the effective date of such merger or reorganisation, certificates issued by Moody's France S.A. and Standard & Poor's-ADEF or their successors or any other major rating agency stating that the Notes will maintain a rating by such agencies immediately following such merger or reorganisation at least as favourable as the rating maintained for the Notes (or, if none, for long term indebtedness of the Issuer) prior to such merger or reorganisation.

(vi) For the purposes of this Condition 9:

"Principal Subsidiary" means at any relevant time a Subsidiary of the Issuer:

- (a) whose total assets or operating income (or, where the Subsidiary in question prepares consolidated accounts, whose total consolidated assets or consolidated operating income, as the case may be) attributable to the Issuer represent not less than 10 per cent. of the total consolidated assets or the consolidated operating income of the Issuer, as the case may be, of the Issuer, all as calculated by reference to the then latest audited accounts (or consolidated accounts, as the case may be) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its consolidated subsidiaries; or
- (b) to which is transferred all or substantially all the assets and undertakings of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary.

"Subsidiary" means, in relation to any person or entity at any time, any other person or entity (whether or not now existing) which is controlled directly or indirectly, or more than 50 per cent. of whose issued equity share capital (or equivalent) is then held or beneficially owned by the first person or entity and/or any one or more of the first person's or entity's Subsidiaries, and **"control"** means the power (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise) to appoint the majority of the members of the governing body or management, or otherwise to control the affairs and policies, of that other person or entity.

(b) Subordinated Notes:

If any judgment shall be issued for the judicial liquidation (*liquidation judiciaire*) or amicable liquidation of the Issuer or for a transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer or if the Issuer is liquidated for any other reason, then the Subordinated Notes shall become immediately due and payable, in accordance with Condition 2(b), at their principal amount together with any accrued interest to the date of payment without any further formality.

10. Meetings of Noteholders and Modifications

(a) Meetings of Noteholders:

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the principal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or

Redemption Amount applies to any Notes, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders. In addition, in the case of an issue of Subordinated Notes, any proposed modification of any provisions of the Notes will be subject to the prior approval of the *Secrétariat Général* of the *Commission Bancaire* in France.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

(b) Modification of Agency Agreement:

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

11. Replacement of Notes, Receipts, Coupons and Talons

If a Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Paying Agent in Luxembourg or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 13, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in the conditions of such Notes to “**Issue Date**” shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “**Notes**” shall be construed accordingly.

13. Notices

Notices to the holders of Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*) and so long as the Notes are listed on the Regulated Market or EuroMTF and the rules of the Luxembourg Stock Exchange so require, in a daily newspaper with general circulation in Luxembourg (which is expected to be the *D'Wort*) and/or on the website of the Luxembourg Stock Exchange (www.bourse.lu). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe and, so long as the Notes are listed on any other stock exchange and the relevant rules applying to such listed Notes so require, in a leading daily newspaper with general circulation in the city/ies where such stock exchange(s) is/are situated. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Notes in accordance with this Condition.

14. Contracts (Rights of Third Parties) Act 1999

The Notes confer no rights under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Notes expressly provide for such Act to apply to any of their terms.

15. Governing Law and Jurisdiction

(a) Governing Law:

The Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, English law, except with regard to provisions in respect of Subordinated Notes, which shall be governed by French law.

(b) Jurisdiction:

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) Service of Process:

The Issuer irrevocably appoints Crédit Industriel et Commercial, Veritas House, 125, Finsbury Pavement, London EC2A 1NQ as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 13. Nothing shall affect the right to serve process in any manner permitted by law.