BASE OFFERING MEMORANDUM

U.S.$10,000,000,000 U.S. Medium Term Notes Program

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

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

Investing in the Notes involves certain risks. See "Risk Factors" beginning on page 17 of this Base Offering Memorandum and "Risks Factors" beginning on page 93 of the First Update to the 2013 Registration Document incorporated by reference herein, and any risk factors that may be set forth in any documents incorporated by reference herein at a future date.

The Notes are not required to be, and have not been, registered under the Securities Act, or the state securities laws of any state of the United States or the securities laws of any other jurisdiction. The Notes may not be offered or sold or otherwise transferred except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act. Prospective purchasers are hereby notified that the sellers of the Rule 144A Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on transfers and resales, see "Transfer Restrictions."

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

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

Unless otherwise specified in the relevant Pricing Term Sheet, each series of Notes will be represented initially by one or more global securities ("Global Notes") registered in the name of a nominee of The Depository Trust Company (together with any successor, "DTC"). Beneficial interests in Global Notes represented by a global security will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants, including Euroclear S.A./N.V. ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream Luxembourg). Global Notes will not be issuable in definitive form, except under the circumstances described under "Book-Entry Procedures and Settlement.

Arranger
Citigroup

Dealers

Banque Fédérative du Crédit Mutuel	**Barclays**	**BNP PARIBAS**	**Citigroup**	**Credit Suisse**
Deutsche Bank Securities	**Goldman, Sachs & Co.**	**HSBC**	**J.P. Morgan**	**Morgan Stanley**

Base Offering Memorandum dated December 10, 2014

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

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

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

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

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

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

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

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

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

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

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES OF AMERICA

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

NOTICE TO NEW HAMPSHIRE RESIDENTS

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

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

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

AVAILABLE INFORMATION

While any of the Rule 144A Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) and the Issuer is not exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") or Section 15(d) of the Exchange Act, the Issuer will make available, upon request, to any holder of Notes or prospective purchasers of Rule 144A Notes the information specified in Rule 144A(d)(4).

LIMITATIONS ON ENFORCEMENT OF CIVIL LIABILITIES

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

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EXCHANGE RATE AND CURRENCY INFORMATION

The following table shows the period-end, average, high and low the Noon Buying Rates in New York City for cable transfers payable in foreign currencies as certified by the Federal Reserve Bank of New York (the "Noon Buying Rates") for the euro, expressed in dollars per one euro, for the periods and dates indicated. On December 9, 2014, the exchange rate as published by the European Central Bank was $1.2369 per one euro.

	Noon Buying Rate			
	Period End	**Average(*)**	**High**	**Low**
Year:				
2009	1.4332	1.3936	1.5100	1.2547
2010	1.3269	1.3263	1.4536	1.1959
2011	1.2973	1.3931	1.4875	1.2926
2012	1.3186	1.2859	1.3463	1.2062
2013	1.3779	1.3281	1.3816	1.2774
2014 (through December 5)	1.2304	1.3364	1.3927	1.2304
Month:				
March 2014	1.3777	1.3828	1.3927	1.3731
April 2014	1.3870	1.3806	1.3892	1.3704
May 2014	1.3640	1.3739	1.3924	1.3596
June 2014	1.3690	1.3595	1.3690	1.3522
July 2014	1.3390	1.3533	1.3681	1.3378
August 2014	1.3150	1.3315	1.3436	1.3150
September 2014	1.2628	1.2889	1.3136	1.2628
October 2014	1.2530	1.2677	1.2812	1.2517
November 2014	1.2438	1.2473	1.2554	1.2394
December 2014 (through December 5)	1.2304	1.2384	1.2490	1.2304

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

Source: Federal Reserve Bank of New York.

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

PRESENTATION OF FINANCIAL INFORMATION

In this Base Offering Memorandum, references to "euro," "EUR" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam. References to "$," "U.S.$" and "U.S. dollars" are to United States dollars. The BFCM Group and the Group publish their consolidated financial statements in euros. See "Exchange Rate and Currency Information."

The audited consolidated financial statements of the BFCM Group and the Group as at December 31, 2013 and 2012 and for the years ended December 31, 2013 and 2012, included on pages 217-264 and pages 107-154, respectively, in the 2013 Registration Document, the audited consolidated financial statements of the BFCM Group and the Group as at December 31, 2012 and 2011 and for the years ended December 31, 2012 and 2011, included in the Documents Incorporated by Reference (as defined herein), and the unaudited consolidated financial statements of the BFCM Group and the Group as of and for the six month period ended June 30, 2014, included on pages 44-67 and pages 22-43, respectively, in the First Update (as defined herein), have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"). The BFCM Group's and the Group's fiscal year ends on December 31, and references in this Base Offering Memorandum to any specific fiscal year are to the twelve-month period ended December 31 of such year.

Certain financial information regarding the BFCM Group and/or the Group presented herein or in the documents incorporated by reference herein constitutes non-GAAP financial measures, which exclude certain items contained in the nearest IFRS financial measure or which include certain amounts that are not contained in the nearest IFRS financial measure.

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

Restatement of the 2011 and 2013 Consolidated Financial Statements

The consolidated financial statements for each of the Group and the BFCM Group as at and for the year ended December 31, 2013 and as at and for the six month period ended June 30, 2013 have been restated to account for the application of IFRS 11. The consolidated financial statements for each of the Group and the BFCM Group as at and for the year ended December 31, 2011 have been restated to account for the application of IAS 19 as well as for the correction of an error with respect to the accounting treatment of the investment in Banco Popular Español (BPE). The adjustments and their impact on each of the Group and the BFCM Group are described in note 1.1 to each of the Group's and the BFCM Group's audited consolidated financial statements as at and for the year ended December 31, 2012. The equity method accounting treatment of BPE results from the significant influence the Group has had over BPE since the end of the 2010 fiscal year.

CERTAIN TERMS USED IN THIS BASE OFFERING MEMORANDUM

In this Base Offering Memorandum, the following terms have the respective meanings set forth below (and, where the context permits, are deemed to include any successors). See "History and Structure of the CM11-CIC Group" herein for important information relating to the entities and groups referred to in these definitions.

"**BFCM**" or "**Issuer**" means the Banque Fédérative du Crédit Mutuel.

"**BFCM Group**" means BFCM and its consolidated subsidiaries and associates.

"**CF de CM**" means the Caisse Fédérale de Crédit Mutuel.

"**CIC**" means Crédit Industriel et Commercial (CIC), which is the largest subsidiary of BFCM and the CM11-Group.

"**CM11-CIC Group**" and "**CM10-CIC Group**" means the mutual banking group that includes the local Crédit Mutuel banks that are members of the relevant Federations (11 Federations, or 10 Federations, as the case may be), and of the CF de CM, as well as the entities that are part of the BFCM Group.

"**Federation**" means each of the 11 regional federations formed by groups of Local Banks to serve their mutual interests, centralizing their products, funding, risk management and administrative functions as well as the group-wide Federation of which each of the regional federations is a member.

"**Group**" means the CM11-CIC Group as from January 1, 2012 and the CM10-CIC Group for the period from January 1, 2011 to December 31, 2011. All references to "Group" or "CM11-CIC Group" are to the groups that are members of the Caisse Fédérale de Crédit Mutuel et Filiales.

"**Local Banks**" means the local Crédit Mutuel mutual banks (caisses locales de Crédit Mutuel) that are members of the Group at the relevant time. The non-capitalized term "local banks" refers to the Local Banks that are members of the Group, as well as the local Crédit Mutuel mutual banks that are members of federations that are not part of the Group.

DOCUMENTS INCORPORATED BY REFERENCE

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

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

1) the following sections of the English version of the 2013 registration document relating to the Issuer and the CM11-CIC Group, dated May 6, 2014 and available on the Issuer's website at http://www.bfcm.creditmutuel.fr/en/bfcm/pdf/DOCREF_DEC2013_VENG.pdf (the "2013 Registration Document"), the French version of which was registered by the *Autorité des Marchés Financiers* (the "**AMF**") under N°. R.14.028;

   a) Part I. "Presentation of the CM11-CIC Group and BFCM Group" on pages 9-32;

   b) Part II. "Corporate Governance of CM11-CIC Group and BFCM" on pages 32-61;

   c) Part III.3 "Financial Information about CM11-CIC – Risk report" on pages 87-106;

   d) Part III.4 "Financial Information about CM11-CIC – Consolidated financial statements" on pages 107-153;

   e) Part III.5 "Financial Information about CM11-CIC – Report of the Statutory Auditors on the consolidated financial statements of BFCM Group" on pages 154-155;

   f) Part IV."CM11-CIC Group – Basel II Pillar 3 Disclosure Financial Year 2013" on pages 156-177;

   g) Part V.1 "Financial information about BFCM Group – BFCM Group's key figures" on page 179 ;

   h) Part V.4 of the "Risk report" on pages 187-216;

   i) Part V.5 "Financial information about BFCM Group – Consolidated financial statements of BFCM Group" on pages 217-263;

   j) Part V.6 "Financial information about BFCM Group – Report of the Statutory Auditors on the consolidated financial statements of BFCM" on pages 264-265;

   k) Part VIII.1 "Legal Information about BFCM – Shareholders – Distribution of BFCM's capital at December 31, 2013" on pages 325-326;

l) Parts VIII.3.1 through VIII.3.10 and Part VIII.3.18 of " "Legal Information about BFCM – Miscellaneous Information" on pages 347-350; and

m) Part IX.4.1.1 "Additional Information – Statutory Auditors" on page 353.

2) the English version of the first update to the 2013 Registration Document relating to the Issuer and the CM11-CIC Group, dated August 6, 2014, and available on the Issuer's website at http://www.bfcm.creditmutuel.fr/en/bfcm/pdf/DOCREF_JUNE2014_VENG.pdf (the "First Update"), the French version of which was filed with the AMF under N°. D.14-0347-A01;

3) any future update to the 2013 Registration Document that may be published by the Issuer on its website (the 2013 Registration Document as updated by the First Update and any such future update, the "Registration Document");

4) the English translation of certain financial information of the Group as of June 30, 2014 based on the recommendations of the Financial Stability Board, available on the Issuer's website at http://www.bfcm.creditmutuel.fr/fr/bfcm/pdf/FSBCM11CIC_JUNE2014.pdf;

5) the English translation of certain financial information of the Group as of December 31, 2013 based on the recommendations of the Financial Stability Board; available on the Issuer's website at http://www.bfcm.creditmutuel.fr/en/bfcm/pdf/FSBCM11CIC_dec2013_EN.pdf;

6) the following sections of the English version of the 2012 registration document relating to the Issuer and the CM11-CIC Group, dated April 24, 2013 and available on the issuer's website at http://www.bfcm.creditmutuel.fr/en/bfcm/pdf/CM11_CIC_DOCREF_DEC2012_ENG.pdf (the "2012 Registration Document"):

a) Part III.3 "Risk Report" on pages 61 to 80;

b) Part II.2 "Report on the Board of Director's operations and internal control procedures" on pages 32 to 41;

c) Part II.4 "Report on the system of procedures to combat money laundering and terrorism financing" on pages 43 to 46;

d) Part V.5 "Consolidated Financial Statements of the BFCM Group" on pages 198 to 264; and

e) Part V.6 "Statutory Auditor's Report on the Consolidated Financial Statements of the BFCM Group" on pages 264 to 268.

7) the English translation of the audited consolidated financial statements of the CM11-CIC Group as of and for the year ended December 31, 2012 and the auditors' report thereon available on the Group's website at http://www.bfcm.creditmutuel.fr/fr/bfcm/pdf/CM11CIC_FINANCIAL_DEC2012.pdf (the "CM11-CIC 2012 Financial Statements");

8) the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 41 to 60 of the Information Document, dated May 27, 2013, available on the Group's website at http://www.bfcm.creditmutuel.fr/fr/bfcm/pdf/BFCM_INFORMATION_DOCUMENT_MAI2013.pdf (such document, the "2012 Information Document");

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

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

Except as indicated above, the 2013 Registration Document and the 2012 Information Document shall not be deemed incorporated by reference in this Base Offering Memorandum.

Except for the portions of the documents referred to above, the information contained on the website of the Issuer shall not be deemed incorporated by reference herein.

FORWARD-LOOKING STATEMENTS

This Base Offering Memorandum and the Documents Incorporated by Reference herein contain forward-looking statements. Such statements can be generally identified by the use of terms such as "anticipates", "believes", "could", "expects", "may", "plans", "should", "will" and "would", or by comparable terms and the negatives of such terms. By their nature, forward-looking statements involve risk and uncertainty, and the factors described in the context of such forward-looking statements in this Base Offering Memorandum and the Documents Incorporated by Reference herein could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. We have based forward-looking statements on our expectations and projections about future events as at the date such statements were made. These forward-looking statements are subject to risks, uncertainties and assumptions about BFCM or the CM11-CIC Group, including, among other things:

- The risks inherent in banking activities including credit risks, market and liquidity risks, operational risks and insurance risks;
- Risks relating to volatile global market and weak economic conditions, and particularly current economic conditions affecting sovereigns and financial institutions in Europe;
- Risks resulting from recent and proposed legislative and regulatory action affecting financial institutions in France, in Europe and globally.
- The risk to the CM11-CIC Group's business and profitability if BFCM were no longer to maintain high credit ratings;
- The risk that the CM11-CIC Group's risk management policies may not be effective to prevent losses;
- The impact of competition on the CM11-CIC Group's business and operations;
- Lower revenue generated from brokerage and other commission- and fee-based businesses during market downturns;
- The risk to the CM11-CIC Group's liquidity if it is unable to sell assets when needed;
- Risks relating to potential changes in interest rates and their impact on profitability;
- Risks relating to the fact that the CM11-CIC Group's hedging strategies may not prevent losses;
- Risks relating to the CM11-CIC Group's inability to attract and retain qualified employees;
- Risks relating to the fact that CM11-CIC Group's provisions are based on assumptions and therefore may prove to be insufficient;
- The effects of the Group's organizational structure and BFCM's position in the Group;
- The fact that local banks outside the Group operate under the Crédit Mutuel name and are part of a mutual liquidity support system to which the Group must contribute if needed; and
- Other factors described in this Base Offering Memorandum, in the First Update and in any other document incorporated by reference.

Investors should carefully consider the sections entitled “Risk Factors” beginning on page 17 of this Base Offering Memorandum, the risk factors beginning on page 93 of the First Update and risk factors that may be described in any other document incorporated by reference herein in the future, for a discussion of risks that should be considered in evaluating the offer made hereby.

SUMMARY

The following summary does not purport to be complete and is qualified by the remainder of this Base Offering Memorandum, the Documents Incorporated by Reference herein and, in relation to the terms and conditions of any particular Series of Notes, the applicable Pricing Term Sheet. Except as provided in "Terms and Conditions of the Notes" below, any of the following information including, without limitation, the kinds of Notes that may be issued hereunder, may be varied or supplemented as agreed between the Issuer, the relevant Dealers and the Fiscal and Principal Paying Agent (as defined herein). Words and expressions defined in "Terms and Conditions of the Notes" shall have the same meanings in this summary.

BFCM and the CM11-CIC Group

BFCM is a licensed French credit institution that is part of the CM11-CIC Group, a major French mutual banking group. The CM11-CIC Group includes two French retail banking networks (the first made up of the Local Banks in the 11 French regional federations in the Crédit Mutuel network, and the second being the CIC network, which operates throughout France), as well as affiliates with activities in international retail banking, consumer finance, insurance, financing and market activities, private banking and private equity.

BFCM plays two principal roles in the CM11-CIC Group. First, BFCM is the central financing arm of the Group, acting as the principal issuer of debt securities in international markets. In this capacity, BFCM provides financing to Group financial institutions to meet their funding needs that are not met with customer deposits. Second, BFCM is the holding company for substantially all of the Group's businesses, other than the Crédit Mutuel retail banking network.

BFCM has its headquarters at 34, rue du Wacken, 67000 Strasbourg, France, telephone +33 (0)3 88 14 88 14. BFCM is registered with the *Registre du Commerce et des Sociétés de Strasbourg* under registration number C 322 190 109.

Business of the CM11-CIC Group

The CM11-CIC Group is a mutual banking organization that serves approximately 24.1 million customers through 4,669 points of sale, mainly in France, as well as internationally in, Germany, Spain and other countries. It includes 1,385 local mutual banks ("*caisses locales*" or "Local Banks") that are autonomous but cooperate through 11 regional Federations (including one that joined as of January 1, 2012), subsidiaries such as CIC (France) and TARGOBANK (Germany and Spain), and other subsidiaries and affiliates in France and abroad.

The Group's focus is retail banking and insurance, which together represented approximately 89.8% of the Group's net banking income in 2013. Approximately 82% of the Group's 2013 net banking income was generated in France.

The Group had net banking income of €11,977 million and net income (Group share) of €2,011 million in 2013. As at December 31, 2013, the CM11-CIC Group had customer deposits of €226.5 billion (excluding SFEF deposits) and outstanding customer loans of €275.9 billion, including €145.6 billion of French home loans. Its shareholders' equity, group share, was €29.6 billion.

The CM11-CIC Group operates in five principal business segments:

- **Retail Banking** (78% of 2013 net banking income, before inter-segment eliminations). The retail banking segment provides customers with deposit-taking and lending services, as well as services such as leasing, factoring, mutual funds and employee savings schemes. It also distributes the Group's insurance products. The segment includes

primarily the activities of two French retail networks and certain other subsidiaries and affiliates:

- The Crédit Mutuel network, which serves approximately 6.8 million customers through 1,385 Local Banks that are owned by approximately 4.8 million member-shareholders. The Local Banks in the CM11-CIC group operate in 11 regions of France, including important markets such as Paris, Lyon, Strasbourg and the French Riviera.

- The CIC network, which serves more than 4.7 million retail customers through 2,085 branches of five regional banks operating throughout France. The CIC network is operated by wholly-owned subsidiaries of BFCM. The CIC network holds a strong position with small and medium-sized enterprises, as well as with individual customers.

- Several subsidiaries and affiliates, including TARGOBANK Germany (which provides mainly consumer finance through 355 branches and advisory centres in 200 cities in Germany and has approximately 3.3 million customers), TARGOBANK Spain (a partnership with Banco Popular Español, which concentrates in home loans and operates through 125 branches in three regions of Spain and has approximately 231,000 customers), and Cofidis (which is a leader in the French consumer finance market serving approximately 7.6 million customers across Europe, with €8.9 million of outstanding consumer loans as at December 31, 2013).

- **Insurance** (12.0% of 2013 net banking income, before inter-segment eliminations). The Group's insurance segment operates through Groupe des Assurances du Crédit Mutuel (GACM) and its subsidiaries. GACM provides customers with a range of life and non-life insurance products, insurance brokerage, reinsurance, burglary protection and automobile maintenance insurance. The Group's insurance products are marketed primarily through the Crédit Mutuel Local Banks, CIC branches and Cofidis.

- **Financing and Market** (6.9% of 2013 net banking income, before inter-segment eliminations). The Group's financing and market segment includes two main activities: financing of large companies and institutional clients (including project and asset-based financing), and market activities in fixed income, exchange rate products and equities, both for customers and for the Group's own account. This segment also includes BFCM's activities in its capacity as the Group's central funding arm.

- **Private Banking** (3.7% of 2013 net banking income, before inter-segment eliminations). Private banking offers financial advice and wealth management solutions to suit the needs of high net worth individuals, particularly entrepreneurs and executives, in France, Luxembourg, Switzerland, Belgium, United Kingdom and Asia.

- **Private Equity** (1.0% of 2013 net banking income, before inter-segment eliminations). This segment, which operates under the name CM-CIC Capital Finance, comprises private equity activities conducted both for the Group's own account and for customers.

In addition to these five principal segments, the Group has a "logistics, holding and other" segment that includes intermediary holding companies as well as interests in affiliates with businesses in areas such as information technology, real estate and the press.

The BFCM Group

The BFCM Group includes BFCM and its consolidated subsidiaries, including CIC. All entities in the BFCM Group are also in the CM11-CIC Group. The principal difference between the CM11-CIC Group and the BFCM Group is that the BFCM Group does not include any of the Local Banks.

The BFCM Group had net banking income of €8,445 million and net income (group share) of €1,211 million in 2013. Retail banking is the largest activity of the BFCM group, representing €6,210 million of net banking income in 2013. Insurance and financing and market activities are the second and third largest business segments, representing €1,338 million and €826 million, respectively, of net banking income in 2013. At December 31, 2013, the BFCM Group had outstanding customer loans of €169.6 billion. Its shareholders' equity, group share, was €14.3 billion.

History and Structure of the CM11-CIC Group

The CM11-CIC Group traces its roots to 1882, when the first Crédit Mutuel local bank was founded in the Alsace region in Northeastern France. Initially, loans were granted only to members, who were also the owners of the local banks. All profits were placed in a non-distributable reserve. Although the Local Banks now welcome customers who are not members, and distribute a modest portion of their profits to their members, they are still guided by the co-operative principles that were present at the founding of the Group.

Over time, the number of local banks in the Crédit Mutuel network expanded, and they formed regional federations to serve their mutual interests. Eighteen regional federations currently exist nationwide, varying widely in their number of local banks and clients and their economic weight. Over time, a number of these regional federations have joined together to form the Group. Through the Group, these federations centralize their products, funding, risk management and administrative functions, as well as holding interests in affiliates in France and internationally.

In 2011 the Group included ten regional federations (CM10-CIC) and another regional federation joined as of January 1, 2012 (CM11-CIC). The 11 regional federations that currently form the CM11-CIC Group include 1,385 Local Banks as members. The regional coverage of the 11 federations in the Group is illustrated by the following diagram:

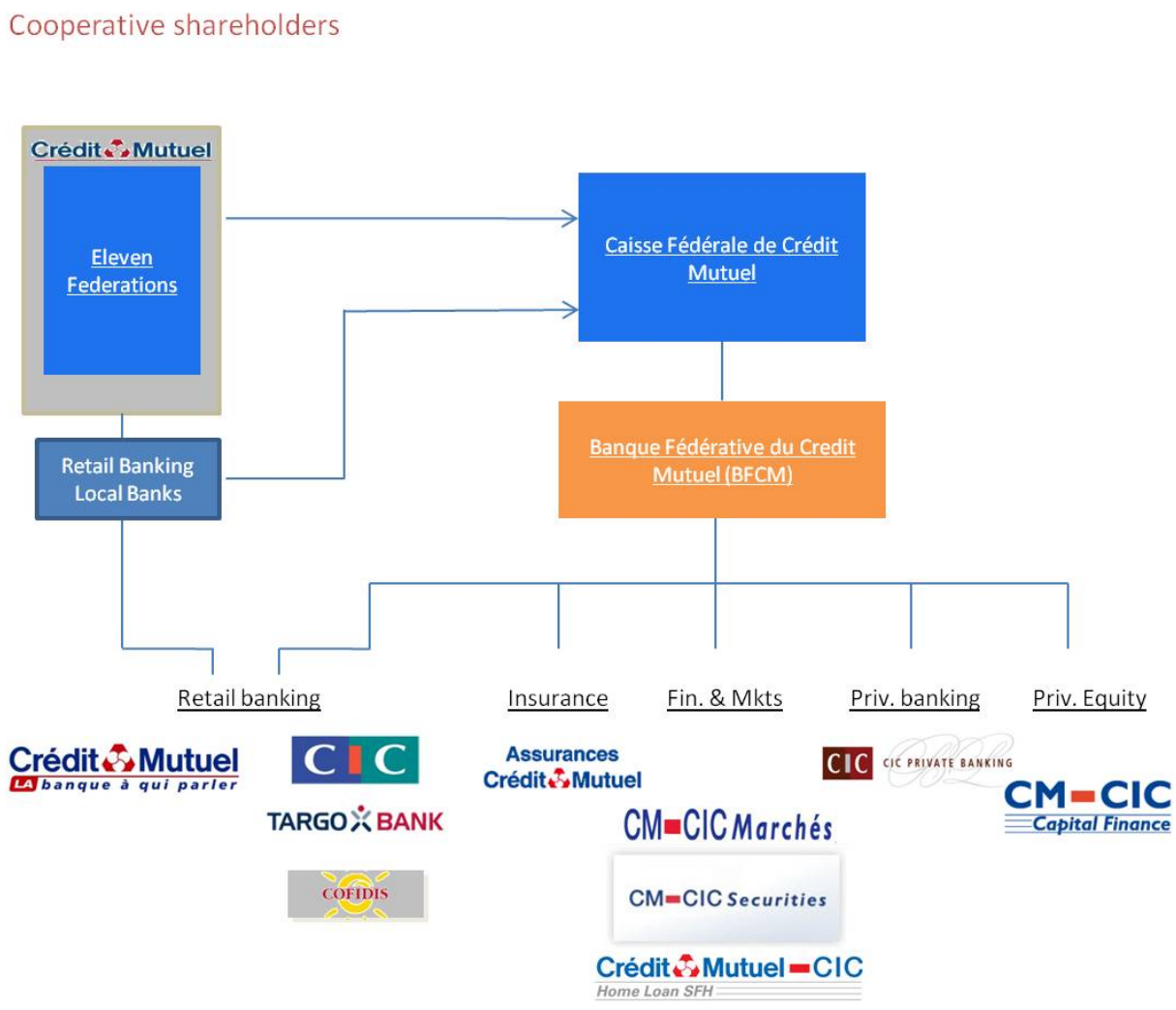
The strategy and policies of the CM11-CIC Group are determined by a group-wide body (known as the "*Chambre Syndicale*"), with headquarters in Strasbourg, in which each of the regional federations is represented. Funding needs are met by a group central bank, the Caisse Fédérale de Crédit Mutuel (CF de CM), which takes deposits from and provides financing to the Local Banks. CF de CM in turn owns substantially all of BFCM (the remainder is owned by certain Local Banks). BFCM raises funds in international markets on behalf of the Group, which it on-lends to the Local Banks (through CF de CM), and also provides funding for other businesses of the Group. BFCM also holds substantially all of the Group's interests in entities other than those in the Crédit Mutuel network.

Over time, the Group has acquired interests in financial institutions with complementary activities. The most significant acquisition was Crédit Industriel et Commercial (CIC), of which 67%

was acquired in 1998 and most of the remainder in 2001 (CIC still maintains a small public float). The CIC group operates through five regional banks that together cover all of France, and also operates the Group's financing and market, private banking and private equity businesses. CIC also has three foreign branches (New York, London and Singapore) and 36 representative offices around the world.

In 2008, the Group acquired Citibank Deutschland (now TARGOBANK Germany), and in 2009, the Group acquired a controlling interest in the consumer finance group Cofidis. In 2010, the Group created a 50/50 partnership with Banco Popular Español, currently known as TARGOBANK Spain. The Group has also developed various partnerships and acquired various minority interests, including interests in Banque de Tunisie and Banque Marocaine du Commerce Extérieur.

The following diagram illustrates the structure of the CM11-CIC Group as at the date of this Base Offering Memorandum:



There are seven other regional Crédit Mutuel federations that are not part of the CM11-CIC Group. All eighteen federations are members of the Confédération Nationale du Crédit Mutuel, which represents all of the local banks in the eighteen federations in dealings with French banking regulators and is responsible for oversight and supervision of the local banks. In addition, the Confédération Nationale du Crédit Mutuel administers a mutual financial and liquidity support mechanism covering all eighteen federations, pursuant to which each federation agrees to provide liquidity to support the other federations if the need arises, as determined by the Confédération

National du Crédit Mutuel. Similarly, there are mechanisms within each federation to provide financial and liquidity support among local banks. See "History and Structure of the CM11-CIC Group—The CM11-CIC Group and the Eighteen Crédit Mutuel Federations—Financial Solidarity Mechanism" herein.

Strengths and Strategy

The CM11-CIC Group is a cooperative organisation that has remained true to the basic principles established at its founding in the late 19th century – service to members and the promotion of rational development. These principles are the basis for the Group's strong identity and sound credit profile, with the image of a safe retail bank that has been strengthened during the recent financial crisis. The Group has a well-balanced, high quality asset portfolio, structurally strong capital levels and a good capacity to source liquidity internally and externally. It is positioned from a human, material and financial perspective to continue its record of prudent growth, based on its position as a cooperative banking group focussed on retail banking and insurance, with an attractive model for the combined federations, progressive and well-controlled European development, a conservative and prudent approach to risk taking and a strong level of liquidity and capitalization, as a result of the cooperative banking model that provides strong capitalization and a modest distribution of profits.

By following these principles, the CM11-CIC Group has become one of the leading banking groups in France, with solid positions in home loans and deposits. The Group has been a pioneer in developing new products that are complementary to its core business. It was the first French banking group to provide insurance to customers, a decision initially made to attract retail banking customers, which over time has made the Group the leader in non-life insurance provided by banks in France. The Group is continuing this tradition with leading technological offers, including a leading internet banking service, mobile telephone subscriptions and e-money programs for customers.

Financial Structure and Capital Adequacy Ratios

Approximately 90% of the Group's annual profits are retained, which serves to strengthen the Group's financial structure and to reinforce the cooperative nature of the Group. The Group's financial structure also benefits from the concentration of its activities in retail banking, as well as its limited presence in the most volatile product and geographic markets.

The Group's core Tier 1 solvency ratio, calculated according to Basel 2.5 rules, was 14.6% as of December 31, 2013. The Group's common equity Tier 1 ratio as of June 30, 2014 calculated according to Basel III/CRD IV standards based on transitional measures was 14.1% and on a fully-loaded basis (as if the final measures were immediately applicable) was 14.0%. For more detail, see Part V. "CM11-CIC Group – Basel II Pillar 3 Disclosure Financial Year 2013" in the 2013 Registration Document and "CM11-CIC Group Financial Condition as of June 30, 2014—Capital Adequacy Ratio" in the First Update incorporated by reference herein.

Terms of the Notes

The following summarizes the Terms and Conditions of the Notes that the Issuer may issue from time to time under this Base Offering Memorandum and matters relating to the offer and sale of the Notes. The terms below are applicable to all series of notes that may be issued hereunder. Terms and Conditions of the Notes are set forth below under "Terms and Conditions of the Notes." References to numbered Conditions are to the sections bearing those numbers under "Terms and Conditions of the Notes."

Issuer	Banque Fédérative du Crédit Mutuel
Offered Amount	The Issuer may use this Base Offering Memorandum to offer an aggregate principal amount of Notes of up to U.S.$10,000,000,000 or its equivalent in other currencies.
Maturities	Any maturity in excess of one day, or in any case such other minimum maturity as may be required from time to time by the relevant regulatory authority. No maximum maturity is contemplated.
Issue Price	Notes may be issued at par or at a discount from, or premium over, par and either on a fully paid or partly paid basis. The Notes may be offered by Dealers at a fixed price or at a price that varies depending on market conditions.
Denominations	Unless otherwise specified in the applicable Pricing Term Sheet, Notes will be issued in minimum denominations of U.S.$200,000 and multiples of U.S.$1,000 in excess thereof, subject to compliance with all legal and regulatory requirements applicable to the relevant Specified Currency (as defined in Terms and Conditions of the Notes, below).
Currencies	Except as specified in the applicable Pricing Term Sheet, Notes will be denominated in and payments in respect of an issue of Notes will be made in, U.S. dollars.
Form of Notes	Unless otherwise specified in the applicable Pricing Term Sheet, Notes will be issued in the form of one or more fully registered global securities, without coupons, registered in the name of a nominee of DTC and deposited with a custodian for DTC. Investors may hold a beneficial interest in Notes through DTC, or through Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") or Clearstream Banking, société anonyme ("Clearstream, Luxembourg"), in each as a participant in DTC, or indirectly through financial institutions that are participants in any of those systems.

	Owners of beneficial interests in Notes generally will not be entitled to have their Notes registered in their names, will not, except in the limited circumstances described in the Notes and/or the applicable Pricing Term Sheet, be entitled to receive certificates in their names evidencing their Notes and will not be considered the holder of any Notes under the Fiscal and Paying Agency Agreement (as defined herein) for the Notes.
Status of the Notes	Unless otherwise specified in the applicable Pricing Term Sheet, the Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will at all times rank pari passu and rateably without any preference among themselves. The payment obligations of the Issuer under the Notes will, subject to such exceptions as may be provided for by applicable law, at all times rank at least equally with all other present and future unsecured and unsubordinated indebtedness and obligations of the Issuer. In the event that the Issuer decides to issue subordinated Notes, the terms relating to the subordination will be set forth in a supplement to this Base Offering Memorandum. Unless this Base Offering Memorandum is accompanied by such a supplement, the term "Notes" as used herein does not include subordinated notes.
Fixed Rate Notes.....	Fixed rate notes ("Fixed Rate Notes") will bear interest at the rate set forth in the applicable Pricing Term Sheet. Interest on Fixed Rate Notes will be payable on the dates specified in the applicable Pricing Term Sheet and on redemption. Interest will be calculated on the basis of the Day Count Fraction (as defined in the Terms and Conditions of the Notes, below) agreed to between the Issuer and the relevant Dealers and specified in the applicable Pricing Term Sheet.
Floating Rate Notes.....	Floating rate notes ("Floating Rate Notes") will bear interest at a rate calculated:

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

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

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

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

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

The margin, if any, in respect of the floating interest rate will be agreed to between the Issuer and the relevant Dealers, and will be set forth in the applicable Pricing Term Sheet.

Interest on Floating Rate Notes will be payable and will be calculated as specified, prior to issue, in the applicable Pricing Term Sheet. Interest will be calculated on the basis of the Day Count Fraction agreed to between the Issuer and the relevant Dealers and set forth in the applicable Pricing Term Sheet.

Other Notes ..... The Issuer and the Dealers may agree to issue from time to time other types of Notes, including but not limited to linked notes, dual currency Notes, zero coupon Notes or indexed Notes. Terms applicable to any other such types of Notes will be set forth in a supplement to this Base Offering Memorandum and/or the applicable Pricing Term Sheet.

Redemption.....	The applicable Pricing Term Sheet will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons), or that such Notes will be redeemable at the option of the Issuer and/or the holders of the Notes upon giving notice to the holders of the Notes or to the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms, if any, agreed to between the Issuer and the relevant Dealers and set forth in the applicable Pricing Term Sheet. Except as set forth in the applicable Pricing Term Sheet, the Notes will be redeemable at the option of the Issuer upon the occurrence of certain changes in tax law.
Repurchase.....	The Issuer and any of its affiliates may at any time purchase Notes in the open market or otherwise and at any price. Such Notes may be held, reissued or, at the option of the Issuer, surrendered to the Registrar for cancellation (subject to any requirements of French law).
Events of Default	Events of Default in respect of the Notes will include failure to pay principal or interest and failure to comply with other obligations, in each case subject to certain grace periods described herein, as well as any merger involving the Issuer where the surviving entity does not assume the Issuer's obligations under the Notes, and certain bankruptcy, insolvency and similar events.
Rating.....	Unless otherwise specified in the applicable Pricing Term Sheet, the Notes issued under the program are expected to be rated Aa3 by Moody's, A by S&P and A+ by Fitch. The rating, if any, of certain Series of Notes to be issued pursuant to this Base Offering Memorandum from time to time may be specified in the applicable Pricing Term Sheet. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. Neither the rating agency nor the Issuer is obligated to provide you with any notice of any suspension, change or withdrawal of any rating.
Listing.....	The Issuer does not expect to list the Notes on any stock exchange or automated quotation system, although they may do so with respect to a particular Series of Notes. The Pricing Term Sheet for each issue of Notes will state whether, and on what stock exchanges, if any, the relevant Notes will be listed.
Governing Law	The Notes will be governed by, and construed in accordance with, the laws of the State of New York.

Distribution	The Issuer may sell Notes (i) to or through underwriters or dealers, whether affiliated or unaffiliated, (ii) directly to one or more purchasers, (iii) through the Dealers, or (iv) through a combination of any of these methods of sale. Each Pricing Term Sheet will explain the ways in which the Issuer intends to sell a specific issue of Notes, including the names of any underwriters, agents or dealers and details of the pricing of the issue of Notes, as well as any commissions, concessions or discounts the Issuer is granting the underwriters, agents or dealers, and whether they will be offered in reliance on Rule 144A and, if in reliance on Rule 144A, whether they will also be offered pursuant to Regulation S.
Arranger	Citigroup Global Markets Inc.
Dealers	Banque Fédérative du Crédit Mutuel, Barclays Capital Inc., BNP Paribas Securities Corp., Citigroup Global Markets Inc., Citigroup Global Markets Limited, Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC, and any other Dealer appointed by the Issuer from time to time.
Fiscal and Principal Paying Agent, Exchange Agent and Transfer Agent	Citibank, N.A., London Branch.
Registrar	Citibank Global Markets Deutschland AG.
Calculation Agent	Citibank, N.A., London Branch, or as otherwise specified in the applicable Pricing Term Sheet.
Use of Proceeds	Unless otherwise indicated in the applicable Pricing Term Sheet, the Issuer will use the net proceeds it receives from any offering of the Notes for general corporate purposes.
Transfer Restrictions	The Rule 144A Notes and the Regulation S Notes may not be offered or sold except pursuant to an exemption from the registration requirements of the Securities Act and any applicable state securities laws. The Rule 144A Notes are being offered and sold in the United States only to qualified institutional buyers, as defined in Rule 144A under the Securities Act, and the Regulation S Notes are being offered and sold outside the United States only to non-U.S. persons in "offshore transactions" as defined in, and in accordance with, Regulation S under the Securities Act, as applicable. See "Notice to U.S. Investors."
No Registration	The Issuer has not registered, and will not register, the Rule 144A Notes or the Regulation S Notes under the Securities Act or any state securities laws.

Bail-In	The Notes are subject to the exercise of any Bail-In Power by the Relevant Resolution Authority, which may result in the conversion to equity, write-down or cancellation of all or a portion of the Notes if the Issuer is determined to be at the point of non-viability. See "Terms and Conditions of the Notes – Bail In".

SUMMARY FINANCIAL DATA OF THE GROUP

Investors should read the following summary consolidated financial data together with the historical consolidated financial statements of the Group, the related notes thereto and the other financial information included or incorporated by reference in this Base Offering Memorandum. The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards, as adopted in the European Union, and have been audited by Ernst & Young et Autres and KPMG Audit, a department of KPMG SA. The Group expanded from 10 Federations on December 31, 2011 to 11 Federations on January 1, 2012. The financial information for the year ended December 31, 2011 included in the Group's audited consolidated financial statements as at and for the year ended December 31, 2012, incorporated by reference in the Documents Incorporated by Reference, was restated as described in note 1.1 to such financial statements.

Selected Consolidated Balance Sheet Data of the Group

	At December 31,			At June 30,
(in millions of euros)	**2011 (CM10-CIC) [1] restated**	**2012 (CM11-CIC)**	**2013 (CM11-CIC)[2] restated**	**2014 (CM11-CIC)**
Assets				
Financial assets at fair value through profit or loss	38,063	44,329	42,357	41,867
Available-for-sale financial assets	71,956	72,064	87,943	96,789
Loans and receivables due from credit institutions	38,603	53,924	39,866	44,551
Loans and receivables due from customers	263,906	269,411	274,451	279,208
Held-to-maturity financial assets	16,121	13,718	12,000	12,559
Other assets	39,824	45,781	52,590	57,937
Total Assets	**468,473**	**499,227**	**509,207**	**532,911**
Liabilities and Shareholders' Equity				
Financial liabilities at fair value through profit or loss	31,009	31,539	30,826	30,342
Hedging Derivative Instruments	3,923	2,789	3,811	4,258
Due to credit institutions	36,422	28,885	18,920	21,565
Due to central banks	282	343	460	442
Due to customers	200,086	216,503	228,486	230,490
Debt securities	87,227	93,919	98,156	108,917
Technical reserves of insurance companies	65,960	72,712	77,039	81,598
Provisions	1,747	2,002	2,008	2,142
Remeasurement adjustment on interest rate risk-hedged portfolios	(2,813)	(3,451)	(2,341)	(2,565)
Current tax liabilities	561	674	574	578
Deferred tax liabilities	842	885	939	1,026
Accruals and other liabilities	10,030	16,284	12,826	13,816
Subordinated debt	6,563	6,375	5,505	6,573
Minority interests	2,385	2,441	2,436	2,428
Shareholders' equity - group share	**24,249**	**27,326**	**29,561**	**31,301**
Total Liabilities and Shareholders' Equity	**468,473**	**499,227**	**509,207**	**532,911**

(1) *After taking account of IAS-19 and the accounting treatment of the investment in Banco Popular Español.*

See note 1.1 of the consolidated financial statements of the Group included in the Documents Incorporated by Reference.

(2) *Figures restated in accordance with IFRS 11.*

Selected Income Statement Data of the Group

	Year ended December 31,			Six month period ended June 30,	
(in millions of euros)	**2011 (CM10-CIC)[1] restated**	**2012 (CM11-CIC)**	**2013 (CM11-CIC)**	**2013 (CM11-CIC)[2] restated**	**2014 (CM11-CIC)**
Net banking income	**11,065**	**11,462**	**11,977**	**6,023**	**6,211**
Gross operating income/(loss)	**4,135**	**4,121**	**4,546**	**2,176**	**2,311**
Cost of risk	(1,456)	(1,081)	(1,112)	(539)	(433)
Operating income/(loss)	**2,679**	**3,040**	**3,434**	**1,636**	**1,878**
Share of income/(loss) of associates	33	(149)	(5)	(20)	76
Net income attributable to the Group	**1,660**	**1,622**	**2,011**	**911**	**1,280**

(1) *After taking account of IAS-19 and the accounting treatment of the investment in Banco Popular Español. See note 1.1 of the consolidated financial statements of the Group included in the Documents Incorporated by Reference.*

(2) *Figures restated in accordance with IFRS 11.*

SUMMARY FINANCIAL DATA OF THE BFCM GROUP

Investors should read the following summary consolidated financial data together with the historical consolidated financial statements of the BFCM Group, the related notes thereto and the other financial information included or incorporated by reference in this Base Offering Memorandum. The consolidated financial statements of the BFCM Group have been prepared in accordance with International Financial Reporting Standards, as adopted in the European Union, and have been audited by Ernst & Young et Autres and KPMG Audit. The financial information for the year ended December 31, 2011 included in the BFCM Group's audited consolidated financial statements as at and for the year ended December 31, 2012, incorporated by reference herein, was restated as described in note 1.1 to such financial statements.

Selected Consolidated Balance Sheet Data of the BFCM Group

	At December 31,			At June 30,
(in millions of euros)	**2011[(1)] restated**	**2012**	**2013[(2)] restated**	**2014**
Assets				
Financial assets at fair value through profit or loss	38,875	43,091	41,302	40,813
Available-for-sale financial assets	64,125	63,570	79,078	87,509
Loans and receivables due from credit institutions	66,055	70,703	55,577	58,581
Loans and receivables due from customers	165,358	165,775	168,159	172,024
Held-to-maturity financial assets	14,377	11,593	10,159	10,538
Other assets	33,568	42,473	44,395	50,223
Total Assets	**382,358**	**397,205**	**398,670**	**419,688**
Liabilities and Shareholders' Equity				
Financial liabilities at fair value through profit or loss	30,928	30,970	30,354	29,898
Hedging Derivative Instruments	2,974	2,763	3,814	4,228
Due to credit institutions	49,114	34,477	19,727	22,030
Due to central banks	282	343	460	442
Due to customers	126,146	134,864	144,392	144,781
Debt securities	86,673	93,543	97,957	108,441
Technical reserves of insurance companies	55,907	62,115	66,256	70,471
Provisions	1,418	1,512	1,546	1,662
Remeasurement adjustment on interest rate risk-hedged portfolios	(1,664)	(1,947)	(1,251)	(1,386)
Current tax liabilities	387	446	330	323
Deferred tax liabilities	771	805	851	923
Accruals and other liabilities	7,596	13,430	9,538	10,856
Subordinated debt	8,025	7,836	6,911	7,989
Minority interests	3,070	3,338	3,486	3,516
Shareholders' equity - group share	**10,731**	**12,709**	**14,300**	**15,514**
Total Liabilities and Shareholders' Equity	**382,358**	**397,205**	**398,670**	**419,688**

(1) *After taking account of IAS-19 and the accounting treatment of the investment in Banco Popular Español. See note 1.1 of the consolidated financial statements of the Group included in the Documents Incorporated by Reference.*

(2) *Figures restated in accordance with IFRS 11.*

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Selected Income Statement Data of the BFCM Group

(in millions of euros)	Year ended December 31,			Six month period ended June 30,	
	2011[(1)]	**2012**	**2013**	**2013[(2)]**	**2014**
Net banking income	**7,740**	**8,159**	**8,445**	**4,239**	**4,406**
Gross operating income	**2,838**	**3,019**	**3,247**	**1,561**	**1,696**
Cost of risk	(1,336)	(962)	(965)	(475)	(364)
Operating income/(loss)	**1,503**	**2,057**	**2,282**	**1,086**	**1,332**
Share in income/(loss) of associates	42	(131)	13	(11)	89
Net income attributable to the Group	**852**	**930**	**1,211**	**529**	**896**

(1) *After taking account of IAS-19 and the accounting treatment of the investment in Banco Popular Español. See note 1.1 of the consolidated financial statements of the Group included in the Documents Incorporated by Reference.*

(2) *Figures restated in accordance with IFRS 11.*

RISK FACTORS

The discussion below is of a general nature and is intended to describe various risk factors associated with an investment in any Notes issued under this Base Offering Memorandum. The factors that will be of relevance to the Notes will depend upon a number of interrelated matters including, but not limited to, the nature of the Notes issued. Prospective purchasers should carefully consider the following discussion of risks, the risk factors relating to BFCM and the Group in the Documents Incorporated by Reference incorporated by reference in this Base Offering Memorandum (see "Documents Incorporated by Reference") and any risk factors in any applicable Pricing Term Sheet before deciding whether to invest in the Notes. Investors must be aware that other risks and uncertainties which, as at the date of this Base Offering Memorandum, are not known to the Issuer, or are considered immaterial, may have a significant impact on BFCM, the CM11-CIC Group, their activities, their financial condition or the Notes. Prospective investors should also read the detailed information set out elsewhere in this Base Offering Memorandum (including the documents incorporated by reference herein) and form their own opinions as to potential risks prior to making any investment decision.

RISKS RELATING TO THE NOTES

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

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

There will be no prior market for the Notes

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

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

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

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

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a

rule charge their clients for commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional domestic or foreign parties are involved in the execution of an order, such as domestic dealers or brokers in foreign markets, holders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties.

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

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

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

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

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

The terms of the Notes contain very limited covenants

Under the terms and conditions of the Notes, the Issuer is generally permitted to sell or otherwise dispose of any or substantially all of its assets to another corporation or other entity under the terms of the Notes. If the Issuer decides to dispose of a large amount of its assets, investors in the Notes will not be entitled to declare an acceleration of the maturity of the Notes, and those assets will no longer be available to support the Notes. The Notes do not contain any negative pledge provisions or other covenants nor any cross-default provisions.

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

Transactions in the Notes could be subject to a future European financial transactions tax

On February 14, 2013, the European Commission proposed a directive that, if adopted in this form, would subject transactions in securities such as the Notes to a financial transactions tax (the "FTT proposal"). The proposed directive would call for 11 European member states, including France, to impose a tax of at least 0.1% on all such transactions, generally determined by reference to the amount of

consideration paid. The mechanism by which the tax would be applied and collected is not yet known, but if the proposed directive or any similar tax is adopted, transactions in the Notes would be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

See "Taxation – The Proposed Financial Transactions Tax."

On May 6, 2014, a joint statement by ministers of the participating Member States (excluding Slovenia) confirmed that all relevant issues continue to be examined by national experts. It noted the intention of the Participating Member States to work on a progressive implementation of the FTT, focusing initially on the taxation of shares and some derivatives. The first steps would be implemented at the latest on January 1, 2016.

The FTT proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

The EU Savings Directive is applicable to the Notes

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

On March 24, 2014, the Council of the European Union adopted directive 2014/48/EU amending the Savings Directive (the "**Amending Directive**"), which, when implemented, will amend and broaden the scope of the requirements described above. In particular, the Amending Directive will broaden the categories of entities required to provide information and/or withhold tax pursuant to the Savings Directive, and will require additional steps to be taken in certain circumstances to identify the beneficial owner of interest (and other income) payments, through a "look through" approach. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union. The Member States will have until January 1, 2016 to adopt the national legislation necessary to comply with this Amending Directive. Investors should inform themselves of, and where appropriate take advice on, the impact of the Savings Directive and the Amending Directive on their investment.

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

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

A recent European directive on the resolution of financial institutions adopted by the European Parliament and the Council of the European Union provides resolution authorities with the power to ensure that capital instruments and eligible liabilities, including senior debt instruments such as the Notes, absorb losses at the point of non-viability of the issuing institution (should junior instruments prove insufficient to absorb all such losses), through the write-down or conversion to equity of such instruments (the "**Bail-In Tool**"). The point of non-viability is defined as the point at which the resolution authority determines that (i) the institution is failing or likely to fail, (ii) there is no reasonable prospect that private action would prevent the failure and (iii) a resolution action is necessary in the public interest. The Bail-In Tool with respect to senior debt instruments such as the Notes will become effective by January 1, 2016, at the latest. The terms and conditions of the Notes contain provisions giving effect to the Bail-in Tool. See "*Terms and Conditions of the Notes – Condition 15*" in this Base Offering Memorandum.

Use of the Bail-In Tool could result in the full or partial write-down or conversion to equity of the Notes, which event shall not constitute an Event of Default under the Notes. In addition, if the Issuer's financial condition deteriorates, the existence of the Bail-in Tool could cause the market value of the Notes to decline more rapidly than would be the case in the absence of such tools.

USE OF PROCEEDS

Unless otherwise indicated in the applicable Pricing Term Sheet, the Issuer will use the net proceeds it receives from any offering of the Notes for general corporate purposes.

CAPITALIZATION

Capitalization of the CM11-CIC Group

The table below sets forth the consolidated capitalization of the CM11-CIC Group as at June 30, 2014.

(in millions of euros)	**June 30, 2014**
Debt securities	108,917
Subordinated debt	6,573
Total debt	115,490
Shareholders' Equity (group share):	
Subscribed capital and issue premiums	5,847
Consolidated reserves	22,966
Gains or losses recorded directly in equity	1,208
Net income for the year	1,280
Total shareholders' equity (group share)	**31,301**
Minority interests	2,428
Total capitalization	149,219

There has been no material change in the consolidated capitalization of the Group since June 30, 2014.

Capitalization of the BFCM Group

The table below sets forth the consolidated capitalization of the BFCM Group as at June 30, 2014.

(in millions of euros)	**June 30, 2014**
Debt securities	108,441
Subordinated debt	7,989
Total debt	**116,430**
Shareholders' Equity (group share):	
Subscribed capital and additional paid-in capital	2,088
Consolidated reserves	11,559
Gains or losses recorded directly in equity	971
Net income for the year	896
Total shareholders' equity (group share)	**15,514**
Minority interests	3,516
Total capitalization	135,460

On August 1, 2014 the BFCM Group completed a share capital increase which resulted in an increase in shareholders' equity of €2.7 billion. See "Information about CM11-CIC Group and BFCM – Recent events and outlook – BFCM capital increase" in the First Update for more detail. There has been no additional material change in the consolidated capitalization of the BFCM Group since June 30, 2014.

HISTORY AND STRUCTURE OF THE CM11-CIC GROUP

History of the CM11-CIC Group

The CM11-CIC Group traces its roots to 1882, when the first Crédit Mutuel local bank was founded in the Alsace region in Northeastern France. Initially, loans were granted only to members, who were also the owners of the local banks. All profits were placed in a non-distributable reserve. Although the Local Banks now welcome customers who are not members, and distribute a modest portion of their profits to their members, they are still guided by the cooperative principles that were present at the founding of the Group.

Over time, the number of local banks in the Crédit Mutuel network expanded, and they formed regional federations to serve their mutual interests. Eighteen regional federations currently exist nationwide, varying widely in their number of local banks and clients and their economic weight. Over time, a number of these regional federations have joined together to form the Group. Through the Group, these federations centralize their products, funding, risk management and administrative functions, as well as holding interests in affiliates in France and internationally.

In 2011 the Group included ten regional federations (CM10-CIC) and another regional federation joined as of January 1, 2012 (CM11-CIC). The 11 regional federations that currently form the CM11-CIC Group include 1,385 Local Banks as members. The regional coverage of the 11 federations in the Group is illustrated by the following diagram:

The strategy and policies of the CM11-CIC Group are determined by a group-wide body (known as the "*Chambre Syndicale*"), with headquarters in Strasbourg, in which each of the regional federations is represented. Funding needs are met by a group central bank, the Caisse Fédérale de Crédit Mutuel (CF de CM), which takes deposits from and provides financing to the Local Banks. CF de CM in turn owns substantially all of BFCM (the remainder is owned by certain Local Banks). BFCM raises funds in

international markets on behalf of the Group, which it on-lends to the Local Banks (through CF de CM), and also provides funding for other businesses of the Group. BFCM also holds substantially all of the Group's interests in entities other than those in the Crédit Mutuel network.

Over time, the Group has acquired interests in financial institutions with complementary activities. The most significant acquisition was CIC, of which 67% was acquired in 1998 and most of the remainder in 2001 (CIC still maintains a small public float). The CIC group operates through five regional banks that together cover all of France and also operates the Group's financing and market, private banking and private equity businesses. CIC also has three foreign branches (New York, London and Singapore) and 36 representative offices around the world. The following map shows the coverage of the regional CIC banks in France.

The Group has also pursued a strategy of prudent international expansion. In 2008, the Group acquired Citibank Deutschland (now TARGOBANK Germany), and in 2009, the Group acquired a controlling interest in the consumer finance group Cofidis. In 2010, the Group created a 50/50 partnership with Banco Popular Español, currently known as TARGOBANK Spain. The Group has also developed various partnerships and acquired various minority interests, including interests in Banque de Tunisie, and Banque Marocaine du Commerce Extérieur. The Group has no presence in Greece, Cyprus or Ireland, and only a small presence in Italy (through Cofidis) and Portugal (through Cofidis).

Organisational Structure of the CM11-CIC Group

As a result of the historical development described above, the Group currently includes the following principal entities:

- 1,385 Local Banks owned by 4.8 million member-shareholders, with nearly 16,400 locally elected board members who serve without compensation and anchor the Local Banks in their communities. The activities of the Local Banks are exclusively focussed on retail banking and distribution of insurance and other Group products and services.

- The CF de CM, in which the Local Banks owns 82% of the share capital as of June 30, 2014 and a group insurance company owns the remainder.

- BFCM, in which the CF de CM owns 93% of the share capital as of June 30, 2014 and various Local Banks the remainder. See "—Role of BFCM in the CM11-CIC Group" for information on the activities of BFCM.

- CIC (Crédit Industriel et Commercial) and subsidiaries, which operate one of the Group's retail networks, as well as the Group's financing and market, private banking and private equity segments.

- Banque Européenne du Crédit Mutuel (BECM) (formerly "Banque de l'Economie du Commerce et de la Monétique SAS"), owned by BFCM, which has provided financing to the corporate clients of the CM11-CIC Group retail banks since 1992.

- TARGOBANK Germany, which provides mainly consumer finance in Germany, and TARGOBANK Spain, a 50/50 partnership with Banco Popular Español (in which the Group holds a 5% equity interest).

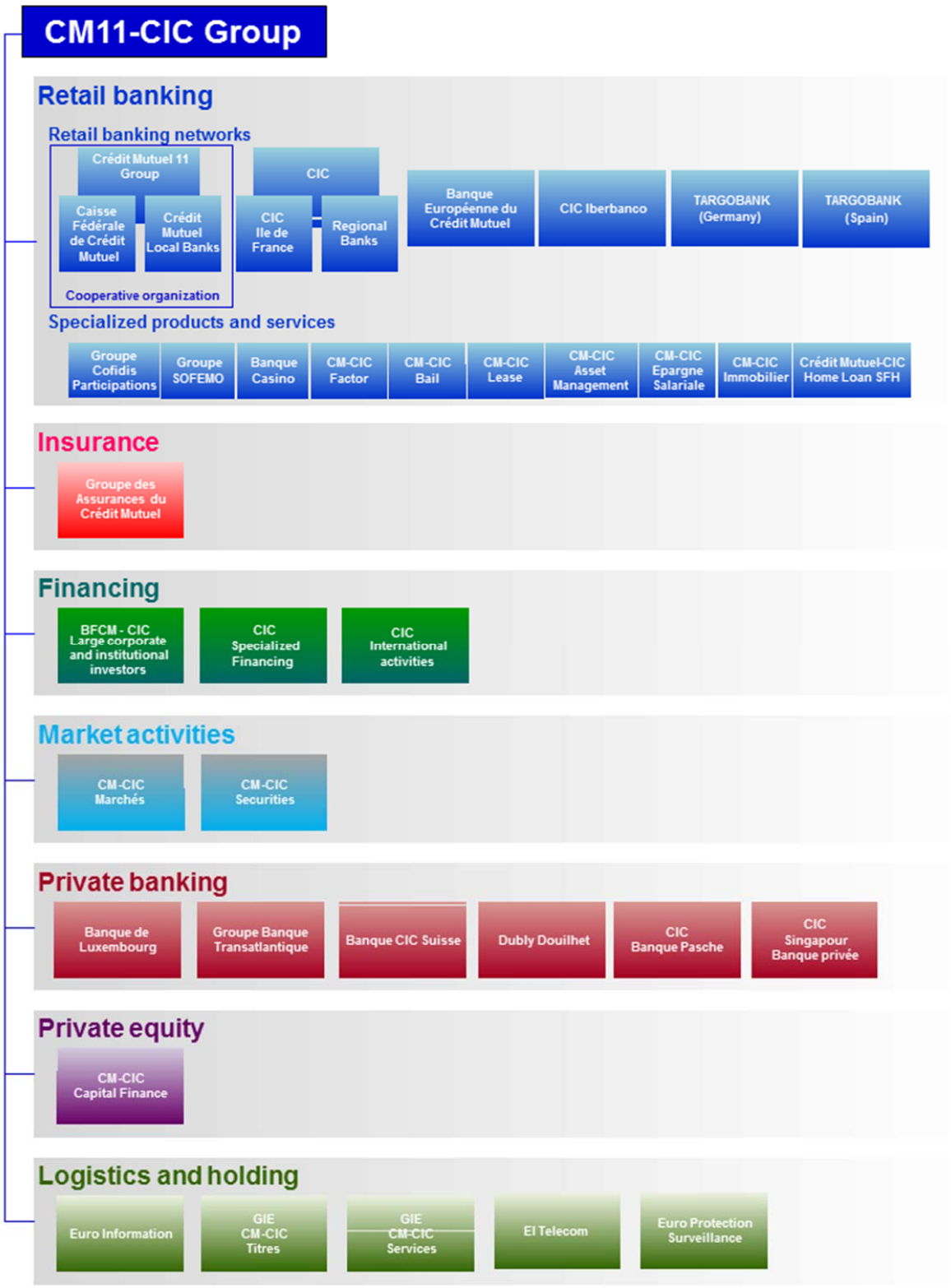
- Cofidis, which is one of the leaders in French consumer finance and also has activities elsewhere in Europe.

- Interests in other international financial institutions in Europe and North Africa.

- Groupe des Assurances du Crédit Mutuel and subsidiaries, which operate the Group's insurance segment.

- Subsidiaries that provide support functions (such as information technology) or that operate in non-banking sectors such as real estate and press/media.

The following diagram illustrates the structure of the CM11-CIC Group and its principal entities as of the date of this Base Offering Memorandum:


CM11-CIC Group
Retail banking
Retail banking networks
Crédit Mutuel 11 Group
Caisse Fédérale de Crédit Mutuel
Crédit Mutuel Local Banks
Cooperative organization
CIC
CIC Ile de France
Regional Banks
Banque Européenne du Crédit Mutuel
CIC Iberbanco
TARGOBANK (Germany)
TARGOBANK (Spain)
Specialized products and services
Groupe Cofidis Participations
Groupe SOFEMO
Banque Casino
CM-CIC Factor
CM-CIC Bail
CM-CIC Lease
CM-CIC Asset Management
CM-CIC Epargne Salariale
CM-CIC Immobilier
Crédit Mutuel-CIC Home Loan SFH
Insurance
Groupe des Assurances du Crédit Mutuel
Financing
BFCM - CIC Large corporate and institutional investors
CIC Specialized Financing
CIC International activities
Market activities
CM-CIC Marchés
CM-CIC Securities
Private banking
Banque de Luxembourg
Groupe Banque Transatlantique
Banque CIC Suisse
Dubly Douilhet
CIC Banque Pasche
CIC Singapour Banque privée
Private equity
CM-CIC Capital Finance
Logistics and holding
Euro Information
GIE CM-CIC Titres
GIE CM-CIC Services
EI Telecom
Euro Protection Surveillance

Role of BFCM in the CM11-CIC Group

BFCM plays two principal roles in the CM11-CIC Group. First, BFCM is the central financing arm of the Group, acting as the principal issuer of debt securities in international markets. In this capacity, BFCM provides financing to Group financial institutions to meet their funding needs, and receives deposits from Group financial institutions that have excess liquidity. Second, BFCM is the holding company for all of the Group's businesses, other than the Local Banks that operate the Crédit Mutuel retail banking network.

The financial results of BFCM as the financing arm of the CM11-CIC Group are included in the financing and market segment of the CM11-CIC Group. As BFCM is a holding company for the CM11-CIC Group, BFCM's consolidated financial results reflect the financial results of the CM11-CIC Group, excluding the results of the Crédit Mutuel retail network. See "Supplement to the results and financial situation for the year ended December 31, 2013 - Management's Discussion and Analysis of Financial Condition and Results of Operations for the years ended December 31, 2012 and 2013" in the First Update for more detail.

The CM11-CIC Group and the Eighteen Crédit Mutuel Federations

There are a total of eighteen Crédit Mutuel federations operating in France. Eleven of these are part of the CM11-CIC Group. Three federations that are not a part of the CM11-CIC Group have joined together in a group that operates in a manner that is somewhat similar to that of the Group. In addition to the eighteen regional federations, there is a federation with nationwide scope specifically for the farming sector, which is not part of the CM11-CIC Group.

The Local Banks in the CM11-CIC Group share a common French bank authorization code, own interests in the CF de CM (and thus BFCM and the BFCM Group), raise external funding through BFCM and pool various administrative resources, such as their risk management structure and information technology system.

The National Crédit Mutuel Confédération and Caisse Centrale

While the local banks in the other seven federations operate outside the CM11-CIC Group, there is a certain degree of cooperation among all eighteen federations (in addition to the fact that they all operate under the same tradename using the same logo). The local banks in the eighteen federations are collectively represented by the Confédération Nationale du Crédit Mutuel ("**CNCM**"), which acts as the "central body" of the entire Crédit Mutuel network in accordance with French law. The role of the CNCM as "central body" includes representing the entire group (the local banks in all eighteen federations) in dealings with the *Autorité de contrôle prudentiel* (ACP, the French banking regulator), as well as exercising certain supervisory functions with respect to administrative, technical and financial matters. The CNCM is empowered to take any necessary measures in this regard, including causing local banks to merge or to close operations.

The eighteen federations are also members of an institution known as the *Caisse Centrale du Crédit Mutuel* (the "**Caisse Centrale**"). The local banks, through central banks at the level of each federation, are required to place at least 2% of their deposits with the *Caisse Centrale*, which is available to fund the liquidity needs of the local banks (again, through their federation-level central banks). Historically, the *Caisse Centrale* provided funding for federations without direct access to financial markets. Today, that role is largely played by BFCM for the Local Banks in the Group.

The Financial Solidarity Mechanism

The local banks are part of a financial solidarity mechanism that operates at both the regional and national levels. At the regional level, the mechanism involves the local banks that are part of the same federation. At the national level, the mechanism involves all eighteen federations, including the seven federations that are not part of the CM11-CIC Group.

At the regional level, Crédit Mutuel's solidarity mechanism is organized in accordance with Article R.515-1 of the French Monetary and Financial Code. This article provides that the ACP may, with respect to mutual and cooperative groups, issue a collective license to a local bank for itself and all its affiliated local banks "when the liquidity and solvency of the local banks are guaranteed through this affiliation". Each of the regional central banks has received a collective license for itself and all of its member local banks. The ACP has deemed that the liquidity and solvency of the local banks is guaranteed through this affiliation. In addition, each regional federation manages a solidarity fund, to which each of the local banks and the regional central bank contribute funds. The regional federation determines the levels of contributions and whether local banks receive subsidies, loans, advances or other assistance from the fund. If the fund were to prove to be insufficient to support a local bank in difficulty, then the regional federation could require the other local banks in that federation (including those in the Group) to provide additional support beyond their contributions to the fund.

At the national level, the regional groups' membership in the national CNCM and the *Caisse Centrale* ensures nationwide solidarity. As the central body, the CNCM ensures the solidarity and proper operation of all Crédit Mutuel local banks and guarantees the liquidity and solvency of each member institution and of the entire network. In this respect, it may take all necessary measures to guarantee the liquidity and the solvency of each of the institutions as well as the whole network. As a result, if a local bank were to experience difficulties and the resources of its federation were to prove insufficient, then the CNCM could call upon the other federations to provide support. The federations that are part of the CM11-CIC Group could in such circumstances be required to provide support to a federation that is not part of the Group. While this has never occurred since the Group was created, the risk of it occurring in the future cannot be excluded, even if the Group considers that it is highly unlikely absent extremely unusual circumstances.

GOVERNMENT SUPERVISION AND REGULATION OF CREDIT INSTITUTIONS IN FRANCE

The French Banking System

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

French Banking Regulatory and 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, electronic money institutions, investment firms, insurance companies and insurance brokers and client representatives. This committee is a consultative organization that studies the relations between credit institutions, investment firms and insurance companies and their respective clientele and proposes appropriate measures in this area.

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

The Prudential Control and Resolution Authority (*Autorité de contrôle prudentiel et de résolution* or "ACPR") supervises financial institutions and insurance firms and is in charge of implementing measures for the prevention and resolution of banking crises and ensuring the protection of consumers and the stability of the financial system. Its powers have been extended to new resolution powers by the French banking reforms of July 26, 2013 (*Loi de séparation et de régulation des activités bancaires*) and of February 20, 2014 (O*rdonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*). The ACPR is chaired by the governor of the *Banque de France*. With respect to the banking sector, the ACPR makes individual decisions, grants banking and investment firm licenses, and grants specific exemptions as provided in applicable banking regulations. It supervises the enforcement of laws and regulations applicable to banks and other credit institutions, financing holding companies and investment firms, and controls their financial standing.

Banks are required to submit periodic (either monthly or quarterly) accounting reports to the ACPR concerning the principal areas of their activities. The main reports and information filed by institutions with the ACPR include periodic regulatory reports, collectively referred to as *états périodiques réglementaires*. They include, among other things, the institutions' accounting and prudential (regulatory capital) filings, which are usually submitted on a quarterly basis, as well as internal audit reports filed once a year, all the documents examined by the institution's management in its twice-yearly review of the business and operations and the internal audit findings and the key information that relates to the credit institution's risk analysis and monitoring. The ACPR may also request additional

information that it deems necessary and may carry out on-site inspections (including with respect to a bank's foreign subsidiaries and branches, subject to international cooperation agreements). These reports and controls allow close monitoring of the condition of each bank and also facilitate computation of the total deposits of all banks and their use.

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

Where regulations have been violated, the ACPR may impose administrative sanctions, which may include warnings, fines, suspension or dismissal of managers and deregistration of the bank, resulting in its winding up. The ACPR also has the power to appoint a temporary administrator to manage provisionally a bank that it deems to be mismanaged. The decisions of the ACPR may be appealed to the French administrative supreme court (*Conseil d'Etat*). Insolvency proceedings may be initiated against banks or other credit institutions, financing holding companies or investment firms only after prior approval of the ACPR.

Furthermore, the ACPR may implement resolution measures, including but not limited to the Bail-In Tool described below, as provided by the French banking reform of July 26, 2013 (*Loi de séparation et de régulation des activités bancaires*).

On October 15, 2013, the European Union adopted regulations establishing a single supervisory mechanism for credit institutions of the Eurozone and opt-in countries (the ECB Single Supervisory Mechanism), which will, beginning on November 4, 2014, give the European Central Bank (the "**ECB**"), in conjunction with the relevant national regulatory authorities, direct supervisory authority for large European credit institutions and banking groups, including the Group. The ECB will also have the right to impose pecuniary sanctions and set binding regulatory standards. This supervision is expected to be carried out in France in close cooperation with the ACPR (in particular with respect to reporting collection and on-site inspections).

The ECB will be exclusively responsible for prudential supervision, which includes, inter alia, the power to (i) authorize and withdraw authorization ; (ii) assess acquisition and disposal of holdings in other credit institutions; (iii) ensure compliance with all prudential requirements laid down in general EU banking rules; (iv) set, where necessary, higher prudential requirements for certain credit institutions to protect financial stability under the conditions provided by EU law; (v) impose robust corporate governance practices and internal capital adequacy. The ACPR will, on the other hand, continue to be responsible for supervisory matters not conferred on the ECB, such as consumer protection, money laundering, payment services, and branches of third country banks.

Banking Regulations

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

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

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

French credit institutions are required to maintain minimum capital to cover their credit, market, counterparty and operational risks. Currently, French credit institutions are required to meet a minimum capital ratio, obtained by dividing the institution's eligible regulatory capital by its risk-weighted assets, of 8%. Since January 1, 2014, under the CRD IV Regulation, credit institutions are required to maintain a minimum total capital ratio of 8%, a minimum Tier 1 capital ratio of 6% and a minimum common equity Tier 1 ratio of 4.5% (however, in accordance with Article 465 of the CRD IV Regulation, the ACPR has decided to allow a minimum Tier I capital ratio of 5.5% and a minimum common equity Tier I ratio of 4% until December 31, 2014), each to be obtained by dividing the institution's relevant eligible regulatory capital by its risk-weighted assets. In addition, they will have to comply with certain common equity Tier 1 buffer requirements, including a capital conservation buffer of 2.5% that will be applicable to all institutions as well as other common equity Tier 1 buffers to cover countercyclical and systemic risks. These buffer requirements will be implemented progressively until 2019.

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

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

ratio requirements. Individual exposures exceeding 10% (and in some cases 5%) of the credit institution's regulatory capital are subject to specific regulatory requirements.

French credit institutions are required to maintain on deposit with the *Banque de France* 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.

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

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

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

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

Examination

In addition to the resolution powers set out below, the principal means used by the ACPR to ensure compliance by large deposit banks with applicable regulations is the examination of the detailed periodic (monthly or quarterly) financial statements, *états périodiques réglementaires* and other documents that these banks are required to submit to the ACPR. 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 ACPR may also inspect banks (including with respect to a bank's foreign subsidiaries and branches, subject to international cooperation agreements) on an unannounced basis.

Deposit Guarantees

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

Additional Funding

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

Internal Control Procedures

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

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

Compensation Policy

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

Money Laundering

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

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

European Resolution Directive

Directive 2014/59/EU of the European Parliament and of the Council dated May 15, 2014 (the "**RRD**") provides for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms. The stated aim of the RRD is to provide relevant authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses. The RRD entered into force on July 2, 2014 and must be transposed into national legislation by December 31, 2014.

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

The point of non-viability under the RRD is the point at which the national authority determines that:

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

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

(ii) the assets are/will be in a near future less than its liabilities;

(iii) the institution, or its group, is/will be in a near future unable to pay its debts or other liabilities when they fall due; and/or

(iv) the institution, or its group, requires extraordinary public financial support;

(b) there is no reasonable prospect that a private action would prevent the failure; and

(c) a resolution action is necessary in the public interest.

Except for the Bail-In Tool with respect to eligible liabilities (such as the Notes), which will apply as from January 1, 2016 at the latest, the RRD contemplates that the measures set out therein, including the Bail-In Tool with respect to capital instruments, will apply as from January 1, 2015.

In addition to the Bail-In Tool, the RRD provides resolution authorities with broader powers to implement other resolution measures with respect to institutions, or their groups, which reach non-viability, which may include (without limitation) the sale of the institution's business, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments) and discontinuing the listing and admission to trading of financial instruments.

French Bail-In Tool and Other Resolution Measures

Among other things, the French banking law dated July 26, 2013 (*Loi de séparation et de régulation des activités bancaires*) charges the ACPR with implementing measures for the prevention and resolution of banking crises and gives the ACPR very broad powers with respect to "failing credit institutions," i.e., institutions that, currently or in the near future (i) no longer comply with regulatory capital requirements, (ii) are not able to make payments that are, or will be imminently, due or (iii) require extraordinary public financial support.

In particular, the ACPR may implement a write-down of shareholders' equity and thereafter a write-down or conversion into equity of subordinated instruments, but not unsubordinated debt (such as the Notes), in accordance with their seniority. The ACPR is also entitled to (i) transfer all or part of the institution's assets and activities, including to a bridge bank, (ii) force an institution to issue new equity, (iii) temporarily suspend payments to creditors and (iv) terminate executives or appoint a temporary administrator (*administrateur provisoire*). Conversion ratios and transfer prices are determined by the ACPR on the basis of a "fair and realistic" assessment.

The ACPR must use its powers "in a proportionate manner" to achieve the following objectives: (i) to preserve financial stability, (ii) to ensure the continuity of banking activities, services and transactions of financial institutions, the failure of which would have systemic implications for the French economy, (iii) to protect deposits and (iv) to avoid, or limit to the fullest extent possible, any public bail-out.

Further, recovery and resolution plans are required from credit institutions, or groups of credit institutions, whose balance sheet exceeds a certain threshold that will be fixed by a decree of the French Government. No separate obligation will arise with respect to an entity within the group that is already supervised on a consolidated basis. Each such institution or group must prepare a recovery plan (*plan préventif de rétablissement*) that will be reviewed by the ACPR. The ACPR is in turn required to prepare a resolution plan (*plan préventif de résolution*) for such institution or group.

Recovery plans must set out measures contemplated in case of a significant deterioration of an institution's financial situation. Such plans must be updated on a yearly basis (or immediately following a significant change in an institution's organization or business). The ACPR must assess the recovery plan to determine whether its resolution powers could in practice be effective, and, as necessary, can

request changes in an institution's organization. More generally, the ACPR will comment on the draft recovery plan and can require modifications.

Resolution plans must set out, in advance of any failure, how the various resolution powers set out above are to be implemented for each institution, given its specific circumstances.

The French banking reform is in force, except for measures which require the publication of some implementing regulations (government decree or other texts). No firm timetable has been set yet for publication.

Single Resolution Mechanism

As from January 1, 2016, a single resolution board established by the Regulation (EU) No. 806/2014 of the European Parliament and of the Council establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a single resolution mechanism and a single resolution fund and amending Regulation (EU) No. 1093/2010 will, at the EU level, be in charge of resolution planning and preparation of resolution decisions for cross-border credit institutions and banking groups as well as credit institutions and banking groups directly supervised by the ECB such as the Group. In France, the ACPR will remain responsible for implementing the resolution plan according to the single resolution board's instructions.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes that will be attached to or incorporated by reference into each Global Note and that will be endorsed upon each certificated Note. The Global Notes may take the form of one or more master notes representing one or more series of Notes. The applicable supplement or Pricing Term Sheet prepared by, or on behalf of, the Issuer in relation to any Notes may specify other terms and conditions that shall, to the extent so specified or to the extent inconsistent with the terms of the Notes set forth herein, replace such terms for the purposes of a specific issue of Notes. Any other such terms and conditions as set forth in the applicable supplement or Pricing Term Sheet will be incorporated into, or attached to, each Global Note and endorsed upon each certificated Note. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Fiscal and Paying Agency Agreement (as defined below) or in the applicable supplement or Pricing Term Sheet unless the context otherwise requires or unless otherwise stated.

In addition to the Terms and Conditions below, the Issuer may decide from time to time to issue Notes under other terms and conditions, including but not limited to subordinated Notes, dual currency notes, zero-coupon Notes, linked Notes or indexed Notes. The terms of conditions of any such Notes will be set forth in a supplement to this Base Offering Memorandum and/or the relevant Pricing Term Sheet.

This Note is one of a Series of the Notes ("**Notes**," which expression shall include (i) in relation to any Notes represented by a Global Note (defined below), units of the lowest specified denomination ("**Specified Denomination**") in the Specified Currency (defined below) of the relevant Notes, and (ii) certificated Notes issued in exchange (or part exchange) for a Global Note) issued subject to, and with the benefit of, an Fiscal and Paying Agency Agreement (as it may be updated or supplemented from time to time, the "**Fiscal and Paying Agency Agreement**") dated October 8, 2013, and made among the Issuer, Citibank, N.A., London Branch, as calculation agent (the "**Calculation Agent**"), fiscal agent (the "**Fiscal Agent**"), principal paying agent (the "**Principal Paying Agent**"), transfer agent ("**Transfer Agent**") and ("**Exchange Agent**") and Citigroup Global Markets Deutschland AG, as registrar (the "**Registrar**"). The Principal Paying Agent, any additional paying agent (each a "**Paying Agent**" and, together with the Fiscal Agent, the "**Paying Agents**") and the Calculation Agent are referred to together as the "**Agents**."

As used herein, "**Tranche**" means Notes that are identical in all respects and "**Series**" means each original issue of Notes together with any further issues expressed to form a single series with the original issue that are denominated in the same currency and that have the same maturity date or redemption date, as the case may be, interest basis and interest payment dates, if any, and the terms of which, save for the issue date or interest commencement date and the issue price, are otherwise identical, and the expressions "**Notes of the relevant Series**" and "**holders of Notes of the relevant Series**" and related expressions shall be construed accordingly. If Notes of a further issue have the same CUSIP, ISIN or other identifying number as that of an original issue, the Notes of the further issue must be fungible with that of the original issue for U.S. federal income tax purposes.

To the extent the Pricing Term Sheet (or the supplement, if applicable) for a particular Series of Notes specifies other terms and conditions that are in addition to, or inconsistent with, the terms and conditions as described herein, such new terms and conditions shall apply to such Series of Notes.

1. Form, Denomination, Title and Transfer

(a) Form, Denomination and Title

(i) The Notes are in global form ("**Global Notes**"), in the Specified Currency and Specified Denominations. Beneficial interests in the Global Notes will

trade only in book-entry form, and Global Notes representing such beneficial interests (which may be in the form of one or more master notes), will be registered in the name of Cede & Co., as nominee for DTC, and deposited with a custodian for DTC, as described in the Fiscal and Paying Agency Agreement. The Notes are, to the extent specified in the applicable Pricing Term Sheet, Fixed Rate Notes, Floating Rate Notes or any other types of Notes specified in the applicable Pricing Term Sheet, subject to all applicable laws and regulations, any other type of Notes specified in the applicable Pricing Term Sheet.

(ii) The Issuer shall procure that there shall at all times be a Fiscal and Principal Paying Agent and one or more Paying Agents, which can be the Fiscal and Principal Paying Agent, for so long as any Note is outstanding. The Issuer has appointed the Registrar at its office specified below to act as registrar of the Notes. The Issuer shall cause to be kept at the specified office of the Registrar, for the time being at 5th Floor Reuterweg 16, 60323 Frankfurt, Germany, a Register on which shall be entered, among other things, the name and address of the holders of Notes and particulars of all transfers of title to Notes.

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

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

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

(b) Transfers and Exchanges of Notes

(i) Transfers of interests in Global Notes

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

(ii) Transfers of Notes in certificated form

Subject as provided in paragraph (v) below and to compliance with all applicable legal and regulatory restrictions, upon the terms and subject to the conditions set forth in the

Fiscal and Paying Agency Agreement, including the transfer restrictions contained therein, a Note in certificated form may be transferred in whole or in part (in the Specified Denominations). In order to effect any such transfer (A) the holder or holders must (1) surrender the Note for registration of the transfer of the Note (or the relevant part of the Note) at the specified office of a Registrar or Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his, her or their attorney or attorneys duly authorized in writing and (2) complete and deposit such other certifications specified in the Fiscal and Paying Agency Agreement and as may be required by such Registrar or Transfer Agent and (B) such Registrar or Transfer Agent must, after due and careful inquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Registrar and Transfer Agent may from time to time prescribe (the initial such regulations being set out in Schedule 5 to the Fiscal and Paying Agency Agreement). Subject as provided above, the Registrar or Transfer Agent will, within three Business Days of the request (or within 21 Business Days if the transfer is of Notes represented by a Global Certificate where such Certificate is to be represented by an individual Certificate or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) procure the authentication and delivery of, to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Note in certificated form of a like aggregate nominal amount to the Note (or the relevant part of the Note) transferred. In the case of the transfer of only part of a Note in certificated form, a new Note in certificated form in respect of the balance of the Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(iii) Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 4 (Redemption and Purchase), the Issuer shall not be required to register the transfer of any Note, or part of a Note, called for partial redemption.

(iv) Costs of registration

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

(v) Exchanges and transfers of Notes generally

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

(A) an Event of Default under the Notes of that Series has occurred and is continuing;

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

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

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

(2) Holders of Notes in certificated form may exchange such Notes for interests in a Global Note (if any) of the same Series at any time, subject to compliance with all applicable legal and regulatory restrictions and upon the terms and subject to the conditions set forth in the Fiscal and Paying Agency Agreement.

2. Status of the Notes

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

3. Interest and Other Calculations

(a) Rate of Interest and Accrual

Each Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each applicable Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 3(d).

(b) Business Day Convention

If any date referred to herein that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(i) the Floating Rate Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding Business Day and (B) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment;

(ii) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day;

(iii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or

(iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(c) Rate of Interest on Floating Rate Notes

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Pricing Term Sheet and, except as otherwise specified in the relevant Pricing Term Sheet, the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Pricing Term Sheet.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Pricing Term Sheet as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (i), "ISDA Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions (as defined below) and under which:

(1) the Floating Rate Option is as specified in the relevant Pricing Term Sheet;

(2) the Designated Maturity is a period specified in the relevant Pricing Term Sheet; and

(3) the relevant Reset Date is the first day of that Interest Accrual Period, unless otherwise specified in the relevant Pricing Term Sheet.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(ii) Screen Rate Determination for Floating Rate Notes

(1) Where Screen Rate Determination is specified in the relevant Pricing Term Sheet as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Relevant Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR, each a "Principle Financial Centre") on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Relevant Rate from time to time in respect of Floating Rate Notes is specified in the relevant Pricing Term Sheet as being other than LIBOR, LIBID, LIMEAN, or EURIBOR, or other specified Rate of Interest in respect of such Notes will be determined as provided in the relevant Pricing Term Sheet.

(2) if the Relevant Screen Page is not available or if no such offered quotation appears on the Relevant Screen Page, or, if fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, LIBID or LIMEAN the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Relevant Rate if the Relevant Rate is LIBOR, LIBID or LIMEAN at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels Time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(3) if paragraph (2) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, LIBID or LIMEAN at approximately 11.00 a.m. (London time) or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels Time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, LIBID or LIMEAN the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, LIBID or LIMEAN at approximately 11.00 a.m. (London time) or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels Time) on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, LIBID or LIMEAN the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this

paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin, Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin, Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(d) Margin, Maximum/Minimum Rates of Interest, Installment Amounts and Redemption Amounts and Rounding:

(i) If any Margin is specified in the relevant Pricing Term Sheet (either generally, or in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, if the Margin is applicable generally, or the Rates of Interest for the specified Interest Accrual Period(s), if the Margin is applicable to one or more Interest Accrual Periods, calculated by adding (if a positive number) the value of such Margin to the Relevant Interest Rate or subtracting the absolute value of such Margin (if a negative number) from the Relevant Interest Rate, subject always to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest, Installment Amount or Redemption Amount is specified in the relevant Pricing Term Sheet, then any Rate of Interest, Installment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) 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 fifth decimal (with halves being rounded up), (y) all figures shall be rounded to seven (7) decimal places (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 of such currency.

(e) Calculations

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the relevant Pricing Term Sheet, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Accrual Period comprises two or more Interest Accrual Periods, the Interest Amounts payable in respect of such Interest Accrual Period shall be the sum of the amounts of interest payable per Calculation Amount in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(f) Determination and Notification of Rates of Interest, Interest Amounts, Redemption Amounts and Installment Amounts

The Calculation Agent shall, as soon as practicable on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any Redemption Amount or Installment Amount, obtain any quote or make any determination or calculation, determine the Rate of Interest and calculate the relevant Interest Amount for the relevant Interest Accrual Period, calculate the Redemption Amount or Installment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Redemption Amount or any Installment Amount to be notified to the Fiscal and Principal Paying Agent, the Issuer, each of the Paying Agents, the Noteholders (in accordance with Condition 11 (Notices)), any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Accrual Period, if determined prior to such time, in the case of notification of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Accrual Period Date is subject to adjustment pursuant to Condition 3(b), the Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Accrual Period or the Interest Accrual Period. If the Notes become due and payable under Condition 7 (Events of Default), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 3 but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of each Rate of Interest, Interest Amount, Redemption Amount and Installment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(g) Calculation Agent

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Pricing Term Sheet and for so long as any Note is outstanding (as defined in the Fiscal and Paying Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the terms and conditions of the Notes. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Installment Amount or the Redemption Amount or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, or swap market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal New York office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(h) Interest Payments

Interest will be paid subject to and in accordance with the provisions of Condition 5 (Payments). Interest will cease to accrue on each Note, or, in the case of the redemption only of part of a Note, that part only of such Note, on the due date for redemption thereof unless, upon due presentation thereof (if required) payment of principal is improperly withheld or refused, in which event interest will continue to accrue, as well after as before any judgment, until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the holder of such Note and (ii) the day on which the Fiscal and Principal Paying Agent

has notified the holder thereof, either in accordance with Condition 11 (Notices) or individually, of receipt of all sums due in respect thereof up to that date.

(i) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3 by the Calculation Agent shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agents and all Noteholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

Neither the Issuer nor the Paying Agents shall have any responsibility to any person for any errors or omissions in (i) the calculation by the Calculation Agent of any amount due in respect of the Notes or (ii) any determination made by the Calculation Agent in relation to the Notes and, in each case, the Calculation Agent shall not be so responsible in the absence of its bad faith or willful default.

4. Redemption and Purchase

(a) Final Redemption and Redemption by Installments

(i) Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to the Issuer's or any Noteholder's option in accordance with Condition 4(e) or 4(f), each Note shall be finally redeemed on the Maturity Date specified in the relevant Pricing Term Sheet at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount or, in the case of a Note falling within paragraph (ii) below, its final Installment Amount).

(ii) Unless previously redeemed, purchased and cancelled as provided above or the relevant Installment Date (being one of the dates so specified in the relevant Pricing Term Sheet) is extended pursuant to the Issuer's or any Noteholder's option in accordance with Condition 4(e) or 4(f), each Note that provides for Installment Dates and Installment Amounts shall be partially redeemed on each Installment Date at the related Installment Amount specified in the relevant Pricing Term Sheet. The outstanding nominal amount of each such Note shall be reduced by the Installment Amount (or, if such Installment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Installment Date, unless payment of the Installment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Installment Amount.

(b) Redemption for Taxation Reasons

(i) If as a result of any change in, or in the official interpretation or administration of, any laws or regulations of France or any other authority thereof or therein becoming effective after the Issue Date the Issuer would be required to pay additional amounts in respect of the Notes of any Series as provided in Condition 6 (Taxation) below, then the Issuer may at its option on any Interest Payment Date, or if so specified in the relevant Pricing Term Sheet, at any time, subject to having given not more than 45 nor less than 30 days' prior notice to the Noteholders (which notice shall be irrevocable), in

accordance with Condition 11 (Notices), redeem all, but not some only, of the Notes of such Series at their Early Redemption Amount (together with any interest accrued to the date set for redemption), provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date upon which the Issuer could make payment without withholding for such taxes, and provided further that the obligation to pay such additional amounts could not have been avoided by reasonable measures available to the Issuer.

(ii) If the Issuer would, on the next due date for payment of any amount in respect of Notes of any Series, be prevented by French law from making payment under the Notes of such Series (notwithstanding the undertaking to pay additional amounts as provided in Condition 6 (Taxation) below) then the Issuer shall forthwith give notice of such fact to the Fiscal and Principal Paying Agent and shall upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 11 (Notices) redeem all, but not some only, of the Notes of such Series then outstanding at their Early Redemption Amount (together with (unless specified otherwise in the relevant Pricing Term Sheet) any interest accrued to the date set for redemption) on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of such Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice to Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of such Notes, and (ii) 14 days after giving notice to the Fiscal and Principal Paying Agent as aforesaid or (B) if so specified in the relevant Pricing Term Sheet, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount then due and payable in respect of such Notes, or, if that date is passed, as soon as practicable thereafter.

(c) Purchases

The Issuer and any of its affiliates may at any time purchase Notes in the open market or otherwise at any price. Such Notes may be held, reissued or, at the option of the Issuer, surrendered to the Registrar for cancellation (subject to any requirements of French law).

(d) Early Redemption Amounts

The Early Redemption Amount payable in respect of any Note, upon redemption of such Note pursuant to Condition 4(b) or upon it becoming due and payable as provided in Condition 7 (Events of Default) shall be the Final Redemption Amount unless otherwise specified in the relevant Pricing Term Sheet.

(e) Redemption at the Option of the Issuer ("Issuer Call")

If "Issuer Call" is specified in the applicable Pricing Term Sheet, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the relevant Pricing Term Sheet) falling within the Issuer's Option Period redeem all, or, if so provided, some of the Notes in the nominal amount or integral multiples thereof and on the Optional Redemption Date(s) provided in the relevant Pricing Term Sheet. Any such redemption or exercise of Notes shall be at their Optional Redemption Amount, together with interest accrued to the date fixed for redemption, if any.

All Notes in respect of which any such notice is given shall be redeemed, on the date specified in such notice in accordance with this Condition 4.

In the case of a partial redemption of Notes, the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by certificated Notes, and in accordance with the rules of DTC, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection the "Selection Date"). In the case of Redeemed Notes represented by certificated Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 11 (Notices) below, not less than 5 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by certificated Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of certificated Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Global Note will be permitted during the period from, and including, the Selection Date to, and including, the Optional Redemption Date pursuant to this Condition 4(e), and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 11 (Notices), at least five days prior to the Selection Date.

(f) Redemption at the Option of the Noteholders ("Noteholder Put")

If a Noteholder Put is specified in the applicable Pricing Term Sheet, upon the holder of any Note giving to the Issuer in accordance with Condition 11 (Notices) not less than 15 nor more than 30 days' notice (or such other notice period as may be specified in the applicable Pricing Term Sheet), the Issuer will, upon the expiration of such notice, redeem, subject to and in accordance with the terms specified in the applicable Pricing Term Sheet, in whole, but not in part, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to, but excluding, the Optional Redemption Date.

If a Note is in certificated form and held outside DTC, to exercise the right to require redemption of such Note, the Holder of such Note must deliver such Note at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form obtainable from any specified office of any Paying Agent (a "Put Notice") and in which the Holder must specify a bank account, or, if payment is required to be made by check, an address, to which payment is to be made under this Condition 4, accompanied by the Note or evidence satisfactory to the Paying Agent concerned that the Note will, following delivery of the Put Notice, be held to its order or under its control. If the Note is represented by a Global Note or is in certificated form and held through DTC, to exercise the right to require redemption of such Note the Holder of the Note must, within the notice period, give notice to the Paying Agent of such exercise in accordance with the standard procedures of DTC, which may include notice being given on his instruction by DTC to the Paying Agent by electronic means, in a form acceptable to DTC from time to time and, if a Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Paying Agent for notation accordingly.

Any Put Notice given by a Holder of any Note pursuant to this paragraph shall be irrevocable except if prior to the due date of redemption an Event of Default shall have occurred and be continuing, in which event such Holder, at his or her option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 4 and instead to declare such Note forthwith due and payable pursuant to Condition 7 (Events of Default).

(g) Cancellation

All Notes surrendered for payment, redemption, registration of transfer or exchange or replacement shall be promptly cancelled and accordingly may not be re-issued or resold. In addition, any Notes purchased on behalf of the Issuer or any of its subsidiaries may be surrendered to the Registrar for cancellation and, if so cancelled, may not be re-issued or resold.

(h) Installments

Each Note in certificated form that is redeemable in installments will be redeemed in the Installment Amounts and on the Installment Dates specified in the applicable Pricing Term Sheet. All installments will be paid upon presentation and surrender of the relevant Notes. In the case of any installment other than the final installment, the Issuer shall procure the Issuance of a new Note in the nominal amount remaining outstanding.

5. Payments

(a) Payments of principal in respect of the Notes (which for the purpose of this Condition 5(a) shall include final Installment Amounts but not other Installment Amounts) shall, subject as mentioned below, be made against presentation and surrender of the Note at the specified office of any Paying Agent and in the manner provided in paragraph (b) below.

(b) Interest (which for the purpose of this Condition 5(b) shall include all Installment Amounts other than final Installment Amounts) on the Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof or in case of Notes to be cleared through The Depositary Trust Company ("DTC"), on the first DTC business day before the due date for payment thereof (the "Record Date"). For the purpose of this Condition 5(b), "DTC business day" means any day on which DTC is open for business. Payments of interest on each Note shall be made in the currency in which such payments are due by check drawn on a bank in the principal financial center of the country of the currency concerned and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register, or through DTC in accordance with its standard procedures. Upon application by the holder to the specified office of any Paying Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial center of the country of that currency.

(c) Payments in respect of the Notes will be subject in all cases to (i) any fiscal or other laws, regulations and directives in any jurisdiction and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or directives, but without prejudice to Condition 6 (Taxation) or (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 6) any law implementing an intergovernmental approach thereto (including any agreement between the United States and a Tax Jurisdiction)..

(d) Payments through DTC: Payments of principal and interest in respect of such Notes represented by Global Notes registered in the name of DTC or its nominee, and denominated in US dollars will be made in accordance with Conditions 5(a) and (b). Payments of principal and interest in respect of Notes registered in the name of, or in the name of a nominee for, DTC and denominated in a Specified Currency other than US dollars will be made or procured to be made by the Fiscal and Principal Paying Agent in the Specified Currency in accordance with the following provisions. The

amounts in such Specified Currency payable by the Fiscal and Principal Paying Agent or its agent to DTC with respect to Notes held by DTC or its nominee will be received from the Issuer by the Fiscal and Principal Paying Agent, who shall remit such funds to the Exchange Agent, who in turn will make payments in such Specified Currency by wire transfer of same day funds to the designated bank account in such Specified Currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of interest payments, on or prior to the third DTC business day after the Record Date for the relevant payment of interest and, in the case of payments of principal, at least 12 DTC business days prior to the relevant payment date, to receive that payment in such Specified Currency. The Fiscal and Principal Paying Agent, after the Exchange Agent has converted amounts in such Specified Currency into US dollars, will cause the Exchange Agent to deliver such US dollar amount in same day funds to DTC for payment through its settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such Specified Currency. The Fiscal and Paying Agency Agreement sets out the manner in which such conversions are to be made. The option for holders of Notes to receive payments in a Specified Currency shall only exist for so long as DTC allows DTC participants to make an irrevocable election in respect thereof.

6. Taxation

(a) Additional Amounts

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

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

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

(iii) where such withholding or deduction is required to be made pursuant to the European Council Directive 2003/48/EC or any other European Union Directive amending, supplementing or replacing such Directive, or implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 or any subsequent meeting of the Council of the European Union on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive, or Directives;

(iv) where such withholding or deduction would not have been so imposed but for the failure to comply, following a timely request by the Issuer, with any applicable certification, identification, documentation, information or other

reporting requirement concerning the nationality, residence, identity or connection with a Tax Jurisdiction of the holder or beneficial owner if, without regard to any tax treaty, such compliance is required under the tax laws or regulations of a Tax Jurisdiction or any political subdivision or taxing authority thereof or therein to establish an entitlement to an exemption from such withholding or deduction; or

(v) presented for payment (where presentation is required) by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union.

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

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

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

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

References herein to principal and/or interest shall be deemed also to refer to any additional amounts which may be payable under this Condition 6.

(b) Supply of Information

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

7. Events of Default

If any of the following events ("Events of Default") occurs and is continuing, the holder of any Note may give written notice to the Fiscal and Principal Paying Agent at its specified office effective upon receipt thereof by the Fiscal and Principal Paying Agent that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together with accrued interest to the date of payment shall become immediately due and payable:

(a) 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 and Principal Paying Agent (and the Fiscal and Principal Paying Agent shall be bound to give such notice forthwith upon the request of any Noteholder); or

(b) 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 and Principal Paying Agent (and the Fiscal and Principal Paying Agent shall be bound to give such notice forthwith upon the request of any holder of the Notes) specifying such default and requiring the same to be remedied; or

(c) the Issuer enters into an amicable procedure (*procédure de conciliation*) with its creditors or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or for a transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer, or the Issuer is subject to similar proceedings or, in the absence of legal proceedings, the Issuer makes a conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors, in each case to the extent permitted by applicable law; or

(d) the Issuer sells, transfers or otherwise disposes of, directly or indirectly, the whole or a substantial part of its undertaking or assets, or the Issuer enters into or commences any proceedings in furtherance of voluntary liquidation or dissolution, except 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 or in connection with a merger or reorganisation of the Issuer.

8. Prescription

Claims for payment of principal in respect of the Notes shall be prescribed upon the expiration of 10 years from the due date thereof, and claims for payment of interest, if any, in respect of the Notes shall be prescribed upon the expiration of five years from the due date thereof.

9. Replacement of Notes

If any Note, including any Global Note, is mutilated, defaced, stolen, destroyed or lost, it may be replaced at the specified office of the Registrar upon payment by the claimant of the costs incurred in connection therewith and on such terms as to evidence an indemnity as the Issuer may require. Mutilated or defaced Notes must be surrendered before replacements will be issued. Cancellation and replacement of Notes shall be subject to compliance with such procedures as may be required under any applicable law and subject to any applicable stock exchange requirements.

10. Further Issues

The Issuer may from time to time without the consent of the Noteholders create and issue further notes, bonds or debentures having the same terms and conditions as the Notes in all respects (or in all respects save for the principal amount thereof and the first payment of interest as set forth in the applicable Pricing Term Sheet) so as to form a single Series with the Notes; provided that such additional notes will be issued with no more than de minimis original issue discount for U.S. federal income tax purposes or be part of a qualified reopening for U.S. federal income tax purposes.

11. Notices

(a) All notices to the holders of registered Notes will be valid if mailed to the addresses of the registered holders or transmitted via DTC pursuant to paragraphs (c) and (d).

(b) All notices regarding Notes, both certificated and global, will be valid if published once in a leading English-language daily newspaper with general circulation in the United States, which is expected to be the Wall Street Journal. Any such notice shall

be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first such publication.

(c) Until such time as any certificated Notes are issued, there may, so long as all the Global Notes for a particular Series, whether listed or not, are held in their entirety on behalf of DTC, be substituted, in relation only to such Series, for such publication as aforesaid in Condition 11(b), the delivery of the relevant notice to DTC for communication by it to the holders of the Notes, except that if the Notes are listed on a stock exchange and the rules of that stock exchange so require, the relevant notice will be published through additional clearing systems and/or in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange or on the website of that stock exchange if permitted by such stock exchange.

(d) Notices to be given by any holder of any Notes shall be in writing and given by delivering the same, together with the relevant Note or Notes, to the Fiscal and Principal Paying Agent. While any Notes are represented by a Global Note, such notice may be given by a holder of any of the Notes so represented to the Fiscal and Principal Paying Agent via DTC in such manner as the Fiscal and Principal Paying Agent and DTC may approve for this purpose or in the manner specified in the Fiscal and Paying Agency Agreement.

(e) In the event of an exercise of any Bail-In Power by the Relevant Resolution Authority in respect of the Notes, the Issuer shall ensure that a notice is sent to the Fiscal and Principal Paying Agent notifying it of the exercise of the Bail-In Power promptly after such exercise. To the extent reasonably practicable, such notice shall be sent to the Fiscal and Principal Paying Agent no later than two business days prior to the date on which any payments are due on the Notes. Such notice shall include a copy of the resolution issued by the Relevant Resolution Authority exercising such Bail-In Power (unless such resolution is not available on the date of such notice, in which case it shall be sent as soon as practicable).

12. Meetings of Noteholders, Modification and Waiver

(a) With respect to each Series of Notes, the Issuer may, with the consent of the holders of greater than 50% in aggregate principal amount of the then outstanding Notes of such Series, modify and amend the provisions of such Notes, including to grant waivers of future compliance or past default by the Issuer, and if so required, the Issuer will instruct the relevant Agent to give effect to any such amendment, as the case may be, at the sole expense of the Issuer. However, no such amendment or modification will apply, without the consent of each Noteholder affected thereby, to Notes of such Series owned or held by such Noteholder with respect to the following matters:

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

(ii) to reduce the principal amount of, the amount of the principal that would be due and payable upon a declaration of acceleration pursuant to Condition 7 (Events of Default) of or the rate of interest on such Notes;

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

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

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

(c) The Issuer may also agree to amend any provision of any Series of Notes of the Issuer with the holder thereof, but that amendment will not affect the rights of the other Noteholders or the obligations of the Issuer with respect to the other Noteholders.

(d) No consent of the Noteholders is or will be required for any modification or amendment requested by the Issuer or with the consent of the Issuer to:

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

(ii) surrender any right or power of the Issuer in respect of a Series of Notes or the Fiscal and Paying Agency Agreement; or

(iii) provide security or collateral for a Series of Notes; or

(iv) cure any ambiguity in any provision, or correct any defective provision, of a Series of Notes; or

(v) change the terms and conditions of a Series of Notes or the Fiscal and Paying Agency Agreement in any manner that the Issuer deems necessary or desirable so long as any such change does not, and will not, in the Issuer's sole opinion, adversely affect the rights or interest of any affected Noteholder; or

(vi) change the terms and conditions of any Series of Notes to give effect to any exercise of the Bail-In Power.

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

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

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

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

13. Agents

In acting under the Fiscal and Paying Agency Agreement, the Agents will act solely as agents of the Issuer and do not assume any obligations or relationship of agency or trust to or with the Noteholders, except that, without affecting the obligations of the Issuer to the Noteholders, to repay Notes and pay interest thereon, funds received by the Fiscal and Principal Paying Agent for the payment of the principal of or interest on the Notes shall be held by it for the Noteholders until the expiration of the relevant period of prescription described under Condition 8 (Prescription). The Issuer will agree to perform and observe the obligations imposed upon it under the Fiscal and Paying Agency Agreement. The Fiscal and Paying Agency Agreement contains provisions for the indemnification of the Agents and for relief from responsibility in certain circumstances and entitles any of them to enter into business transactions with the Issuer and any of their affiliates without being liable to account to the Noteholders for any resulting profit.

14. Governing Law; Consent to Jurisdiction and Service of Process

The Notes and the Fiscal and Paying Agency Agreement will be governed by, and construed in accordance with, the laws of the State of New York; provided, however, that Condition 2 of the Notes will be governed by, and construed in accordance with, French law.

The Issuer has consented to the jurisdiction of the courts of the State of New York and the U.S. courts located in The City of New York, Borough of Manhattan, with respect to any action that may be brought in connection with the Notes. The Issuer has appointed CT Corporation System, with offices currently at 111 Eighth Avenue, New York, New York 10011, as its agent upon whom process may be served in any action brought against the Issuer in any U.S. or New York State court in connection with the Notes.

15. Bail-In

(a) By subscribing or otherwise acquiring the Notes, Holders shall be bound by the exercise of any Bail-In Power (as defined below) by the Relevant Resolution Authority (as defined below), which may result in the write-down or cancellation of all, or a portion of, the principal amount of, or outstanding amount payable in respect of, and/or interest on, the Notes and/or the conversion of all, or a portion, of the principal amount of, or outstanding amount payable in respect of, or interest on, the Notes into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to these terms and conditions of the Notes to give effect to such exercise of Bail-In Power.

(b) "**Bail-in Power**" means any statutory cancellation, write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in France in effect and applicable in France to the Issuer (or any successor entity thereof), including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and/or within the context of a French resolution regime under the French monetary and financial code, or any other

applicable French laws or regulations, as amended, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled and/or converted into shares or other securities or obligations of the obligor or any other person.

(c) No repayment of the principal amount of the Notes or payment of interest thereon (to the extent of the portion thereof affected by the exercise of the Bail-in Power) shall become due and payable after the exercise of any Bail-in Power by the Relevant Resolution Authority, unless such repayment or payment would be permitted to be made by the Issuer under the laws and regulations of France then applicable to the Issuer.

(d) Upon the Issuer becoming aware of the exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Notes, the Issuer shall notify the Holders in accordance with Condition 11 (Notices). Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Bail-in Power nor the effects on the Notes described this in Condition 15.

(e) The exercise of the Bail in Power by the Relevant Resolution Authority with respect to the Notes shall not constitute an Event of Default and the terms and conditions of the Notes shall continue to apply in relation to the residual principal amount of, or outstanding amount payable in respect of, the Notes, subject to any modification of the amount of interest payable to reflect the reduction of the principal amount, and any further modification of the terms that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in France.

(f) The "**Relevant Resolution Authority**" is any authority with the ability to exercise the Bail-in Power.

16. Definitions

Unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Agent**" has the meaning attributed thereto in the introductory paragraphs herein.

"**Bail-In Power**" has the meaning set forth in Condition 15(b) herein.

"**Benchmark**" means the benchmark specified in the applicable Pricing Term Sheet.

"**Business Center**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the financial center as may be specified as such in the relevant Pricing Term Sheet or, if none is so specified, the financial center with which the relevant Benchmark is most closely connected (which, in the case of LIBOR, LIBID and LIMEAN, shall be London and, in the case of EURIBOR, shall be Brussels) or, if none is so connected, New York.

"**Business Day**" means:

(i) in the case of Notes denominated in US Dollars, a day on which commercial banks and foreign exchange markets settle payments are open for general business, including dealing in foreign exchange and foreign currency deposits, in New York City; and/or

(ii) in the case of a Specified Currency other than the US Dollar and/or one or more Business Centers, a day (other than a Saturday or a Sunday) on which commercial

banks and foreign exchange markets settle payments in the Specified Currency in the Business Center(s) or, if none is specified, generally in each of the Business Centers so specified in the relevant Pricing Term Sheet.

"**Business Day Convention**" means the convention, if any, specified in the applicable Pricing Term Sheet, construed in accordance with Condition 3(b).

"**Calculation Agent**" means the party designated as such in the preamble to these Conditions or such other agent as may be appointed in relation to a specific Series of Notes and, if other than the party referred to above, will be specified in the relevant Pricing Term Sheet in relation to a specific Series of Notes.

"**Calculation Amount**" means an amount specified in the relevant Pricing Term Sheet constituting either (i) in the case of one single denomination, the amount of that denomination (e.g., $10,000) or (ii) in the case of multiple denominations, the highest common amount by which the multiple denominations may be divided (for example, $1,000 in the case of $11,000, $12,000 or $13,000).

"**Certificate**" means a registered certificate representing one or more Notes of the same Series.

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

(i) if "Actual/Actual" or "Actual/Actual–ISDA" is specified in the relevant Pricing Term Sheet, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "Actual/Actual–ICMA" is specified in the relevant Pricing Term Sheet:

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

"**Determination Period**" means the period from, and including, a Determination Date in any year to, but excluding, the next Determination Date; and

"**Determination Date**" means the date specified as such in the relevant Pricing Term Sheet or, if none is so specified, the Interest Payment Date;

if "Actual/365 (Fixed)" is specified in the relevant Pricing Term Sheet, the actual number of days in the Calculation Period divided by 365;

if "Actual/360" is specified in the relevant Pricing Term Sheet, the actual number of days in the Calculation Period divided by 360;

if "30/360", "360/360" or "Bond Basis" is specified in the relevant Pricing Term Sheet, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\left[360 \times \left(Y_2 - Y_1\right)\right] + \left[30 \times \left(M_2 - M_1\right)\right] + \left(D_2 - D_1\right)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(iii) if "30E/360" or "Eurobond Basis" is specified in the relevant Pricing Term Sheet, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\left[360 \times \left(Y_2 - Y_1\right)\right] + \left[30 \times \left(M_2 - M_1\right)\right] + \left(D_2 - D_1\right)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30";

(iv) if "30E/360 (ISDA)" is specified in the relevant Pricing Term Sheet, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\left[360 \times \left(Y_2 - Y_1\right)\right] + \left[30 \times \left(M_2 - M_1\right)\right] + \left(D_2 - D_1\right)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

"**Designated Exchange Rate**" means the exchange rate identified as such in the applicable Pricing Term Sheet.

"**Designated Maturity**" has the meaning attributed thereto in Condition 3(c)(i)(2).

"**DTC**" has the meaning attributed thereto in Condition 5(b).

"**DTC business day**" has the meaning attributed thereto in Condition 5(b).

"**Early Redemption Amount**" has the meaning attributed thereto in the applicable Pricing Term Sheet.

"**Effective Date**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Pricing Term Sheet or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates. The Effective Date shall not be subject to adjustment in accordance with any Business Day Convention unless specifically provided in the relevant Pricing Term Sheet.

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

"**Event of Default**" has the meaning attributed thereto in Condition 7 (Events of Default).

"**Exchange Agent**" means Citibank N.A., London Branch, or any successor or substitute appointed from time to time as exchange agent pursuant to the Fiscal and Paying Agency Agreement.

"**Final Redemption Amount**" has the meaning attributed thereto in the applicable Pricing Term Sheet.

"**Fiscal and Principal Paying Agent**" has the meaning attributed thereto in the introductory paragraphs herein.

"**Fiscal and Paying Agency Agreement**" has the meaning attributed thereto in the introductory paragraphs herein.

"**Fixed Rate Notes**" means Notes identified as such in the applicable Pricing Term Sheet.

"**Floating Rate**" means the rate identified as such in the applicable Pricing Term Sheet.

"**Floating Rate Convention**" has the meaning attributed thereto in Condition 3(b)(i).

"**Floating Rate Notes**" mean Notes identified as such in the applicable Pricing Term Sheet.

"**Following Business Day Convention**" has the meaning attributed thereto in Condition 3(b)(ii).

"**Global Notes**" has the meaning attributed thereto in Condition 1(a)(i).

"**Holders**" has the meaning attributed thereto in Condition 1(a)(iii).

"**Installment Amount**" means the amount identified as such in the applicable Pricing Term Sheet.

"**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 Amount**" means, in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period, which shall be determined as follows (except as otherwise specified in the applicable Pricing Term Sheet):

(i) in the case of any Interest Accrual Period for which a fixed Interest Amount is specified in the applicable Pricing Term Sheet, such fixed Interest Amount; and

(ii) in respect of any other Interest Accrual Period, the amount of interest calculated pursuant to Condition 3(e).

"**Interest Commencement Date**" means, in the case of interest bearing Notes, the Issue Date or such other date as may be specified in the relevant Pricing Term Sheet.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Pricing Term Sheet or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in New York prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro.

"**Interest Payment Date**" has the meaning attributed thereto in the applicable Pricing Term Sheet.

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

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified in the relevant Pricing Term Sheet.

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Pricing Term Sheet.

"**ISDA Rate**" has the meaning attributed thereto in Condition 3(c)(i).

"**Issuer Call**" has the meaning attributed thereto in Condition 4(e).

"**Issuer's Option Period**" means the period specified in the applicable Pricing Term Sheet with respect to Condition 4(e).

"**Issue Date**" means, in relation to any Series, the date on which the Notes of that Series have been issued or, if not yet issued, the date agreed for their issue between the Issuer and the Relevant Dealer(s).

"**Margin**" means any amount specified as such in the applicable Pricing Term Sheet.

"**Maturity Date**" means the date identified as such in the applicable Pricing Term Sheet.

"**Maximum Rate of Interest**" means any amount specified as such in the applicable Pricing Term Sheet.

"**Minimum Rate of Interest**" means any amount specified as such in the applicable Pricing Term Sheet.

"**Modified Following Business Day Convention**" has the meaning attributed thereto in Condition 3(b)(iii).

"**Notes**" has the meaning attributed thereto in the introductory paragraphs herein.

"**Noteholders**" has the meaning attributed thereto in Condition 1(a)(iii).

"**NoteholderPut**" has the meaning attributed thereto in Condition 4(f).

"**Optional Redemption Amount**" has the meaning attributed thereto in the applicable Pricing Term Sheet.

"**Optional Redemption Date**" means the date a Series of Notes is to be redeemed in accordance with Condition 4(e) or 4(f).

"**outstanding**" means, in relation to the Notes of any Series, all the Notes issued other than (a) those which have been repaid in full in accordance with the terms and conditions of the Notes, (b) those in respect of which the date for redemption has occurred and the redemption monies (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid as provided in terms and conditions of the Notes, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in terms and conditions of the Notes, (e) those mutilated or defaced certificated Notes which have been surrendered in exchange for replacement Notes, (f) (for the purpose only of determining how many Notes are outstanding and without prejudice to their status for any other purpose) those certificated Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Notes have been issued, and (g) any Global Note to the extent that it has been exchanged for Registered Notes, provided that for the purpose of determining how many and which Notes of the Series are outstanding for the purposes of Condition 12 (Meetings of Noteholders, Modification and Waiver), those Notes, if any, that are for the time being held by or for the benefit of the Issuer or any Subsidiary shall (unless and until ceasing to be so held) be deemed not to remain outstanding.

"**Paying Agent**" has the meaning attributed thereto in the introductory paragraphs herein.

"**Preceding Business Day Convention**" has the meaning attributed thereto in Condition 3(b)(iv).

"**Pricing Term Sheet**" indicates the pricing term sheet setting forth the specific terms of Notes or a Series of Notes, which may be offered from time to time under this Base Offering Memorandum.

"**Primary Source**" has the meaning attributed thereto in the applicable Pricing Term Sheet.

"**Principal Financial Center**" has the meaning attributed thereto in Condition 3(c)(ii).

"**Put Notice**" has the meaning attributed thereto in Condition 4(f).

"**Rate of Exchange**" has the meaning attributed thereto in the applicable Pricing Term Sheet.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of the Note and that is either specified or calculated in accordance with the provisions specified in the relevant Pricing Term Sheet.

"**Record Date**" has the meaning attributed thereto in Condition 5(b).

"**Redeemed Notes**" has the meaning attributed thereto in Condition 4(e).

"**Redemption Amount**" means the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, as the case may be.

"**Reference Banks**" means the institutions specified as such in the relevant Pricing Term Sheet or, if none is so specified, five major banks selected by the Issuer in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if LIBOR is the relevant Benchmark, shall be the London interbank market).

"**Register**" means the register maintained by Citigroup Global Markets Deutschland AG as Registrar in accordance with the Fiscal and Paying Agency Agreement (or such other Registrar as may be appointed under the Fiscal and Paying Agency Agreement generally or in relation to a specific Series of Notes) and Condition 1(a)(ii).

"**Registered Notes**" means Notes in registered form in accordance with Condition 1 (Form, Denomination, Title and Transfer).

"**Registrar**" means Citigroup Global Markets Deutschland AG (or such other Registrar as may be appointed under the Fiscal and Paying Agency Agreement generally or in relation to a specific Series of Notes).

"**Relevant Date**" in respect of any Note means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note being made in accordance with terms and conditions of the Notes, such payment will be made, provided that payment is in fact made upon such presentation.

"**Relevant Dealer**" means the dealer or dealers specified in the relevant Pricing Term Sheet with respect to a Series of Notes.

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

"**Relevant Resolution Authority**" has the meaning set forth in Condition 15(f) herein.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 ("**Reuters**")) as may be specified in the relevant Pricing Term Sheet for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organization providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Business Center specified in the relevant Pricing Term Sheet or, if none is specified, the local time in the Business Center at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Business Center, or, if no such customary local time exists, 11.00 hours in the Business Center and for the purpose of this definition, "local time" means, with respect to Europe and the Euro-zone as a Business Center, Brussels time or otherwise stated in the relevant Pricing Term Sheet.

"**Representative Amount**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the amount specified as such in the relevant Pricing Term Sheet or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

"**Reset Date**" has the meaning attributed thereto in Condition 3(c)(i)(3).

"**Screen Rate Determination**" has the meaning attributed thereto in Condition 3(c)(ii).

"**Selection Date**" has the meaning attributed thereto in Condition 4(e).

"**Series**" has the meaning attributed thereto in the introductory paragraphs herein.

"**Specified Currency**" means U.S. dollars or any other currency specified as such in the relevant Pricing Term Sheet.

"**Specified Denomination**" has the meaning attributed thereto in the applicable Pricing Term Sheet. Unless otherwise specified in the Pricing Term Sheet, the Specified Denomination will be $200,000 and any multiple of $1,000 in excess thereof.

"**Specified Duration**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the duration specified in the relevant Pricing Term Sheet or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 3(b).

"**Subsidiary**" means, in relation to any person or entity at any time, any other person or entity (whether or not now existing) meeting the definition of Article L. 233-1 of the French Commercial Code or any other person or entity controlled directly or indirectly by such person or entity within the meaning of Article L. 233-3 of the French Commercial Code.

"**Tranche**" has the meaning attributed thereto in the introductory paragraphs herein.

"**Transfer Agents**" means such Transfer Agent or Agents as may be appointed from time to time hereunder either generally or in relation to a specific Series of Notes.

References to (i) "principal" shall be deemed to include any premium payable in respect of the Notes, all Installment Amounts, Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 4 (Redemption and Purchase) or Condition 5 (Payments) or any amendment or supplement to either or both of them, (ii) "interest" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 3 (Interest and Other Calculations) or any amendment or supplement to it and (iii) "principal" and/or "interest" shall be deemed to include any additional amounts that may be payable under Condition 6 (Taxation).

BOOK-ENTRY PROCEDURES AND SETTLEMENT

Unless otherwise provided in the applicable Pricing Term Sheet, each series of Notes will be book-entry securities, represented upon issuance by one or more fully registered global Notes ("Global Notes"), without interest coupons, and each global Note will be deposited with a custodian on behalf of, The Depository Trust Company ("DTC"), as depositary, and will be registered in the name of Cede & Co., DTC's nominee. DTC will thus be the only registered holder of these Notes and will be considered the sole owner of the Notes for purposes of the Fiscal and Paying Agency Agreement. The Global Notes may take the form of one or more master notes representing one or more series of Notes.

Depositary Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream, Luxembourg are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. The Issuer takes no responsibility for these operations and procedures and urges investors to contact the systems or their participants directly to discuss these matters.

DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the "**Participants**") and facilitate the clearance and settlement of transactions in those securities between Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the Dealers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the "**Indirect Participants**"). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through Participants or Indirect Participants. DTC has no knowledge of the identity of beneficial owners of securities held by or on behalf of DTC. DTC's records reflect only the identity of Participants to whose accounts securities are credited. The ownership interests and transfer of ownership interests of each beneficial owner of each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

Pursuant to procedures established by DTC:

- upon deposit of the Global Notes, DTC will credit the accounts of Participants designated by the Dealers with portions of the principal amount of the Global Notes, and

- ownership of such interests in the Global Notes will be maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interests in the Global Notes).

Investors in the Global Notes may hold their interests therein directly through DTC, if they are Participants in such system, or indirectly through organizations (including, as the case may be, Euroclear and Clearstream, Luxembourg) that are Participants or Indirect Participants in such system. Euroclear and Clearstream, Luxembourg will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries, which are Euroclear Bank S.A./N.V., as operator of Euroclear, and Clearstream Banking, *société anonyme*, as operator of Clearstream, Luxembourg. The depositaries, in turn, will hold interests in the Global Notes in customers' securities accounts in the depositaries' names on the books of DTC.

All interests in the Global Notes, including those held through Euroclear or Clearstream, Luxembourg, will be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream, Luxembourg will also be subject to the procedures and requirements of

these systems. The laws of some states require that certain persons take physical delivery of certificates evidencing securities they own. Consequently, the ability to transfer beneficial interests in a Global Note to such persons will be limited to that extent. Because DTC can act only on behalf of Participants, which in turn act on behalf of Indirect Participants, the ability of beneficial owners of interests in the Global Notes to pledge such interests to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, owners of interests in the Global Notes will not have Notes registered in their names, will not receive physical delivery of Notes in certificated form and will not be considered the registered owners or holders thereof for any purpose.

Payments in respect of the principal of and premium, if any, and interest on a Global Note registered in the name of DTC or its nominee will be payable by the Paying Agent to DTC in its capacity as the registered holder under the Fiscal and Paying Agency Agreement. The Issuer and the Paying Agent will treat the persons in whose names the Notes, including the Global Notes, are registered as the owners thereof for the purpose of receiving such payments and for any and all other purposes whatsoever. Consequently, none of the Issuer, the Paying Agent or any agent of the Issuer or the Paying Agent has or will have any responsibility or liability for:

- any aspect of DTC's records or any Participant's or Indirect Participant's records relating to, or payments made on account of beneficial ownership interests in, the Global Notes, or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes, or

- any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

The Issuer understands that DTC's current practice, upon receipt of any payment in respect of securities such as the Notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date in amounts proportionate to their respective holdings in the principal amount of the relevant security as shown on the records of DTC, unless DTC has reason to believe it will not receive payment on such payment date. Payments by the Participants and the Indirect Participants to the beneficial owners of Notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Paying Agent or the Issuer. Neither the Issuer nor the Paying Agent will be liable for any delay by DTC or any of its Participants in identifying the beneficial owners of the Notes, and the Issuer and the Paying Agent may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Except for trades involving only Euroclear and Clearstream, Luxembourg participants, interests in the Global Notes are expected to be eligible to trade in DTC's Same-Day Funds Settlement System and secondary market trading activity in such interests will therefore settle in immediately available funds, subject in all cases to the rules and procedures of DTC and its Participants.

Transfers between Participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream, Luxembourg will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Cross-market transfers between Participants in DTC, on the one hand, and Euroclear or Clearstream, Luxembourg participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, Luxembourg, as the case may be, by their

depositaries. Cross-market transactions will require delivery of instructions to Euroclear or Clearstream, Luxembourg, as the case may be, by the counterparty in that system in accordance with the rules and procedures and within the established deadlines (Brussels time) of that system. Euroclear or Clearstream, Luxembourg, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositaries to take action to effect final settlement on its behalf by delivering or receiving interests in the Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream, Luxembourg participants may not deliver instructions directly to the depositaries for Euroclear or Clearstream, Luxembourg.

Because of time zone differences, the securities account of a Euroclear or Clearstream, Luxembourg participant purchasing an interest in a Global Note from a Participant in DTC will be credited and reported to the relevant Euroclear or Clearstream, Luxembourg participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream, Luxembourg) immediately following the settlement date of DTC. The Issuer understands that cash received in Euroclear or Clearstream, Luxembourg as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream, Luxembourg participant to a Participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account only as of the business day for Euroclear or Clearstream, Luxembourg following DTC's settlement date.

The Issuer understands that DTC will take any action permitted to be taken by a holder of Notes only at the direction of one or more Participants to whose account with DTC interests in a Global Note are credited and only in respect of such portion of the aggregate principal amount of the Notes as to which such Participant or Participants has or have given such direction.

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures to facilitate transfers of interests in the Global Note among participants in DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or to continue to perform such procedures, and the procedures may be discontinued at any time. Neither the Issuer nor the Paying Agent, Fiscal and Principal Paying Agent, Exchange Agent or Registrar will have any responsibility for the performance by DTC, Euroclear or Clearstream, Luxembourg or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

The information in this section concerning DTC, Euroclear and Clearstream, Luxembourg and their book-entry systems has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

Exchange of Global Notes for Certificated Notes

Global Notes will not be exchangeable for certificated Notes and will not otherwise be issuable as certificated Notes, subject to the following exceptions, whereby physical certificates will be issued to beneficial owners of a Global Note if:

- an Event of Default has occurred and is continuing;
- DTC has notified the Issuer that it is unwilling or unable to continue to act as depositary for the Notes and the Issuer does not appoint a successor within 90 days; or
- DTC has ceased to constitute a clearing agency registered under the U.S. Securities Exchange Act of 1934, as amended, and the Issuer does not appoint a successor within 90 days.

If any of the events described in the preceding paragraph occurs, the Issuer will issue definitive Notes in certificated form in an amount equal to a holder's beneficial interest in the Notes. Certificated Notes will be issued in the denominations of the Notes indicated in the Pricing Term Sheet or, if no denomination is specified, in minimum denominations of $200,000 and integral multiples of $1,000 in excess thereof, and will be registered in the name of the person DTC specifies in a written instruction to the Registrar of the Notes.

In all cases, certificated Notes delivered in exchange for any Global Notes or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of DTC (in accordance with its customary procedures).

In the event certificated Notes are issued:

- holders of certificated Notes will be able to receive payments of principal and interest on their Notes at the office of the Paying Agent maintained in the City of New York, unless otherwise specified in the applicable Pricing Term Sheet with respect to a Series of Notes;

- holders of certificated Notes will be able to transfer their Notes, in whole or in part, by surrendering the Notes for registration of transfer at the office of the Registrar. The Issuer will not charge any fee for the registration or transfer or exchange, except that the Issuer may require the payment of a sum sufficient to cover any applicable tax or other governmental charge payable in connection with the transfer.

TAXATION

French Taxation

The following is a summary of certain French tax considerations that may be relevant to holders of Notes issued by the Issuer, who (i) are non-French residents, (ii) do not hold their Notes in connection with a business or profession conducted in France, as a permanent establishment or fixed base situated in France, and (iii) do not concurrently hold shares of the Issuer. Persons who are in any doubt as to their tax position should consult a professional tax adviser. This summary is based on French laws, regulations, rulings and decisions now in effect, all of which are subject to change. See "Risk Factors—Risks Relating to the Notes—Transactions on the Notes could be subject to the European financial transaction tax, if adopted."

Taxation of Interest Income and Other Revenues

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

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

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

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

In addition, under French tax administrative guidelines (*Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211) dated February 11, 2014, an issue of Notes benefits from the Exception without the Issuer having to provide any evidence supporting the main purpose and effect of such issue of Notes, if such Notes are:

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

ii. admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

iii. admitted, at the time of their issue, to the operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French Code *monétaire et financier*, or of one or more similar foreign depositaries or operators provided that such depositaries or operators are not located in a Non-Cooperative State.

As a result, payments of interest or other revenues made by the Issuer with respect to the Notes cleared through a clearing system such as DTC, Euroclear Bank S.A. / N.V. and/or Clearstream Banking will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts*. The tax regime applicable to the Notes which do not satisfy the conditions mentioned hereinabove will be set out in a supplement to this Base Offering Memorandum.

Taxation on Sale or Other Disposition

Under article 244 bis C of the French *Code général des impôts*, a person that is not a resident of France for the purpose of French taxation generally is not subject to any French income tax or capital gains tax on any gain derived from the sale or other disposition of the Notes, unless such Notes form part of the business property of a permanent establishment or a fixed base that such person maintains in France.

Stamp Duty and Other Transfer Taxes

Transfers of Notes outside France will not be subject to stamp duty or other transfer tax imposed in France, provided such transfer is not recorded or referred to in any manner whatsoever in a deed registered with the French tax authorities on a voluntary basis.

Estate and Gift Tax

France imposes estate and gift tax on securities of a French company that are acquired by inheritance or gift. According to article 750 *ter* of the French *Code général des impôts*, the taxation is triggered without regard to the residence of the transferor. However, France has entered into estate and gift tax treaties with a number of countries pursuant to which, assuming certain conditions are met, residents of the treaty country may be exempted from such tax or obtain a tax credit.

As a result from the combination of the French domestic tax law and the estate and gift tax convention between the United States and France, a transfer of Notes by gift or by reason of the death of a United States holder entitled to benefits under that convention will not be subject to French gift or inheritance tax, so long as, among other conditions, the donor or decedent was not domiciled in France at the time of the transfer and the Notes were not used or held for use in the conduct of a business or profession through a permanent establishment or fixed base in France.

Wealth Tax

French wealth tax (*impôt de solidarité sur la fortune*) generally does not apply to Notes owned by non-French residents according to article 885 L of the French *Code général des impôts*. Subject to certain exceptions, a United States holder that is resident in the United States within the meaning of the income tax convention between the United States and France generally is exempt from French wealth tax.

Prospective purchasers who are individuals are urged to consult with their own tax advisers.

EU Savings Directive

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

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

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

On March 24, 2014, the Council of the European Union adopted Directive 2014/48/EU amending the Savings Directive (the "**Amending Directive**"), which when implemented, will amend and broaden the scope of the requirements described above. In particular, the Amending Directive will broaden the categories of entities required to provide information and/or withhold tax pursuant to the Savings Directive, and will require that additional steps be taken in certain circumstances to identify the beneficial owner of interest (and other income) payments using a "look through" approach. This approach will apply to payments made to, or secured for, persons, entities, or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside the European Union. The Member States will have until January 1, 2016 to adopt the national legislation necessary to comply with this Amending Directive. Investors should inform themselves of, and where appropriate take advice on, the impact of the Savings Directive, and the Amending Directive, on their investment.

The Proposed Financial Transactions Tax

The European Commission has published a proposed Directive for a common Financial Transaction Tax (the "**FTT**") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia, and Spain (the "Participating Member States").

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain transactions relating to the Notes (including secondary market transactions) in certain circumstances. The FTT would impose a charge at generally not less than 0.1% of the sale price on such transactions. The issuance and subscription of the Notes should, however, be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain transactions relating to the Notes where at least one party is established in a participating Member State and a financial institution established in (or treated as established in) a participating Member State is a party to the transaction, for its own account, for the account of another person, or if the financial institution is acting in the name of a party to the transaction. A party may be deemed to be "established" in a participating Member State in a broad range of circumstances, including if its seat is there, if it is acting via a branch in that Member State (as regards branch transactions), or where the financial instrument which is the subject of the transaction is issued in a participating Member State. In addition to these cases, a financial institution may also be treated as established in a participating Member State if it is authorized there (as regards authorized transactions), or if it is entering into the financial transaction with another person who is established in that Member State.

On May 6, 2014, a joint statement by ministers of the Participating Member States (excluding Slovenia) confirmed that all relevant issues continue to be examined by national experts. It noted the intention of the participating Member States to work on a progressive implementation of the FTT, focusing initially on the taxation of shares and some derivatives. The first steps would be implemented at the latest on January 1, 2016.

The FTT proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

United States Taxation

The following is a summary of certain U.S. federal income tax considerations that may be relevant to a holder of a Note that is a citizen or resident of the United States or a domestic corporation or that otherwise is subject to U.S. federal income taxation on a net income basis in respect of the Notes (a "U.S. Holder"). This summary deals only with U.S. Holders that will hold Notes as capital assets, and does not address all tax considerations applicable to investors that may be subject to special tax rules, such as banks, tax-exempt entities, entities treated as partnerships for U.S. federal income tax purposes and the partners therein, insurance companies, dealers in securities or currencies, traders in securities electing to mark to market, persons that will hold Notes as a position in a "straddle" or conversion transaction, or as part of a "synthetic security" or other integrated financial transaction or persons that have a "functional currency" other than the U.S. dollar. Any special U.S. federal income tax considerations relevant to a particular issue of Notes, including linked Notes, dual currency Notes, or indexed Notes will be provided in the applicable supplement or Pricing Term Sheet.

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

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

Payments of Interest

Payments of "qualified stated interest" (as defined below under "Original Issue Discount") on a Note will be taxable to a U.S. Holder as ordinary interest income at the time that such payments are accrued or received (in accordance with the U.S. Holder's method of tax accounting). If such

payments of interest are made with respect to a Note denominated in or by reference to a Specified Currency other than U.S. dollars (a "Foreign Currency Note"), the amount of interest income realized by a U.S. Holder that uses the cash method of tax accounting will be the U.S. dollar value of the Specified Currency payment based on the exchange rate in effect on the date of receipt regardless of whether the payment in fact is converted into U.S. dollars. A U.S. Holder that uses the accrual method of accounting for tax purposes will accrue interest income on the Note in the Specified Currency and translate the amount accrued into U.S. dollars based on the average exchange rate in effect during the interest accrual period (or portion thereof within the U.S. Holder's taxable year), or, at the accrual basis U.S. Holder's election, at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year), or at the spot rate of exchange on the date of receipt, if such date is within five business days of the last day of the accrual period. A U.S. Holder that makes such election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the Internal Revenue Service (the "IRS"). A U.S. Holder that uses the accrual method of accounting for tax purposes will recognize foreign currency gain or loss, as the case may be, on the receipt of an interest payment made with respect to a Foreign Currency Note if the exchange rate in effect on the date the payment is received differs from the rate applicable to a previous accrual of that interest income. This foreign currency gain or loss will be treated as ordinary income or loss, but generally will not be treated as an adjustment to interest income received on the Note.

Purchase, Sale and Retirement of Notes

A U.S. Holder's tax basis in a Note generally will equal the cost of such Note to such holder, increased by any amounts includible in income by the holder as original issue discount and market discount and reduced by any amortized premium (each as described below) and any payments other than payments of qualified stated interest made on such Note. In the case of a Foreign Currency Note, the cost of such Note to a U.S. Holder will be the U.S. dollar value of the foreign currency purchase price on the date of purchase. In the case of a Foreign Currency Note that is traded on an established securities market, a cash basis U.S. Holder (and, if it so elects, an accrual basis U.S. Holder) will determine the U.S. dollar value of the cost of such Note by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. The amount of any subsequent adjustments to a U.S. Holder's tax basis in a Note in respect of original issue discount, market discount and premium denominated in a Specified Currency will be determined in the manner described under "Original Issue Discount" and "Premium and Market Discount" below. The conversion of U.S. dollars to a Specified Currency and the immediate use of the Specified Currency to purchase a Foreign Currency Note generally will not result in taxable gain or loss for a U.S. Holder.

Upon the sale, exchange or retirement of a Note, a U.S. Holder generally will recognize gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (less any accrued qualified stated interest, which will be taxable as such) and the U.S. Holder's tax basis in such Note. If a U.S. Holder receives a currency other than the U.S. dollar in respect of the sale, exchange or retirement of a Note, the amount realized will be the U.S. dollar value of the specified currency received calculated at the exchange rate in effect on the date the instrument is disposed of or retired. In the case of a Foreign Currency Note that is traded on an established securities market, a cash basis U.S. Holder, and if it so elects, an accrual basis U.S. Holder will determine the U.S. dollar value of the amount realized by translating such amount at the spot rate on the settlement date of the sale. The election available to accrual basis U.S. Holders in respect of the purchase and sale of Foreign Currency Notes traded on an established securities market, discussed above, must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

Except as discussed below with respect to market discount, Short-Term Notes (as defined below) and foreign currency gain or loss, gain or loss recognized by a U.S. Holder generally will be long-term capital gain or loss if the U.S. Holder has held the Note for more than one year at the time

of disposition. Long-term capital gains recognized by an individual holder generally are subject to tax at a lower rate than short-term capital gains or ordinary income.

Gain or loss recognized by a U.S. Holder on the sale, exchange or retirement of a Foreign Currency Note generally will be treated as ordinary income or loss to the extent that the gain or loss is attributable to changes in exchange rates during the period in which the holder held such Note. This foreign currency gain or loss will not be treated as an adjustment to interest income received on the Notes.

Original Issue Discount

The original issue discount ("OID") on a Note will equal the difference between the "stated redemption price at maturity" (as defined below) of the Note and the issue price of the Note. The "stated redemption price at maturity" is equal to the sum of all payments provided by a Note other than payments of qualified stated interest. If OID on a Note exceeds a *de minimis* threshold, the Note is an "Original Issue Discount Note." U.S. Holders of Original Issue Discount Notes generally will be subject to the special tax accounting rules for obligations issued with OID provided by the Code, as amended, and certain regulations promulgated thereunder (the "OID Regulations"). U.S. Holders of such Notes should be aware that, as described in greater detail below, they generally must include OID in ordinary gross income for U.S. federal income tax purposes as it accrues, in advance of the receipt of cash attributable to that income.

In general, each U.S. Holder of an Original Issue Discount Note, whether such holder uses the cash or the accrual method of tax accounting, will be required to include in ordinary gross income the sum of the "daily portions" of OID on the Note for all days during the taxable year that the U.S. Holder owns the Note. The daily portions of OID on an Original Issue Discount Note are determined by allocating to each day in any accrual period a ratable portion of the OID allocable to that accrual period. Accrual periods may be any length and may vary in length over the term of an Original Issue Discount Note, provided that no accrual period is longer than one year and each scheduled payment of principal or interest occurs on either the final day or the first day of an accrual period. In the case of an initial holder, the amount of OID on an Original Issue Discount Note allocable to each accrual period is determined by (a) multiplying the "adjusted issue price" (as defined below) of the Original Issue Discount Note at the beginning of the accrual period by the yield to maturity of such Original Issue Discount Note (appropriately adjusted to reflect the length of the accrual period) and (b) subtracting from that product the amount (if any) of qualified stated interest (as defined below) allocable to that accrual period. The yield to maturity of a Note is the discount rate that causes the present value of all payments on the Note as of its original issue date to equal the issue price of such Note. The "adjusted issue price" of an Original Issue Discount Note at the beginning of any accrual period will generally be the sum of its issue price (generally including accrued interest, if any) and the amount of OID allocable to all prior accrual periods, reduced by the amount of all payments other than payments of qualified stated interest (if any) made with respect to such Note in all prior accrual periods. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually during the entire term of an Original Issue Discount Note at a single fixed rate of interest or, subject to certain conditions, based on one or more interest indices. In the case of an Original Issue Discount Note that is a Floating Rate Note, both the "yield to maturity" and "qualified stated interest" will generally be determined for these purposes as though the Original Issue Discount Note will bear interest in all periods at a fixed rate generally equal to the rate that would be applicable to the interest payments on the Note on its date of issue or, in the case of certain Floating Rate Notes, the rate that reflects the yield that is reasonably expected for the Note. (Additional rules may apply if interest on a Floating Rate Note is based on more than one interest index.) As a result of this "constant yield" method of including OID in income, the amounts includible in income by a U.S. Holder in respect of an Original Issue Discount Note denominated in U.S. dollars generally are lesser in the early years and greater in the later years than the amounts that would be includible on a straight-line basis.

A U.S. Holder generally may make an irrevocable election to include in its income its entire return on a Note (*i.e.*, the excess of all remaining payments to be received on the Note, including payments of qualified stated interest, over the amount paid by such U.S. Holder for such Note) under the constant-yield method described above. For Notes purchased at a premium or bearing market discount in the hands of the U.S. Holder, the U.S. Holder making such election will also be deemed to have made the election (discussed below in "—Premium and Market Discount") to amortize premium or to accrue market discount in income currently on a constant-yield basis.

In the case of an Original Issue Discount Note that is also a Foreign Currency Note, a U.S. Holder should determine the U.S. dollar amount includible in income as OID for each accrual period by (a) calculating the amount of OID allocable to each accrual period in the Specified Currency using the constant-yield method described above, and (b) translating the amount of the Specified Currency so derived at the average exchange rate in effect during that accrual period (or portion thereof within a U.S. Holder's taxable year) or, at the U.S. Holder's election (as described above under "—Payments of Interest"), at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year), or at the spot rate of exchange on the date of receipt, if such date is within five business days of the last day of the accrual period. Because exchange rates may fluctuate, a U.S. Holder of an Original Issue Discount Note that is also a Foreign Currency Note may recognize a different amount of OID income in each accrual period than would the holder of an otherwise identical Original Issue Discount Note denominated in U.S. dollars. All payments on an Original Issue Discount Note (other than payments of qualified stated interest) will generally be viewed first as payments of previously accrued OID (to the extent thereof), with payments attributed first to the earliest-accrued OID, and then as payments of principal. Upon the receipt of an amount attributable to OID (whether in connection with a payment of an amount that is not qualified stated interest or the sale or retirement of the Original Issue Discount Note), a U.S. Holder will recognize ordinary income or loss measured by the difference between the amount received (translated into U.S. dollars at the exchange rate in effect on the date of receipt or on the date of disposition of the Original Issue Discount Note, as the case may be) and the amount accrued (using the exchange rate applicable to such previous accrual).

A subsequent U.S. Holder of an Original Issue Discount Note that purchases the Note at a cost less than its remaining redemption amount (as defined below), or an initial U.S. Holder that purchases an Original Issue Discount Note at a price other than the Note's issue price, also generally will be required to include in gross income the daily portions of OID, calculated as described above. However, if the U.S. Holder acquires the Original Issue Discount Note at a price greater than its adjusted issue price, such holder is required to reduce its periodic inclusions of OID income to reflect the premium paid over the adjusted issue price. The "remaining redemption amount" for a Note is the total of all future payments to be made on the Note other than payments of qualified stated interest.

Floating Rate Notes generally will be treated as "variable rate debt instruments" under the OID Regulations. Accordingly, the stated interest on a Floating Rate Note generally will be treated as "qualified stated interest" and such a Note will not have OID solely as a result of the fact that it provides for interest at a variable rate. If a Floating Rate Note does not qualify as a "variable rate debt instrument," such Note will be subject to special rules (the "Contingent Payment Regulations") that govern the tax treatment of debt obligations that provide for contingent payments ("Contingent Debt Obligations"). A detailed description of the tax considerations relevant to U.S. Holders of any such Notes will be provided in the applicable supplement or Pricing Term Sheet.

Certain of the Notes may be subject to special redemption, repayment or interest rate reset features, as indicated in the applicable supplement or Pricing Term Sheet. Notes containing such features, in particular Original Issue Discount Notes, may be subject to special rules that differ from the general rules discussed above. Purchasers of Notes with such features should carefully examine the applicable supplement or Pricing Term Sheet and should consult their own tax advisors with respect to such Notes since the tax consequences with respect to such features, and especially with respect to OID, will depend, in part, on the particular terms of the purchased Notes.

Premium and Market Discount

A U.S. Holder of a Note that purchases the Note at a cost greater than its remaining redemption amount (as defined in the third preceding paragraph) will be considered to have purchased the Note at a premium, and may elect to amortize such premium (as an offset to interest income), using a constant-yield method, over the remaining term of the Note. Such election, once made, generally applies to all bonds held or subsequently acquired by the U.S. Holder on or after the first taxable year to which the election applies and may not be revoked without the consent of the IRS. A U.S. Holder that elects to amortize such premium must reduce its tax basis in a Note by the amount of the premium amortized during its holding period. Original Issue Discount Notes purchased at a premium will not be subject to the OID rules described above. In the case of premium in respect of a Foreign Currency Note, a U.S. Holder should calculate the amortization of such premium in the Specified Currency. Amortization deductions attributable to a period reduce interest payments in respect of that period and therefore are translated into U.S. dollars at the exchange rate used by the U.S. Holder for such interest payments. Exchange gain or loss will be realized with respect to amortized bond premium on such a Note based on the difference between the exchange rate on the date or dates such premium is recovered through interest payments on the Note and the exchange rate on the date on which the U.S. Holder acquired the Note. With respect to a U.S. Holder that does not elect to amortize bond premium, the amount of bond premium will be included in the U.S. Holder's tax basis when the Note matures or is disposed of by the U.S. Holder. Therefore, a U.S. Holder that does not elect to amortize such premium and that holds the Note to maturity generally will be required to treat the premium as capital loss when the Note matures.

If a U.S. Holder of a Note purchases the Note at a price that is lower than its remaining redemption amount, or in the case of an Original Issue Discount Note, its adjusted issue price, by at least 0.25% of its remaining redemption amount multiplied by the number of remaining whole years to maturity, the Note will be considered to have "market discount" in the hands of such U.S. Holder. In such case, gain realized by the U.S. Holder on the disposition of the Note generally will be treated as ordinary income to the extent of the market discount that accrued on the Note while held by such U.S. Holder. In addition, the U.S. Holder could be required to defer the deduction of a portion of the interest paid on any indebtedness incurred or maintained to purchase or carry the Note. In general terms, market discount on a Note will be treated as accruing ratably over the term of such Note, or, at the election of the holder, under a constant-yield method. Market discount on a Foreign Currency Note will be accrued by a U.S. Holder in the Specified Currency. The amount includible in income by a U.S. Holder in respect of such accrued market discount will be the U.S. dollar value of the amount accrued, generally calculated at the exchange rate in effect on the date that the Note is disposed of by the U.S. Holder.

A U.S. Holder may elect to include market discount in income on a current basis as it accrues (on either a ratable or constant-yield basis), in lieu of treating a portion of any gain realized on a sale of a Note as ordinary income. If a U.S. Holder elects to include market discount on a current basis, the interest deduction deferral rule described above will not apply. Any accrued market discount on a Foreign Currency Note that is currently includible in income will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Any such election, if made, applies to all market discount bonds acquired by the taxpayer on or after the first day of the first taxable year to which such election applies and is revocable only with the consent of the IRS.

Short-Term Notes

The rules set forth above will also generally apply to Notes having maturities of not more than one year ("Short-Term Notes"), but with certain modifications.

First, the OID Regulations treat none of the interest on a Short-Term Note as qualified stated interest. Thus, all Short-Term Notes will be Original Issue Discount Notes. OID will be treated as

accruing on a Short-Term Note ratably, or at the election of a U.S. Holder, under a constant yield method.

Second, a U.S. Holder of a Short-Term Note that uses the cash method of tax accounting and is not a bank, securities dealer, regulated investment company or common trust fund, and does not identify the Short-Term Note as part of a hedging transaction, will generally not be required to include OID in income on a current basis. Such a U.S. Holder may not be allowed to deduct all of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry such Note until the Maturity of the Note or its earlier disposition in a taxable transaction. In addition, such a U.S. Holder will be required to treat any gain realized on a sale, exchange or retirement of the Note as ordinary income to the extent such gain does not exceed the OID accrued with respect to the Note during the period the U.S. Holder held the Note. Notwithstanding the foregoing, a cash-basis U.S. Holder of a Short-Term Note may elect to accrue OID into income on a current basis or to accrue the "acquisition discount" on the Note under the rules described below. If the U.S. Holder elects to accrue OID or acquisition discount, the limitation on the deductibility of interest described above will not apply.

A U.S. Holder using the accrual method of tax accounting and certain cash-basis U.S. Holders (including banks, securities dealers, regulated investment companies and common trust funds) generally will be required to include original issue discount on a Short-Term Note in income on a current basis. Alternatively, a U.S. Holder of a Short-Term Note can elect to accrue the "acquisition discount," if any, with respect to the Note on a current basis. If such an election is made, the OID rules will not apply to the Note. Acquisition discount is the excess of the Short-Term Note's stated redemption price at maturity (i.e., all amounts payable on the Short-Term Note) over the purchase price. Acquisition discount will be treated as accruing ratably or, at the election of the U.S. Holder, under a constant-yield method based on daily compounding.

Finally, the market discount rules will not apply to a Short-Term Note.

Information Reporting and Backup Withholding

Information returns will be required to be filed with the IRS with respect to payments made to certain U.S. Holders of Notes. In addition, certain U.S. Holders may be subject to backup withholding in respect of such payments if they do not provide an accurate taxpayer identification number or certification of exempt status or otherwise comply with the applicable backup withholding requirements.

The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS in the manner required. Certain U.S. Holders are not subject to information reporting or backup withholding. U.S. Holders should consult their tax advisors as to their qualification for exemption from information reporting and/or backup withholding.

Reportable Transactions

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if the loss exceeds $50,000 in a single taxable year if the U.S. Holder is an individual or trust, or higher amounts for other U.S. Holders. In the event the acquisition, ownership or disposition of the Notes constitutes participation in a "reportable transaction" for purposes of these rules, a U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS. Prospective purchasers should consult their tax advisors regarding the application of these rules to the acquisition, ownership or disposition of the Notes.

Foreign Account Tax Compliance Act

Subject to grandfathering rules, the Issuer and other non-U.S. financial institutions through which payments are made (including the Paying Agent) may be required pursuant to the foreign account provisions of the Hiring Incentives to Restore Employment Act of 2010 ("FATCA") to withhold U.S. tax on payments in respect of certain Notes to an investor who does not provide information sufficient for the Issuer or other non-U.S. financial institution through which payments are made (as the case may be) to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of the Issuer, or to an investor that is a non-U.S. financial institution that is not in compliance with FATCA. Under a separate grandfathering rule, the withholding tax described above will not apply to Notes unless they are issued or materially modified after the date that is six months after which final defining "foreign passthru payments" are filed by the U.S. Treasury Department. If the withholding described above were to apply, it would start at the earliest on January 1, 2017. In addition, France has entered into an intergovernmental agreement with the United States, the implementation of which could modify the rules that would otherwise apply. If an amount of, or in respect of, such withholding taxes were to be deducted or withheld from interest or other payments on the Notes as a result of an investor's failure to comply with these rules, no additional amounts will be paid with respect to the Notes held by such investor as a result of the deduction or withholding of such tax. Holders should consult their own tax advisors on how the FATCA rules may apply to payments they receive in respect of Notes.

ERISA MATTERS

Unless otherwise provided in the applicable Pricing Term Sheet, the Notes should be eligible for purchase by employee benefit plans and other plans subject to the fiduciary responsibility provisions of the U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**), and/or the provisions of section 4975 of the Code and by governmental, church and non-U.S. plans that are subject to state, local, other federal law of the United States or non-U.S. law that is substantially similar to ERISA or section 4975 of the Code, subject to consideration of the issues described in this section.

ERISA imposes fiduciary responsibility and certain other requirements with respect to employee benefit plans subject to ERISA, including collective investment funds, separate accounts and certain entities whose underlying assets include the assets of such plans investing therein (collectively, "**ERISA Plans"**). Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirements of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed under "***Risk Factors***" above.

Section 406 of ERISA and section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan, a plan subject to section 4975 of the Code, including individual retirement accounts, or certain entities whose underlying assets include the assets of such plans for purposes of ERISA and the Code (collectively, the "**Plans"**), and certain persons (referred to as "**parties in interest**" under ERISA or "**disqualified persons**" under the Code) having certain relationships to such Plans, unless a statutory or administrative exemption applies to the transaction. A party in interest or disqualified person, including a plan fiduciary, who engages in a prohibited transaction with a Plan may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

The Issuer, directly or indirectly through its affiliates, the Dealers or other parties to the transactions contemplated in connection with the Notes may be parties in interest or disqualified persons with respect to many Plans. Prohibited transactions within the meaning of section 406 of ERISA or section 4975 of the Code may arise if any of the Notes is acquired or held by a Plan with respect to which the Issuer, any Dealer or such other party to such transactions is a party in interest or a disqualified person. Certain exemptions from the prohibited transaction provisions of section 406 of ERISA and section 4975 of the Code may be applicable, however, depending in part on the type of Plan fiduciary making the decision to acquire any Notes and the circumstances under which such decision is made. Included among these exemptions are section 408(b)(17) of ERISA and section 4975(d)(20) of the Code (relating to transactions between a person that is a party in interest (other than a fiduciary or an affiliate that has or exercises discretionary authority or control or renders investment advice with respect to assets involved in the transaction) solely by reason of providing services to the plan, provided that there is adequate consideration for the transaction), Prohibited Transaction Class Exemption (**PTCE**) 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a qualified professional asset manager), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by in-house asset managers). Prospective investors should consult with their advisors regarding the prohibited transaction rules and these exceptions. There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving any Notes.

Save as otherwise provided in the applicable Pricing Term Sheet, each purchaser and subsequent transferee of any Note will be deemed by such purchase or acquisition of any such Note to

have represented and warranted, on each day from the date on which the purchaser or transferee acquires such Note (or any interest therein) through and including the date on which the purchaser or transferee disposes of such Note (or any interest therein), either that (a) it is not (x) a Plan or an entity whose underlying assets are deemed for the purposes of ERISA or the Code to include the assets of any Plan or (y) a governmental, church or non-U.S. plan which is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of section 406 of ERISA or section 4975 of the Code or (b) its purchase, holding and disposition of such Note will not constitute or result in a prohibited transaction under section 406 of ERISA or section 4975 of the Code (or, in the case of a governmental, church or non-U.S. plan, a violation of any substantially similar federal, state, local or non-U.S. law) unless an exemption is available with respect to such transactions and all the conditions of such exemption have been satisfied.

Each Plan fiduciary who is responsible for making the investment decisions whether to purchase or commit to purchase and to hold any of the Notes should determine whether, under the documents and instruments governing the Plan, an investment in such Notes is appropriate for the Plan, taking into account the overall investment policy of the Plan and the composition of the Plan's investment portfolio. Any Plan proposing to invest in such Notes (including any governmental, church or non-U.S. plan) should consult with its counsel to confirm that such investment will not constitute or result in a non-exempt prohibited transaction (or, in the case of a governmental plan, church or non-U.S. plan, a violation of any substantial similar federal, state, local or non-U.S. law) and will satisfy the other requirements of ERISA, the Code and any other applicable law.

The sale of any Note to a Plan is in no respect a representation by the Issuer, the Dealers or any other party to the transactions that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

Any further ERISA considerations or prohibitions with respect to Notes may be found in the relevant Pricing Term Sheet.

PLAN OF DISTRIBUTION

The Notes are being offered on a continuous basis for sale by the Issuer to or through Banque Fédérative du Crédit Mutuel, Barclays Capital Inc., BNP Paribas Securities Corp., Citigroup Global Markets Inc., Citigroup Global Markets Limited, Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC, together with such other Dealers as may be appointed by the Issuer with respect to a particular series of Notes (the "**Dealers**") subject to the terms and conditions contained in an dealer agreement, dated October 8, 2013. One or more Dealers may purchase Notes at a discount, as principal, from the Issuer from time to time for resale or, if so specified in the applicable Pricing Term Sheet, for resale at varying prices relating to prevailing market prices. The Issuer will have the sole right to accept offers to purchase Notes and may reject any proposed purchase of Notes in whole or in part. The Issuer has reserved the right to sell Notes through one or more other dealers in addition to the Dealers and directly to investors on behalf of the Issuer in those jurisdictions where it is authorized to do so. Each Dealer will have the right, in its discretion reasonably exercised, to reject any proposed purchase of Notes through it in whole or in part. No commission will be payable by the Issuer to any of the Dealers on account of sales of Notes made through such other dealers or directly by the Issuer.

In addition, the Dealers may offer the Notes they have purchased as principal to other dealers. The Dealers may sell Notes to any dealer at a discount and, unless otherwise specified in the applicable Pricing Term Sheet, such discount allowed to any dealer will not be in excess of the discount to be received by such Dealer from the Issuer. Unless otherwise indicated in the applicable Pricing Term Sheet, any Note sold to a Dealer as principal will be purchased by such Dealer at a price equal to the offering price (expressed as a percentage of the principal amount) less a percentage equal to the commission, and may be resold by the Dealer to investors and other purchasers as described above. After the initial offering of Notes to be resold to investors and other purchasers, the offering price (in the case of Notes to be resold at a fixed offering price), the concession and discount may be changed.

The Issuer may withdraw, cancel or modify the offering contemplated hereby without notice and may reject offers to purchase Notes in whole or in part. Each Dealer shall have the right, in its discretion reasonably exercised, to reject in whole or in part any offer to purchase Notes received by it on an agency basis.

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

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

Other Relationships

Some of the Dealers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account

and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the Dealers or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Rule 144A Notes and Regulation S Notes

Each Dealer will offer or sell the Rule 144A Notes within the United States only to persons it reasonably believes to be "qualified institutional buyers" (within the meaning of Rule 144A) in reliance on Rule 144A.

Each Dealer has agreed that, except as permitted by the Dealer Agreement and set forth in "Transfer Restrictions," it will not offer or sell Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, and it will have sent to each distributer or dealer to which it sells such Regulation S Notes during the 40-day distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States or to, or for the account or benefit of, U.S. persons.

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

Each purchaser of Rule 144A Notes and Regulation S Notes offered hereby in making its purchase will be deemed to have made the acknowledgments, representations and agreements set forth under "Transfer Restrictions" herein.

Price Stabilization and Short Positions

In connection with an offering of Notes purchased by one or more Dealers as principal on a fixed offering price basis, certain persons participating in the offering (including such Dealers) may engage in stabilizing and syndicate covering transactions. Syndicate covering transactions involve purchases of Notes in the open market after the distribution has been completed in order to cover syndicate short positions. Stabilizing and syndicate covering transactions may cause the price of the Notes to be higher than they would otherwise be in the absence of such transactions. These transactions, if commenced, may be discontinued at any time.

Neither we nor any of the Dealers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, neither we nor any of the Dealers make any representation that the relevant Dealer(s) or their representatives, if any, will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Term Sheet may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising

Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Dealer has represented and agreed, and each further Dealer appointed under the program will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Notes – which are the subject of the offering contemplated by this Base Offering Memorandum as completed by the Pricing Term Sheet in relation thereto to the public in that Relevant Member State (the "Securities") except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

Notice to Prospective Investors in France

- Each of the Dealers and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, directly or indirectly, the Base Offering Memorandum, the relevant supplement or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) providers

of investment services relating to portfolio management for the account of third parties (personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers), and/or (b) qualified investors (investisseurs qualifiés) acting for their own account, all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 of the French Monetary and Financial Code (Code monétaire et financier).

If necessary, these selling restrictions will be supplemented in the applicable supplement or Pricing Term Sheet.

Notice to Prospective Investors in the United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not apply to the Issuer, if the Issuer was not an authorized person; and

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

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

Notice to Prospective Investors in Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia ("**Australian Corporations Act**")) in relation to the Program or any Notes has been, or will be, lodged with Australian Securities and Investments Commission. Accordingly, each Dealer has represented and agreed that, unless a relevant supplement to this Base Offering Memorandum otherwise provides, it:

(a) has not made or invited, and will not make or invite, an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, the Base Offering Memorandum or any other offering material or advertisement relating to any Notes in Australia, unless:

(i) the aggregate consideration payable by each offeree is at least A$500,000 (or its equivalent in an alternative currency, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Australian Corporations Act;

(ii) the offer or invitation does not constitute an offer to a "retail client" as defined for the purposes of section 761G of the Australian Corporations Act;

(iii) such action complies with:

A. Banking (Exemption) Order N° 82 dated 23 September 1996 promulgated by the Assistant Treasurer of Australia as if it applied to the Issuer mutatis mutandis (and which requires all offers and transfers to be for a minimum principal amount of at least A$500,000); and

B. any other applicable laws, regulations or directives in Australia; and

(iv) such action does not require any document to be lodged with the Australian Securities and Investments Commission or any other regulatory authority in Australia.

Notice to Prospective Investors in Hong Kong

Each Dealer has represented and agreed that:

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

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Notice to Prospective Investors in Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law n° 25 of 1948, as amended, the "FIEL") and each of the Dealers has agreed that it will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law n° 228 of 1949, as amended), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice to Prospective Investors in Singapore

This Base Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Base Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289

of Singapore (the "**SFA**"), (ii) to a relevant person under Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) 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 accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust will not be transferable for 6 months after that corporation or that trust has acquired the notes under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person under Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; (3) by operation of law; or (4) pursuant to Section 276(7) of the SFA.

TRANSFER RESTRICTIONS

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

The Notes are subject to restrictions on transfer as summarized below. By purchasing Notes, you will be deemed to have made the following acknowledgements, representations to and agreements with the Issuer and the Dealers:

1. You acknowledge that:

   - the Rule 144A Notes and Regulation S Notes have not been registered under the Securities Act or any other securities laws and are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws; and

   - unless so registered, the Notes may not be offered, sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and, if applicable, in compliance with the conditions for transfer set forth in paragraph (4) below.

2. You represent that:

   - if you are purchasing the Rule 144A Notes, you are a QIB and are purchasing such Notes for your own account or for the account of another QIB, and you are aware that the Dealers are selling such Notes to you in reliance on Rule 144A; or

   - if you are purchasing the Regulation S Notes, you are not a U.S. person (as defined in Regulation S) and are purchasing such Notes in an offshore transaction in accordance with Regulation S.

3. You acknowledge that neither the Issuer nor the Dealers nor any person representing the Issuer or the Dealers has made any representation to you with respect to the Issuer or the offering of the Notes, other than the information contained or incorporated by reference in this Base Offering Memorandum and any applicable Pricing Term Sheet. You agree that you have had access to such financial and other information concerning the Issuer and the Notes as you have deemed necessary in connection with your decision to purchase Notes, including an opportunity to ask the Issuer questions and request information.

4. You represent that, on each day from and including the date on which you acquire the offered Note through and including the date on which you dispose of your interest in such offered Note either (a) you are neither (i) an employee benefit plan that is subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), a plan that is not subject to ERISA but to which section 4975 of the Internal Revenue Code of 1986, as amended (the "**Code**") applies, such as an individual retirement account, or an entity whose underlying assets are deemed to include the assets of any plans by reason of U.S. Department of Labor Regulation Section 2510.3-101, as modified by Section 3(42) of ERISA, or otherwise (each, a "**Plan**") nor (ii) a governmental plan (as defined in Section 3(32) of ERISA), non-electing church plan (as defined in Section 3(33) of ERISA) or non-U.S. plan (as described in Section 4(b)(4) of ERISA) (each, a "Non-ERISA Arrangement") subject to local, state, federal or non-U.S. laws that are substantially similar to the foregoing provisions of ERISA and the Code ("**Similar Laws**") and you are not purchasing or holding the Notes on behalf of or with "plan assets" of any Plan or Non-ERISA Arrangement or (b) such purchase, holding and disposition of the Notes does not constitute and will not result in a prohibited transaction

under section 406 of ERISA or section 4975 of the Code (or in the case of a Non-ERISA Arrangement, a violation of any Similar Laws) unless an exemption is available with respect to such transactions and all the conditions of such exemption have been satisfied.

5. If you are a purchaser of Rule 144A Notes pursuant to Rule 144A, you acknowledge and agree that such Notes may be offered, sold or otherwise transferred, if prior to the date on which the Issuer determines that the legend to this effect shall be deemed removed from the corresponding 144A global note, only:

A) to the Issuer or any of its affiliates;

B) pursuant to an effective registration statement under the Securities Act (the Issuer having no obligation to effect any such registration),

C) to a QIB in compliance with Rule 144A;

D) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S; or

E) pursuant to any other available exemption from registration requirements of the Securities Act;

provided that as a condition to registration of transfer of such Notes, the Issuer or the fiscal agent may require delivery of any documents or other evidence that the Issuer or the fiscal agent each, in their discretion, deem necessary or appropriate to evidence compliance with one of the exemptions referred to above, and, in each case, in accordance with the applicable securities laws of the states of the United States and other jurisdictions.

You also acknowledge that each global certificate in respect of Rule 144A Notes will contain a legend substantially to the following effect:

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

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

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

(2) REPRESENTS THAT EITHER (A) IT IS NEITHER (I) AN EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), A PLAN THAT IS NOT SUBJECT TO ERISA BUT TO WHICH SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") APPLIES, SUCH AS AN INDIVIDUAL RETIREMENT ACCOUNT, OR AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE THE ASSETS OF ANY SUCH PLANS BY REASON OF U.S. DEPARTMENT OF LABOR REGULATION SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA, OR OTHERWISE (EACH, A "PLAN") NOR (II) A GOVERNMENTAL PLAN (AS DEFINED IN SECTION 3(32) OF ERISA), NON-ELECTING CHURCH PLAN (AS DEFINED IN SECTION 3(33) OF ERISA) OR NON-U.S.

PLAN (AS DESCRIBED IN SECTION 4(B)(4) OF ERISA) (EACH, A "NON-ERISA ARRANGEMENT") SUBJECT TO LOCAL, STATE, FEDERAL OR NON-U.S. LAWS THAT ARE SUBSTANTIALLY SIMILAR TO THE FOREGOING PROVISIONS OF ERISA AND THE CODE ("SIMILAR LAWS") OR (B) SUCH PURCHASE, HOLDING AND DISPOSITION OF THE NOTES DOES NOT CONSTITUTE AND WILL NOT RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR IN THE CASE OF A NON-ERISA ARRANGEMENT, A VIOLATION OF ANY SIMILAR LAWS) UNLESS AN EXEMPTION IS AVAILABLE WITH RESPECT TO SUCH TRANSACTIONS AND ALL THE CONDITIONS OF SUCH EXEMPTION HAVE BEEN SATISFIED; AND

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

A) TO THE ISSUER OR ANY AFFILIATE THEREOF;

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

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

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

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

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

6. You acknowledge that the Issuer, the Dealers and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of Notes is no longer accurate, you will promptly notify the Issuer and the Dealers. If you are purchasing any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

LEGAL MATTERS

Cleary Gottlieb Steen & Hamilton LLP, Paris, France, have acted as U.S. and French legal counsel to the Issuer in connection with the issuance of the Notes.

Linklaters LLP, Paris, France, have acted as U.S. legal counsel to the Dealers in connection with the issuance of the Notes.

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