Important Notice

THIS DOCUMENT IS NOT FOR DISTRIBUTION TO ANY PERSON OTHER THAN TO INVESTORS WHO ARE EITHER (1) QIBS (AS DEFINED BELOW) UNDER RULE 144A OR (2) PERSONS OTHER THAN U.S. PERSONS (AS DEFINED IN REGULATION S) WITH ADDRESSES OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following notice before continuing. The following notice applies to the attached base offering memorandum dated November 17, 2020 (the "**Base Offering Memorandum**"), whether received by email, accessed from an internet page or otherwise received as a result of electronic communication and you are therefore advised to read this notice carefully before reading, accessing or making any other use of the Base Offering Memorandum. In reading, accessing or making any other use of the Base Offering Memorandum, you agree to be bound by the following terms and conditions and each of the restrictions set out in the Base Offering Memorandum, including any modifications made to them from time to time, each time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES DESCRIBED IN THE BASE OFFERING MEMORANDUM IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE SECURITIES ARE BEING OFFERED AND SOLD ONLY: (1) WITHIN THE UNITED STATES OR TO A U.S. PERSON IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") ONLY TO PERSONS THAT ARE "QUALIFIED INSTITUTIONAL BUYERS" ("QIBS") (AS DEFINED IN RULE 144A), ACTING FOR THEIR OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QIB, AND (2) OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN U.S. PERSONS ("U.S. PERSONS") (AS DEFINED IN REGULATION S) IN OFFSHORE TRANSACTIONS IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S. WITHIN THE UNITED KINGDOM, THE BASE OFFERING MEMORANDUM IS DIRECTED ONLY AT PERSONS WHO (A) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "FPO"); (B) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(a) TO (d) OF THE FPO; OR (C) ARE OTHER PERSONS TO WHOM THE BASE OFFERING MEMORANDUM MAY BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS RELEVANT PERSONS). OUTSIDE OF THE UNITED KINGDOM, THE BASE OFFERING MEMORANDUM IS BEING DIRECTED ONLY AT PERSONS WHO MAY LAWFULLY RECEIVE IT. FOR A MORE COMPLETE DESCRIPTION OF RESTRICTIONS ON OFFERS AND SALES, SEE "PLAN OF DISTRIBUTION" AND "TRANSFER RESTRICTIONS" IN THE BASE OFFERING MEMORANDUM.

THE BASE OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE BASE OFFERING MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE

APPLICABLE SECURITIES LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED IN THE ATTACHED DOCUMENT. THIS DOCUMENT IS NOT INTENDED FOR DISTRIBUTION TO AND MUST NOT BE PASSED ON TO ANY RETAIL CLIENT.

Confirmation of your Representation: In order to be eligible to view the Base Offering Memorandum or make an investment decision with respect to the offered securities described therein, (1) each prospective investor in respect of the securities being offered pursuant to Rule 144A must be a QIB, (2) each prospective investor in respect of the securities being offered outside of the United States in an offshore transaction pursuant to Regulation S must be a person other than a U.S. Person and (3) each prospective investor in respect of the securities being offered in the United Kingdom must be a Relevant Person. By accepting the e-mail and accessing, reading or making any other use of the attached Base Offering Memorandum, you shall be deemed to have represented the Dealers (as defined in the Base Offering Memorandum) being the sender of the attached, that (1) in respect of the securities being offered pursuant to Rule 144A, you are (or the person you represent is) a QIB, and that the electronic mail (or e-mail) address to which, pursuant to your request, the Base Offering Memorandum has been delivered by electronic transmission is utilised by someone who is a QIB, or (2) in respect of the securities being offered outside of the United States in an offshore transaction pursuant to Regulation S, you are (or the person you represent is) a person other than a U.S. Person, and that the electronic mail (or e-mail) address to which, pursuant to your request, the Base Offering Memorandum has been delivered by electronic transmission is utilised by a person other than a U.S. Person, (3) in respect of the securities being offered in the United Kingdom, you are (or the person you represent is) a Relevant Person, and (4) you are a person to whom the Base Offering Memorandum may be delivered in accordance with the restrictions set out in the sections entitled "Plan of Distribution" and "Transfer Restrictions" in the Base Offering Memorandum.

You are reminded that the Base Offering Memorandum has been delivered to you on the basis that you are a person into whose possession the Base Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or disclose the contents of this Base Offering Memorandum to any other person. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Dealers or such affiliate on behalf of Banque Fédérative du Crédit Mutuel (the "**Issuer**") in such jurisdiction.

The Base Offering Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently, none of the Dealers, the Issuer or any person who controls any of them or is a director, officer, employee or agent of any of them nor any affiliate of any such person accepts any liability or responsibility whatsoever to the fullest extent permitted by law in respect of any difference between the Base Offering Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Dealers. You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The distribution of the Base Offering Memorandum in certain jurisdictions may be restricted bylaw. Persons into whose possession the Base Offering Memorandum comes are required by the Dealers and the Issuer to inform themselves about, and to observe, any such restrictions.

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 supplement (each a "**Pricing Supplement**") or a supplement to this Base Offering Memorandum.

The Notes may be offered in reliance on the exemption from registration provided by Rule 144A ("**Rule 144A**") under the Securities Act of 1933, as amended (the "**Securities Act**") only to qualified institutional buyers ("**QIBs**"), within the meaning of Rule 144A (the "**Rule 144A Notes**"). In addition, Notes may, if specified in the relevant Pricing Supplement, be offered outside the United States to investors that are not U.S. persons (as such term is defined in Rule 902 under the Securities Act (a "**non-U.S. person**")) pursuant to Regulation S under the Securities Act (the "**Regulation S Notes**").

The Notes may be senior preferred notes ("**Senior Preferred Notes**") or senior non-preferred notes ("**Senior Non-Preferred Notes**"). Senior Preferred Notes will constitute direct, unconditional, unsecured and senior (*chirographaires*) obligations of the Issuer and will rank senior to Senior Non-Preferred Obligations, including the Senior Non-Preferred Notes. Senior Non-Preferred Notes will constitute direct, unconditional and unsecured obligations of the Issuer and will rank junior to Senior Preferred Obligations, including the Senior Preferred Notes, and senior to all present and future subordinated obligations. The Notes are not insured by the Federal Deposit Insurance Corporation or any other governmental or deposit insurance agency.

You should read this Base Offering Memorandum and any applicable supplement or Pricing Supplement carefully before you invest in the Notes.

Investing in the Notes involves certain risks. See "Risk Factors" beginning on page 22 of this Base Offering Memorandum and page 66 of the 2019 URD Amendment, 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 a relevant Pricing Supplement (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 Supplement 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 Supplement, 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 will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants, including Euroclear SA/NV ("**Euroclear**") and Clearstream Banking, S.A., ("**Clearstream Luxembourg**"). 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. LLC**	**HSBC**	**J.P. Morgan**	**Morgan Stanley**	**Wells Fargo Securities**

Base Offering Memorandum dated November 17, 2020

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 relevant Pricing Supplement, 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 Supplement. 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 into 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 Regulation (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 relevant Pricing Supplement.

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 "Plan of Distribution" and "Transfer Restrictions."

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 subject to the periodic reporting requirements of the Exchange Act pursuant to Section 13 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).

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA OR IN THE UNITED KINGDOM

In relation to each member state of the European Economic Area (the "**EEA**") or the United Kingdom (the "**UK**") (each, a "**Relevant State**"), the Dealers have represented and agreed that they have not made and will not make an offer of Notes which are the subject of the offering contemplated by this offering memorandum to the public in that Relevant State other than offers:

(i) at any time to any legal entity which is a qualified investor as defined in the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**");

(ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the Dealers nominated by the Issuer for any such offer; or

(iii) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes shall result in a requirement for the publication by the Issuer or the Dealers of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

This Base Offering Memorandum has been prepared on the basis that any offer of Notes in any Relevant State will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer of Notes which are the subject of the offering contemplated in this Base Offering Memorandum in a Relevant State may only do so in circumstances in which no obligation arises for the Issuer or any of the Dealers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. 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 the Dealers to publish or supplement a prospectus for such offer.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 effective July 21, 2019.

This document 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 entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**relevant persons**"). The 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.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The relevant Pricing Supplement in respect of any Series of Notes may include a legend entitled "**MiFID II Product Governance**" which will outline the target market assessment in respect of the Notes of any such Series and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU, as amended ("**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to any Series of Notes about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the other Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

PRIIPs / IMPORTANT – EUROPEAN ECONOMIC AREA OR UNITED KINGDOM RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU, as amended (the "**Insurance Distribution Directive**") or (iii) a person that is not a qualified investor as defined in the Prospectus Regulation where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been or will be prepared and therefore offering and selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

CONDITIONS FOR DETERMINING PRICE

The price and amount of the Notes to be issued under the Program will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

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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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 Crédit Mutuel Alliance Fédérale publish their consolidated financial statements in euros.

The audited consolidated financial statements of the BFCM Group and the Crédit Mutuel Alliance Fédérale as at December 31, 2019 and for the year ended December 31, 2019 included in the 2019 URD (as defined herein), the audited consolidated financial statements of the BFCM Group and the Crédit Mutuel Alliance Fédérale as at December 31, 2018 for the year ended December 31, 2018 included in the 2018 Registration Document (as defined herein), and the audited consolidated financial statements of the BFCM Group and the Crédit Mutuel Alliance Fédérale as at December 31, 2017 and for the year ended December 31, 2017, included in the 2017 Registration Document (as defined herein) have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"). The unaudited consolidated interim financial statements of the BFCM Group and the Crédit Mutuel Alliance Fédérale as at June 30, 2020 and for the six months ended June 30, 2020 included in the 2019 URD Amendment (as defined herein) have been prepared in accordance with IAS 34 on interim financial reporting. The BFCM Group's and the Crédit Mutuel Alliance Fédérale's fiscal year ends on December 31. References in this Base Offering Memorandum to any specific fiscal year are to the twelve-month period ended December 31 of such year and references to any half year are to the six months ended June 30 of such year. Certain financial information regarding the BFCM Group and/or the Crédit Mutuel Alliance Fédérale 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.

In July 2014, the International Accounting Standards Board published IFRS 9 "Financial Instruments" ("**IFRS 9**"), which replaced IAS 39 as from January 1, 2018 after its adoption by the European Union. The BFCM Group and the Crédit Mutuel Alliance Fédérale applied IFRS 9 in the preparation of its financial statements beginning on the same date, and the audited consolidated financial information as of and for the year ended December 31, 2018 included or incorporated by reference herein reflects the first-time application of IFRS 9. The standard amends and complements the rules on the classification and measurement of financial instruments. It includes a new impairment model based on expected credit losses ("**ECL**"), while the previous model was based on provisions for incurred losses, and includes new rules on general hedge accounting. The audited consolidated financial information as of and for the year ended December 31, 2017 was prepared in accordance with IAS 39 and has not been restated to reflect the application of IFRS 9.

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

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 Crédit Mutuel Alliance Fédérale*" 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 Crédit Mutuel Alliance Fédérale.

"**CNCM**" means the Confédération Nationale du Crédit Mutuel, the central body which, under French law, determines certain matters relating to the governance of the 18 Crédit Mutuel federations (including 13 in the Group and five outside the Group).

"**Crédit Mutuel Alliance Fédérale**" (formerly known as Crédit Mutuel-CM11 Group) or the "**Group**" means the mutual banking group that includes the local Crédit Mutuel banks that are members of the 13 Federations that include Local Banks that are members of the Group (as described herein), and of the CF de CM, as well as the entities that are part of the BFCM Group.

"**Federation**" means each of the 13 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.

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

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 English version of the 2019 universal registration document relating to the Issuer and the Crédit Mutuel Alliance Fédérale (the "**2019 URD**"), a French version of which was dated April 27, 2020 and registered by the AMF under No. D. D.20-0360, excluding the following sections:

   a) Part 2.4.2 "Crédit Mutuel Alliance Fédérale and Banque Fédérative du Crédit Mutuel Business Report—BFCM's activities and parent company results—Management report on BFCM's annual financial statements" on pages 67-69;

   b) Part 5.2 "Risk Factors and Pillar 3—Risk Factors" on pages 195-201;

   c) Part 8 "Financial Items from the BFCM Company" on pages 489-524; and

   d) Part 10 "Additional Information" on pages 539-552 provided that Part 10.4 "Additional Information—Statutory Auditors" on page 541 and Part 10.6 "Additional Information—Glossary" on page 547 are incorporated by reference herein;

2) the English version of the first amendment to the 2019 URD (the "**2019 URD Amendment**") a French version of which was dated August 11, 2020 and registered by the AMF under No. D.20-0360-A01, excluding the following section:

   a) Part 9 "Additional Information" on pages 210-214 provided that Part 9.4 "Additional Information—Statutory Auditors" on page 211 is incorporated by reference herein;

3) the following sections of the English version of the 2018 registration document relating to the Issuer and the Crédit Mutuel Alliance Fédérale, (the "**2018 Registration Document**"), the French version of which was dated April 18, 2019 and registered by the *Autorité des marchés financiers* (the "**AMF**") under No. D.19-0359:

   a) Part 3.1 "Financial Information from Crédit Mutuel Alliance Fédérale—Presentation of the activities of profit/loss of Crédit Mutuel Alliance Fédérale" on pages 68-85;

   b) Parts 3.4 and 3.5 "Financial Information from Crédit Mutuel Alliance Fédérale—Consolidated financial statements of the Crédit Mutuel Alliance Fédérale" and "Statutory Auditors' Report on the

Consolidated financial statements of the Crédit Mutuel Alliance Fédérale" on pages 108-184;

b) Part 5 "BFCM Group's Financial Information" on pages 310-401;

4) the following sections of the English version of the 2017 registration document relating to the Issuer and the Crédit Mutuel Alliance Fédérale (the "**2017 Registration Document**"), the French version of which was dated April 20, 2018 and registered by the AMF under No. D.18-0354:

a) Parts III.4 and III.5 "Financial Information about the Crédit Mutuel CM11 Group—Crédit Mutuel CM11 Group's consolidated financial statements" and "—Statutory Auditors' Report on the consolidated financial statements of Crédit Mutuel CM11 Group" on pages 187-256; and

b) Parts V.3 and V.4 "Financial Information about the BFCM Group—BFCM Group's consolidated financial statements" and "—Statutory Auditors' Report on the consolidated financial statements of BFCM Group" on pages 386-454;

5) the English version of any future update to the 2019 URD that may be filed with the AMF; and

6) all documents published by the Issuer and stated in a supplement or Pricing Supplement 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 Supplement, or in any later-dated Document Incorporated by Reference herein, 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.

The documents incorporated by reference are available on the Issuer's website on the investor relation page under "Regulated/Financial Information" (https://www.bfcm.creditmutuel.fr/en/investor/regulated-information.html). 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 Crédit Mutuel Alliance Fédérale, including, among other things:

- Risks to the Group inherent in banking activities including credit risk, market risk, liquidity and financing risk, risks connected to insurance activities and operational risks;
- The effects of the outbreak of the novel coronavirus ("**COVID-19**"), including its effects on the world economy and financial markets;
- Risks to the Group relating to changes in French, European and global markets and the potential for deteriorating economic conditions;
- Risks arising from periods of protracted low interest rates and potential changes to interest rates when the economic environment changes which could impact the Group's profitability;
- The effects of the supervisory and regulatory regimes (including capital adequacy requirements and current and proposed statutory loss absorption and resolution mechanisms) in France, Europe and other jurisdictions in which the Group operates, which continue to evolve and may become significantly more constraining in recent years;
- Risks arising from the Group's exposure to counterparties;
- Risks relating to the fact that the Group' provisions are based on assumptions and therefore may prove to be insufficient;
- Risks posed by the specific political, macroeconomic and financial environments or specific situations in the countries in which the Group operates;
- Lower revenue generated from life insurance, brokerage, asset management and other commission- and fee-based businesses during market downturns;
- Risks to the Group's liquidity if it is unable to sell assets when needed;
- Risks arising from the Group's risk management policies and hedging strategies, which may not be effective at preventing losses;
- Legal risks posed to the Group;
- Risks from an interruption in or breach of the Group's information systems or of unforeseen events that may result in lost business and other losses;
- Risks of reputational damage to the Group;

- The impact of competition on the Group's business and operations;
- Risks to the Group's business and profitability if BFCM were to no longer maintain high credit ratings;
- The effects of the Group's organizational structure and BFCM's position in the Group;
- Risks relating to the effects of Issuer's organizational structure, including risks that BFCM may be required to contribute funds to the entities that are part of the financial solidarity mechanism that encounter financial difficulties, including some entities in which BFCM holds no ownership or financial interest; and
- Other factors described in this Base Offering Memorandum and in any document incorporated by reference.

Investors should carefully consider the section entitled "Risk Factors" beginning on page 22 of this Base Offering Memorandum and page 66 of the 2019 URD Amendment, 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 relevant Pricing Supplement. 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 Crédit Mutuel Alliance Fédérale

BFCM is a licensed French credit institution that is part of the Crédit Mutuel Alliance Fédérale, a major French mutual banking group. The Crédit Mutuel Alliance Fédérale includes two French retail banking networks (the first made up of the Local Banks in the 13 French regional federations that are part of the Group, 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 Crédit Mutuel Alliance Fédérale. First, BFCM is the central financing arm of the Crédit Mutuel Alliance Fédérale, acting as the principal issuer of debt securities in international markets. In this capacity, BFCM provides financing to Crédit Mutuel Alliance Fédérale 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 Crédit Mutuel Alliance Fédérale's businesses, other than the Crédit Mutuel retail banking network.

BFCM has its headquarters at 4, rue Frédéric-Guillaume Raiffeisen, 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 B 355 801 929.

Business of the Crédit Mutuel Alliance Fédérale

The Crédit Mutuel Alliance Fédérale is a mutual banking organization that serves approximately 26.3 million customers through 4,338 points of sale, mainly in France, as well as internationally in Germany, Spain and other countries. It includes 1,347 local mutual banks ("*caisses locales*" or "**Local Banks**") that are autonomous but cooperate through 13 regional Federations, subsidiaries such as CIC (France) and TARGOBANK (Germany and Spain), and other subsidiaries and affiliates in France and abroad.

The Crédit Mutuel Alliance Fédérale's focus is retail banking and insurance, which together represented 78% of the Crédit Mutuel Alliance Fédérale's net banking income in 2019. 76% of the Crédit Mutuel Alliance Fédérale's 2019 net banking income was generated in France.

The Crédit Mutuel Alliance Fédérale had net banking income of €14,569 million and net income (group share) of €2,832 million in 2019. As at December 31, 2019, the Crédit Mutuel Alliance Fédérale had customer deposits of €336.8 billion and outstanding customer loans of €384.5 billion, including €192 billion of French home loans. Its shareholders' equity, group share, was €43.8 billion.

In the first half of 2020, Crédit Mutuel Alliance Fédérale had net banking income of €6,858 million and net income (group share) of €768 million, representing declines of 9.0% and 47.4%, respectively, from the first half of 2019, largely as a result of the COVID-19 pandemic. As of June 30, 2020, the Crédit Mutuel Alliance Fédérale had outstanding net customer loans of €407 billion. Its shareholders' equity, group share, was €44.7 billion.

The Crédit Mutuel Alliance Fédérale operates in five principal business segments:

- **Retail Banking** (67% of 2019 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 Crédit Mutuel Alliance Fédérale'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 7.4 million customers through 1,415 Local Banks that are owned by 4.8 million shareholding members. The Local Banks in the Crédit Mutuel Alliance Fédérale operate in 13 regions of France, including important markets such as Paris, Lyon, Strasbourg and the French Riviera.

    - The CIC network, which serves more than 5.2 million customers through 1,874 branches of the CIC network in Île de France and 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 337 branches and advisory centers in 250 cities in Germany and has approximately 3.9 million customers), TARGOBANK Spain (which concentrates in home loans and operates through 88 branches in Spain's main economic zones, and has nearly 125,600 customers), and Cofidis (which is a leader in the French consumer finance market serving approximately 2 million customers across Europe, with €14.9 billion of outstanding consumer loans as at December 31, 2019).

- **Insurance** (11% of 2019 net banking income, before inter-segment eliminations). The Crédit Mutuel Alliance Fédérale'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 Crédit Mutuel Alliance Fédérale's insurance products are marketed primarily through the Crédit Mutuel Local Banks, CIC branches and Cofidis.

- **Financing and Markets** (5% of 2019 net banking income, before inter-segment eliminations). The Crédit Mutuel Alliance Fédérale'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 Crédit Mutuel Alliance Fédérale's own account. This segment also includes BFCM's activities in its capacity as the Crédit Mutuel Alliance Fédérale's central funding arm.

- **Private Banking** (4% of 2019 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** (2% of 2019 net banking income, before inter-segment eliminations). This segment, which operates under the name CM-CIC Investissement, comprises private equity activities conducted both for the Crédit Mutuel Alliance Fédérale's own account and for customers.

In addition to these five principal segments, the Crédit Mutuel Alliance Fédérale has a "Logistics and holding company" 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 Crédit Mutuel Alliance Fédérale. The principal difference between the Crédit Mutuel Alliance Fédérale 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 €10,865 million and net income (group share) of €2,282 million in 2019. Retail banking is the largest activity of the BFCM group, representing €7,449 million of net banking income in 2019. Insurance and financing and markets activities are the second and third largest business segments, representing €1,723 million and €720 million, respectively, of net banking income in 2019. At December 31, 2019, the BFCM Group had outstanding net customer loans of €250.1 billion. Its shareholders' equity, group share, was €27.8 billion.

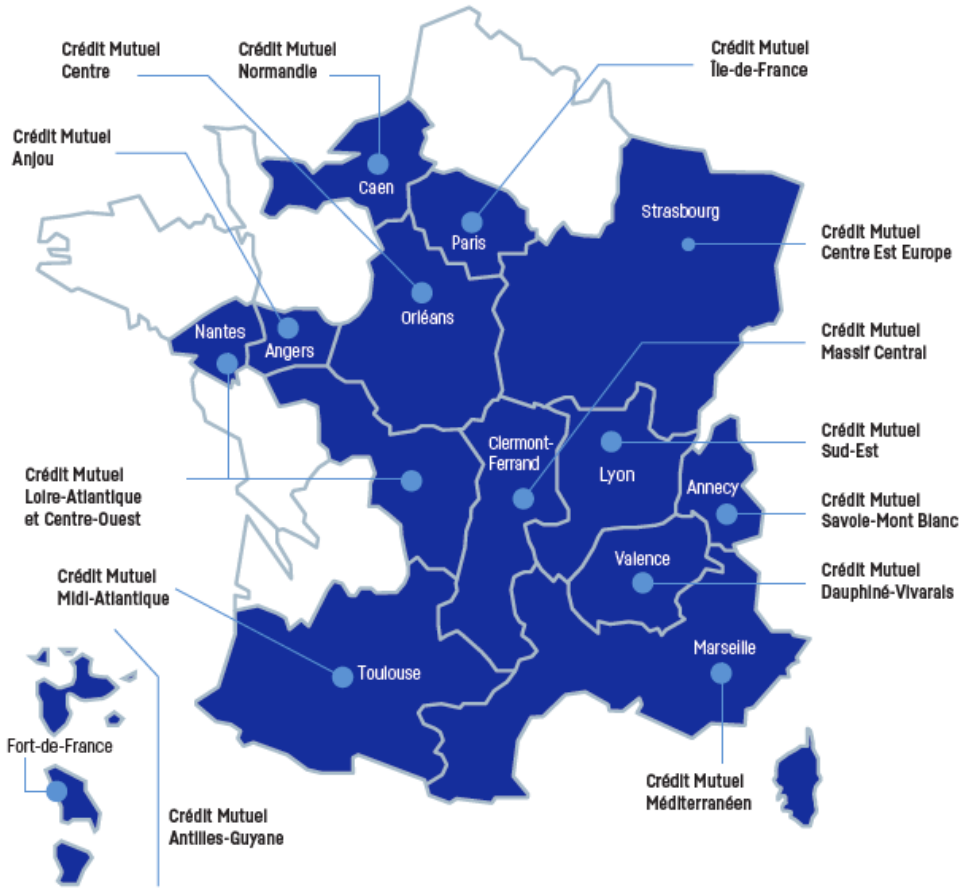
In the first half of 2020, the BFCM Group had net banking income of €4,871 million and net income (group share) of €378 million, decreases of 13.3% and 67.9%, respectively, compared to the first half of 2019, resulting primarily from the impact of the COVID-19 pandemic. Retail banking represented €3,611 million of net banking income, insurance €647 million of net banking income and corporate banking and capital markets activities €223 million of net banking income. On June 30, 2020, the BFCM Group had outstanding customer loans of €264.1 billion. Its shareholders' equity, group share, was €27.5 billion.

History and Structure of the Crédit Mutuel Alliance Fédérale

The Crédit Mutuel Alliance Fédérale 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 Crédit Mutuel Alliance Fédérale.

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 what is now the Crédit Mutuel Alliance Fédérale. Through the Crédit Mutuel Alliance Fédérale, these federations centralize their products, funding, risk management and administrative functions, as well as holding interests in affiliates in France and internationally.

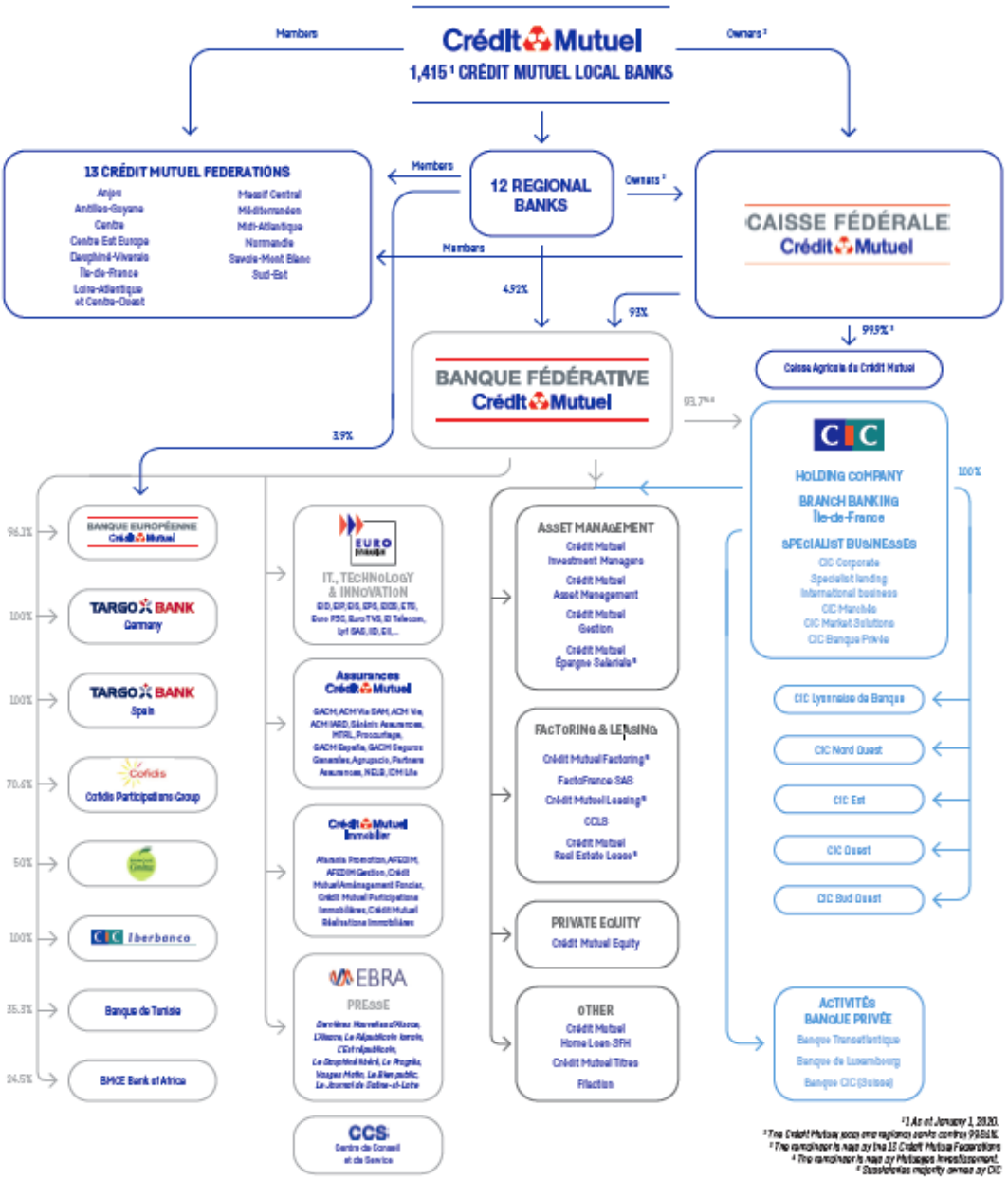
The 13 regional federations that currently form the Crédit Mutuel Alliance Fédérale include 1,415 Local Banks as members. The regional coverage of the 13 federations in the Crédit Mutuel Alliance Fédérale is illustrated by the following map:



The strategy and policies of the Crédit Mutuel Alliance Fédérale 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 indirectly by certain Local Banks). BFCM raises funds in international markets on behalf of the Crédit Mutuel Alliance Fédérale, which it on-lends to the Local Banks (through CF de CM), and also provides funding for other businesses of the Crédit Mutuel Alliance Fédérale. BFCM also holds substantially all of the Crédit Mutuel Alliance Fédérale's interests in entities other than those in the Crédit Mutuel network.

Over time, the Crédit Mutuel Alliance Fédérale has acquired interests in financial institutions with complementary activities. The most significant acquisition was Crédit Industriel et Commercial (CIC) in which BFCM held an interest of 93.7% (with 6.3% of the remainder held by Mutuelles Investissement in which BFCM in turn holds 90%) as of December 31, 2019. The CIC group operates through five regional banks that together cover all of France and also operates the Crédit Mutuel Alliance Fédérale's financing and market, private banking and private equity businesses. CIC also has four foreign branches (New York, London, Singapore and Hong Kong) and 36 representative offices around the world.

The Crédit Mutuel Alliance Fédérale has also pursued a strategy of prudent international expansion. In 2008, the Crédit Mutuel Alliance Fédérale acquired Citibank Deutschland (now TARGOBANK Germany), and in 2009, the Crédit Mutuel Alliance Fédérale acquired a controlling interest in the consumer finance group Cofidis. In 2010, the Crédit Mutuel Alliance Fédérale created a 50/50 partnership with Banco Popular Español, currently known as TARGOBANK Spain. BFCM increased its total equity stake in TARGOBANK Spain to 51.02% in March 2016 before acquiring Banco Popular Español's stake on June 2, 2017 and becoming the sole shareholder. The Crédit Mutuel Alliance Fédérale 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 Crédit Mutuel Alliance Fédérale as at the date of this Base Offering Memorandum:



There are five other regional Crédit Mutuel federations that are not part of the Crédit Mutuel Alliance Fédérale. 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. As of September 22, 2020, BFCM is part of the financial solidarity mechanism. See "*History and Structure of the Crédit Mutuel Alliance Fédérale—The Crédit Mutuel Alliance Fédérale and the Eighteen Crédit Mutuel Federations—The Financial Support Mechanism*" herein.

Strengths and Strategy

The Crédit Mutuel Alliance Fédérale is a cooperative organization 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 Crédit Mutuel Alliance Fédérale's strong identity and sound credit profile, with the image of a safe retail bank. The Crédit Mutuel Alliance Fédérale 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 personnel, material and financial perspective to continue its record of prudent growth, based on its position as a cooperative banking group focused 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 Crédit Mutuel Alliance Fédérale has become one of the leading banking groups in France, with solid positions in home loans and deposits. The Crédit Mutuel Alliance Fédérale 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 Crédit Mutuel Alliance Fédérale the leader in non-life insurance provided by banks in France. The Crédit Mutuel Alliance Fédérale 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

More than 95% of the Crédit Mutuel Alliance Fédérale's annual net profits are allocated to reserves, which serves to strengthen the Group's financial structure and to reinforce the cooperative nature of the Crédit Mutuel Alliance Fédérale. The Crédit Mutuel Alliance Fédérale'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 Crédit Mutuel Alliance Fédérale's common equity Tier 1 ratio was 17.3% as of December 31, 2019 and 17.1% as of June 30, 2020. For more detail, see Part 2.2.2.6.3 "Solvency" in the 2019 URD and the 2019 URD Amendment.

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. In the case of Senior-Non Preferred Notes, the minimum maturity will be one (1) year, 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 relevant Pricing Supplement, 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 relevant Pricing Supplement, 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 relevant Pricing Supplement, 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 SA/NV, as operator of the Euroclear System ("**Euroclear**") or Clearstream Banking, S.A., ("**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 relevant Pricing Supplement, be

entitled to receive certificates in their names evidencing their Notes and will not be considered the holder of any Notes under the Agency Agreement (as defined herein) for the Notes.

Status of the Notes ..... Notes may be either senior preferred notes ("**Senior Preferred Notes**") or senior non-preferred notes ("**Senior Non-Preferred Notes**"), as specified in the relevant Pricing Supplement.

(a) Status of Senior Preferred Notes

Senior Preferred Notes will constitute direct, unconditional, unsecured and senior (*chirographaires*) obligations of the Issuer ranking as Senior Preferred Obligations and rank and will rank equally and rateably without any preference or priority among themselves and:

i. *pari passu* with all other direct, unconditional, unsecured and senior or unsubordinated obligations of the Issuer outstanding as of the date of entry into force of the law n°2016-1691 dated December 9, 2016 (the "**Law**") on December 11, 2016;

ii. *pari passu* with all other present or future Senior Preferred Obligations of the Issuer issued after the date of entry into force of the Law on December 11, 2016;

iii. junior to all present or future obligations of the Issuer benefiting from statutorily preferred exceptions; and

iv. senior to all present or future Senior Non-Preferred Obligations of the Issuer (including any Senior Non-Preferred Notes) and any obligations ranking *pari passu* or junior to Senior Non-Preferred Obligations of the Issuer.

"**Senior Non-Preferred Obligations**" means any senior obligations (including Senior Non-Preferred Notes) of, or other senior instruments issued by, the Issuer which fall or are expressed to fall within the category of obligations described in Articles L. 613-30-3–I-4° and R. 613-28. of the French Monetary and Financial Code.

"**Senior Preferred Obligations**" means any senior obligations (including Senior Preferred Notes) of, or other senior instruments issued by, the Issuer, which fall or are expressed to fall within the category of obligations described in Article L. 613-30-3–I-3°. of the French Monetary and Financial Code.

If so specified in the relevant Pricing Supplement, the Issuer may elect to treat the Senior Preferred Notes as

eligible liabilities to meet the MREL or TLAC Requirements. However, if an MREL or TLAC Disqualification Event occurs, the Issuer's obligations with respect to, and the status of, such Notes will not be affected, but the Issuer may have the right to redeem such Senior Preferred Notes or to substitute or vary their terms so they become Qualifying Senior Preferred Notes, as described in more detail herein.

Subject to applicable law, in the event any judgment is rendered by any competent court declaring the judicial liquidation of the Issuer or if the Issuer is liquidated for any other reason, the rights of payment of the holders of Senior Preferred Notes shall be subject to the payment in full of all present or future creditors and holders of, or creditors in respect of, claims benefiting from statutory preferred exceptions ("**Statutory Preferred Creditors**") and, subject to such payment in full, the holders of Senior Preferred Notes shall be paid in priority to any present or future Senior Non-Preferred Obligations of the Issuer. In the event of incomplete payment of Statutory Preferred Creditors, the obligations of the Issuer in connection with the Senior Preferred Notes will be terminated. The holders of Senior Preferred Notes shall be responsible for taking all necessary steps for the orderly accomplishment of any such liquidation of the Issuer in relation to any claims they may have against the Issuer.

(b) Status of Senior Non-Preferred Notes

Senior Non-Preferred Notes will constitute direct, unconditional, unsecured and senior (*chirographaires*) obligations of the Issuer ranking as Senior Non-Preferred Obligations and rank and will rank equally and rateably without any preference or priority among themselves and:

i. *pari passu* with all other present or future Senior Non-Preferred Obligations of the Issuer;

ii. junior to all present or future Senior Preferred Obligations of the Issuer; and

iii. senior to all present or future subordinated obligations of the Issuer and any obligations ranking *pari passu* or junior to subordinated obligations of the Issuer.

Subject to applicable law, in the event any judgment is rendered by any competent court declaring the judicial liquidation of the Issuer or if the Issuer is liquidated for any other reason, the rights of payment of the holders of Senior Non-Preferred Notes will be subordinated to the payment in full of all present or future holders of Senior Preferred Obligations and holders of, or creditors in respect of, obligations expressed by their terms to rank in priority to

the Senior Non-Preferred Notes and of those preferred by mandatory and/or overriding provisions of law (collectively, "**Senior Preferred Creditors**") and, subject to such payment in full, the holders of Senior Non-Preferred Notes will be paid in priority to any present or future subordinated obligations of the Issuer. In the event of incomplete payment of Senior Preferred Creditors, the obligations of the Issuer in connection with the Senior Non-Preferred Notes will be terminated.

The Issuer intends to treat the Senior Non-Preferred Notes as eligible liabilities to meet the MREL or TLAC Requirements. However, if an MREL or TLAC Disqualification Event occurs, the Issuer's obligations with respect to, and the status of, such Notes will not be affected, but the Issuer may have the right to redeem such Senior Non-Preferred Notes or to substitute or vary their terms so they become Qualifying Senior Non-Preferred Notes, as described in more detail herein.

(c) Status of subordinated notes

In the event that the Issuer decides to issue subordinated notes, the terms relating to their 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 relevant Pricing Supplement. Interest on Fixed Rate Notes will be payable on the dates specified in the relevant Pricing Supplement 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 relevant Pricing Supplement.

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 Supplement (LIBOR, SOFR (based on arithmetic mean or compounding) 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 Supplement.

Interest periods will be specified in the relevant Pricing Supplement.

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 relevant Pricing Supplement.

Interest on Floating Rate Notes will be payable and will be calculated as specified, prior to issue, in the relevant Pricing Supplement. 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 relevant Pricing Supplement.

In the event of the discontinuation of any benchmark rate applicable to a Series of Floating Rate Notes, or a determination that any such benchmark rate is non-representative, an alternative rate will be determined in the manner described in the Terms and Conditions of the Notes.

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 relevant Pricing Supplement.

Redemption ..... The relevant Pricing Supplement will indicate whether the relevant Notes can be redeemed prior to their stated maturity at the option of the Issuer and/or the holders of the Notes. The Senior Preferred Notes (if specified in the relevant Pricing Supplement to be MREL or TLAC eligible) and the Senior Non-Preferred Notes (in all cases) will be redeemable at the Issuer's option upon the occurrence of an MREL or TLAC Disqualification Event, subject to certain conditions described in the Terms and Conditions of the Notes. Except as set forth in the relevant Pricing Supplement, the Notes will be redeemable at the option of the Issuer upon the occurrence of certain changes in tax law. The applicable redemption price will be par plus accrued and unpaid interest, or such other redemption price (which may include a make-whole amount) as may be specified in the relevant Pricing Supplement. Any optional redemption of Senior Preferred Notes (if specified in the

	relevant Pricing Supplement to be MREL or TLAC eligible) and of the Senior Non-Preferred Notes (in all cases) is subject to the prior written permission of the Relevant Regulator and/or the Relevant Resolution Authority, if required. "**MREL or TLAC Disqualification Event**" means that, by reason of a change in the MREL or TLAC Requirements, which change was not reasonably foreseeable by the Issuer at the Issue Date of a given Series of Notes, other than Senior Preferred Notes that are not designated as MREL or TLAC eligible in the relevant Pricing Supplement, all or part of the aggregate outstanding nominal amount of such Series of Notes is excluded fully or partially from the eligible liabilities available to meet the MREL or TLAC Requirements. For the avoidance of doubt, the exclusion of a Series of Notes from the eligible liabilities available to meet the MREL or TLAC Requirements (i) due to the remaining maturity of such Notes being less than any period prescribed thereunder and/or (ii) by reason of any quantitative limitation on the amount of liabilities that rank *pari passu* with unsubordinated liabilities that can count towards the MREL or TLAC Requirements, does not constitute an MREL or TLAC Disqualification Event.
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). Such repurchases are subject to the consent of the Relevant Regulator and/or the Relevant Resolution Authority, if required, in the case of Senior Preferred Notes that are MREL/TLAC eligible, and in the case of Senior Non-Preferred Notes.
Substitution and Variation.....	In the event that (i) a Tax Event occurs or (ii) with respect to Senior Preferred Notes specified in the relevant Pricing Supplement to be MREL or TLAC eligible and Senior Non-Preferred Notes, an MREL or TLAC Disqualification Event or an Alignment Event occurs, and in each case such event is continuing in respect of a Series of Notes, the Issuer may, in respect of any such Series of Notes, at any time having given no less than 30 nor more than 45 calendar days' notice to the holders of such Notes in accordance with Condition 12 (*Notices*), substitute all (but not some only) of such Notes or vary the terms of all (but not some only) of such Notes, without any requirement for the consent or approval of such holders, so that they become or remain Qualifying Notes. Such substitution or variation of such Series of Notes shall be subject to the Relevant Regulator having given its prior written approval to such substitution or variation if so required at such time by the Relevant Rules.

Events of Default	(a) Senior Preferred Notes Except in the case of Senior Preferred Notes specified in the relevant Pricing Supplement as being MREL or TLAC eligible, events of default in respect of Senior Preferred 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 Senior Preferred Notes, and certain bankruptcy, insolvency and similar events. If the relevant Pricing Supplement specifies that Senior Preferred Notes of a Series are MREL or TLAC eligible, there will be no events of default in respect of such Senior Preferred Notes, and holders of such Notes will not be entitled in any event to require that they be redeemed prior to their Maturity Date. Senior Preferred Notes of such Series will become immediately due and payable in the event that an order is made or an effective resolution is passed for the liquidation (*liquidation judiciaire* or *liquidation amiable*) of the Issuer or if the Issuer is liquidated for any other reason, at their principal amount together with interest accrued thereon to the date of payment without any further formality. (b) Senior Non-Preferred Notes There are no events of default in respect of Senior Non-Preferred Notes and holders of such Notes are not entitled in any event to require Senior Non-Preferred Notes to be redeemed prior to their Maturity Date. Senior Non-Preferred Notes will become immediately due and payable in the event that an order is made or an effective resolution is passed for the liquidation (*liquidation judiciaire* or *liquidation amiable*) of the Issuer or if the Issuer is liquidated for any other reason at their principal amount together with interest accrued thereon to the date of payment without any further formality.
Waiver of Set-Off.....	Unless otherwise specified in the relevant Pricing Supplement, no holder of any Note may at any time exercise or claim any Waived Set-Off Rights against any right, claim, or liability the Issuer has or may have or acquire against such holder, directly or indirectly, howsoever arising (and, for the avoidance of doubt, including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any sort or any non-contractual obligations, in each case whether or not relating to such Notes) and each such holder shall be deemed to have waived all Waived Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities.

Rating	Unless otherwise specified in the relevant Pricing Supplement, the Senior Preferred Notes issued under the program are expected to be rated Aa3 by Moody's France SAS, A by S&P Global Ratings France S.A.S. and A+ by Fitch Ratings Limited. The expected ratings for the Senior Non-Preferred Notes issued under the program will be specified in the relevant Pricing Supplement. 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 Supplement 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, except for Condition 2 (*Status of the Notes*), which will be governed by, and construed in accordance with, French law.
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 Supplement 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 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. LLC, HSBC Securities (USA) Inc., J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC and Wells Fargo Securities, 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	Citigroup Global Markets Europe AG.
Calculation Agent	Citibank, N.A., London Branch, or as otherwise specified in the relevant Pricing Supplement.
Use of Proceeds	Unless otherwise indicated in the relevant Pricing Supplement, 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 Prospective Investors in the United States of America*."
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.
Consent to Bail-In	By its acquisition of the Notes, each Noteholder acknowledges, accepts, consents and agrees to be bound by the effect of the exercise of the Bail-in Power, (as defined in Condition 16 (*Bail-In*)) by a Relevant Resolution Authority (as defined in Condition 16 (*Bail-In*)).

SUMMARY FINANCIAL DATA OF THE CRÉDIT MUTUEL ALLIANCE FÉDÉRALE

Investors should read the following summary consolidated financial data together with the historical consolidated financial statements of the Crédit Mutuel Alliance Fédérale, 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 Crédit Mutuel Alliance Fédérale as at and for the years ended December 31, 2017, 2018 and 2019, 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 PricewaterhouseCoopers France. The unaudited consolidated interim financial statements of the Crédit Mutuel Alliance Fédérale as and for the six months ended June 30, 2020 have been prepared in accordance with IAS 34 on interim financial reporting.

Selected Consolidated Balance Sheet Data of the Crédit Mutuel Alliance Fédérale

(in millions of euros)	**At December 31, 2017[(1)] (audited)**	**December 31, 2018[(1)] (audited)**	**December 31, 2019 (audited)**	**June 30, 2020 (reviewed)**
Assets				
Financial assets at fair value through profit or loss	32,742	18,590	31,907	35,100
Financial assets at fair value through shareholders' equity	--	27,182	30,459	36,679
Available-for-sale financial assets	103,164	--	--	--
Held-to-maturity financial assets	10,720	--	--	--
Loans and receivables due from credit institutions	37,609	44,168	40,825	55,429
Loans and receivables due from customers	344,942	370,886	384,535	407,001
Short-term investments in the insurance business line and reinsurers' share of technical provisions	--	122,004	129,869	126,857
Other assets	90,022	84,534	100,924	123,419
Total assets	**619,199**	**667,364**	**718,519**	**784,485**
Liabilities and Shareholders' Equity				
Financial liabilities at fair value through profit or loss	9,821	4,392	18,854	22,423
Derivatives used for hedging purposes	3,254	2,350	2,291	2,349
Due to credit institutions	43,890	53,635	36,461	47,018
Central banks	285	350	715	1
Due to customers	288,532	304,319	336,806	381,654
Debt securities	112,431	119,680	124,792	137,122
Technical reserves of insurance companies	96,423	--	--	
Provisions	3,041	3,266	3,498	3,423
Remeasurement adjustment on interest-rate risk hedged portfolios	(518)	19	(4)	21
Current tax liabilities	831	648	787	847
Deferred tax liabilities	1,273	1,031	1,295	1,114
Debt related to non-current assets held for sale	14	0	725	102
Accrued expenses and other liabilities	11,207	11,290	11,628	10,270
Liabilities related to insurance business policies	--	115,565	125,289	122,390
Subordinated debt	7,725	7,224	8,235	8,227

Shareholders' equity – minority interests.....	2,390	3,306	3,320	2,857
Shareholders' equity – Group share.....	**38,600**	**40,289**	**43,827**	**44,667**
Total liabilities	**619,199**	**667,364**	**718,519**	**784,485**

(1) The information as of December 31, 2018 and thereafter was prepared in accordance with IFRS 9 on financial instruments. Information as of December 31, 2017 was prepared in accordance with IAS 39.

Selected Income Statement Data of the Crédit Mutuel Alliance Fédérale

	Year ended December 31,			Six months ended June 30,	
(in millions of euros)	**2017[1] (audited)**	**2018[1] (audited)**	**2019 (audited)**	**2019 (reviewed)**	**2020 (reviewed)**
Net banking income	**14,009**	**14,070**	**14,569**	**7,537**	**6,858**
Gross operating income	**5,551**	**5,356**	**5,627**	**2,969**	**2,306**
Cost of risk	(871)	(904)	(1,061)	(462)	(1,046)
Operating income	**4,680**	**4,452**	**4,566**	**2,507**	**1,260**
Share of net profit/(loss) of equity consolidated companies	(334)	67	7	19	3
Net income less minority interests	**2,208**	**2,695**	**2,832**	**1,460**	**768**

(1) The information for the year ended December 31, 2018 and thereafter was prepared in accordance with IFRS 9 on financial instruments. Information for the year ended December 31, 2017 was prepared in accordance with IAS 39.

The table below sets forth information on the breakdown of net banking income by segment of the Crédit Mutuel Alliance Fédérale:

	Year ended December 31,			Six Months ended June 30,	
(in millions of euros)	**2017[1]**	**2018[1]**	**2019**	**2019**	**2020**
Retail banking	**10,031**	**10,284**	**10,537**	**5,265**	**5,191**
Insurance	**1,764**	**1,822**	**1,778**	**1,096**	**698**
Corporate banking	**382**	**395**	**383**	**188**	**185**
Capital markets	**383**	**244**	**337**	**194**	**38**
Private banking	**509**	**551**	**572**	**273**	**311**
Private equity	**259**	**278**	**265**	**176**	**71**
IT, logistics and press	**1,459[2]**	**1,712**	**1,806**	**873**	**915**

(1) The information for the year ended December 31, 2018 and thereafter was prepared in accordance with IFRS 9 on financial instruments. Information for the year ended December 31, 2017 was prepared in accordance with IAS 39.

(2) For the year ended December 31, 2017, this line item encompassed "logistics and holding company services".

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 as at and for the years ended December 31, 2017, 2018 and 2019 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 PricewaterhouseCoopers France. The unaudited consolidated interim financial statements of BFCM as and for the six months ended June 30, 2020 have been prepared in accordance with IAS 34 on interim financial reporting.

Selected Consolidated Balance Sheet Data of the BFCM Group

(in millions of euros)	**At December 31, 2017[1] (audited)**	**December 31, 2018[1] (audited)**	**December 31, 2019 (audited)**	**June 30, 2020 (reviewed)**
Assets				
Financial assets at fair value through profit or loss	31,275	18,287	31,819	35,049
Financial assets at fair value through shareholders' equity	--	27,194	30,451	36,669
Available-for-sale financial assets	92,913	--	--	--
Held-to-maturity financial assets	9,379	--	--	--
Loans and receivables due from credit institutions	50,311	57,322	51,675	56,518
Loans and receivables due from customers	224,682	244,000	250,142	264,110
Short-term investments in the insurance business line and reinsurers' share of technical provisions	--	108,740	115,200	112,713
Other assets	85,025	79,569	90,660	118,925
Total assets	**493,585**	**535,112**	**569,947**	**623,984**
Liabilities and Shareholders' Equity				
Financial liabilities at fair value through profit or loss	9,221	4,390	18,854	22,685
Derivatives used for hedging purposes	3,344	2,356	2,291	2,349
Due to credit institutions	50,586	62,197	39,919	53,289
Central banks	285	350	715	1
Due to customers	184,014	193,459	217,103	247,063
Debt securities	112,453	119,755	125,110	137,479
Technical reserves of insurance companies	84,289	--	--	--
Provisions	2,436	2,601	2,700	2,587
Remeasurement adjustment on interest-rate risk hedged portfolios	(270)	19	(4)	21
Current tax liabilities	530	373	575	587
Deferred tax liabilities	1,180	958	1,190	1,019
Debt related to non-current assets held for sale	14	0	725	0
Accrued expenses and other liabilities	9,522	8,406	8,771	8,028
Liabilities related to insurance business policies	--	102,868	111,192	108,798
Subordinated debt	8,375	7,724	8,735	8,727
Shareholders' equity – minority interests	3,412	4,364	4,269	3,854
Shareholders' equity – Group share	**24,192**	**25,290**	**27,802**	**27,499**
Total liabilities	**493,585**	**535,112**	**569,947**	**623,984**

(1) The information as of December 31, 2018 and thereafter was prepared in accordance with IFRS 9 on financial instruments. Information as of December 31, 2017 was prepared in accordance with IAS 39.

Selected Income Statement Data of the BFCM Group

(in millions of euros)	Year ended December 31,			Six months ended June 30,	
	2017[(1)] (audited)	**2018[(1)] (audited)**	**2019 (audited)**	**2019 (reviewed)**	**2020 (reviewed)**
Net banking income	**10,422**	**10,354**	**10,865**	**5,617**	**4,871**
Gross operating income	**4,443**	**4,303**	**4,639**	**2,445**	**1,701**
Cost of risk	(783)	(805)	(998)	(460)	(940)
Operating income	**3,660**	**3,498**	**3,641**	**1,985**	**761**
Share of net profit/(loss) of equity consolidated companies	(300)	130	74	37	28
Net income less minority interests	**1,549**	**2,084**	**2,282**	**1,177**	**378**

(1) The information for the year ended December 31, 2018 and thereafter was prepared in accordance with IFRS 9 on financial instruments. Information for the year ended December 31, 2017 was prepared in accordance with IAS 39.

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 Crédit Mutuel Alliance Fédérale in the Documents Incorporated by Reference in this Base Offering Memorandum (see "Documents Incorporated by Reference") and any risk factors in any relevant Pricing Supplement 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 Crédit Mutuel Alliance Fédérale, 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) and form their own opinions as to potential risks prior to making any investment decision.

The risk factors in Part 4 of the 2019 URD Amendment include quantitative information illustrating the actual or potential impact of the COVID-19 pandemic and other risk factors discussed below and therein. Investors are encouraged to review such quantitative information in connection with their consideration of an investment in the Notes.

RISKS RELATING TO THE GROUP AND ITS BUSINESS

Overview of the Risks to which the Group Is Subject

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

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

- *Credit risk* is the risk of financial loss relating to the failure of a counterparty to honor its contractual obligations. The counterparty may be a bank, a financial institution, an industrial or commercial enterprise, a government, an investment fund, or a natural person. Credit risk applies to financing and guarantee activities as well as other activities where the Group is exposed to the risk of counterparty default, such as its trading, capital markets, derivatives and settlement activities, all if which could be significantly impacted by the COVID-19 pandemic.

- *Market risk* is the risk to earnings that arises from adverse movements of market parameters, such as interest rates, bond prices, foreign exchange rates and commodity prices. Market risk arises in connection with substantially all of the activities of the Group. It includes both direct exposures to market parameters arising from activities such as trading and asset management (where commissions are largely based on the market value of managed portfolios), as well as the risk of mismatches between assets and liabilities (for example, where assets carry different interest rate bases or currencies than liabilities).

- *Liquidity and financing risk* is the risk that the Group is no longer able to meet its commitments to its creditors due to a mismatch between the terms of its assets and those of its liabilities, or where the Group is unable to sell its assets when necessary to honor its commitments to its creditors.

- *Risks connected to the Group's insurance activities* are risks to earnings resulting from mismatches between expected and incurred claims. These risks can be the result of market changes, such as increases or decreases in interest rates leading to either below value contracts or dilution of the rate of return on assets. These risks could also result from underwriting risks, which is the risk that premiums charged on insurance policies will not accurately reflect the risks underwritten. Insurance risk also includes the risk of increased redemptions or terminations which compel GACM to reimburse loan policy holders early, resulting in lost earnings.

- *Operational risk* is the risk of losses due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural occurrences. Operational risk also includes legal risk, risk of fraud, risk of business interruption, and risks associated with non-compliance with applicable regulations.

Quantitative information relating to these risks and their potential impact on the results of operations of the Group is set forth in Part 4 of the 2019 URD Amendment. Those sections also discuss the manner in which the Group seeks to manage these risks. If the risk management strategy of the Group is not effective, any of the foregoing risks could affect its business, results of operations and financial condition.

Risks Relating to the Environment in which the Group Operates

The outbreak of the novel coronavirus ("COVID-19") pandemic may negatively affect the business, operations and financial performance of the Group

In December 2019, COVID-19 emerged, and the virus has now spread internationally, with the World Health Organization declaring the outbreak a pandemic in March 2020. A number of jurisdictions in which the Group operates implemented severe restrictions on the movement of their respective populations which caused disruption to global supply chains and economic activity. The COVID-19 pandemic is now resulting, at least temporarily, in severe GDP contraction in most major economies. This may over time reduce the level of activity in certain businesses in which the Group operates. If the pandemic is protracted or re-emerges where it has receded so far, this could amplify the current negative demand and supply chain effects as well as the negative impact on global growth and global financial markets. The extent of the adverse impact of the pandemic on the global economy and markets will depend, in part, on its length and severity, and on the impact of governmental measures taken to limit the spread of the virus and its impact on the economy.

The pandemic and the exceptional measures implemented by European and national authorities have had and are likely have an impact on the Group's results of operation and financial conditions.

- In the first half of 2020, the Group recorded €1,046 million in respect of the cost of risk, which was approximately equal to the figure for all of 2019. The ratio of non-performing loans in the Group's portfolio remained approximately the same, representing 3.04% of the portfolio as of June 30, 2020 (compared to 3.07% at December 31, 2019). The rate of provisioning of the Group's portfolio may prove insufficient if the pandemic and its economic and market effects are worse than expected.

- The impact of the pandemic has also increased the Group's risk-weighted assets as a result of a deterioration in the ratings of counterparties in the Group's portfolio, particularly in sectors such as air transport, leisure activities, hotels and restaurants.

- The Group is exposed to a downturn in the real estate market from the pandemic, given that approximately 49% of its customer loans (approximately €199 billion) as of June 30, 2020 represented real estate loans, mainly in France.

- The Group has relatively high exposure to certain states, bank counterparties and groups, some of which have benefitted from government support measures such as guaranteed loans. If several of these counterparties were to experience simultaneous downgrades or defaults, this could have a significant impact on the profitability of the Group.

It is impossible to predict the severity or duration of the pandemic and its impact on French, European and global economic and market conditions, resulting in significant uncertainty. If the pandemic becomes more severe or lasts for a significant period of time, it could materially and adversely affect the results of operations and financial condition of the Group.

Difficult market and economic conditions could have a material adverse effect in the future on the operating environment for financial institutions and accordingly, on the Group's financial situation and earnings.

The Group's businesses are sensitive to changes in financial markets and more generally to economic conditions in France, Europe and the rest of the world. Economic conditions in the markets where the Group operates (whether due to the COVID-19 pandemic or to any other factors) could in particular have some or all of the following impacts:

- Adverse economic conditions could affect the business and operations of the Group's customers, resulting in an increased rate of default on loans and receivables.

- A decline in market prices of bonds, shares and commodities could impact many of the businesses of the Group, including in particular trading, corporate banking and capital markets, insurance and asset management revenues.

- Macro-economic policies adopted in response to actual or anticipated economic conditions could have unintended effects, and are likely to impact market parameters such as interest rates and foreign exchange rates, which in turn could affect the businesses of the Group that are most exposed to market risk.

- Perceived favorable economic conditions generally or in specific business sectors could result in asset price bubbles, which could in turn exacerbate the impact of corrections when conditions become less favorable.

- A major economic disruption (such as the 2008 global financial crisis, the 2011 sovereign debt crisis in Europe or the outbreak of a pandemic such as COVID-19, the magnitude and duration of which are unknown at this point) may have a material adverse impact on all of the activities of the Group, particularly if the disruption encompasses a lack of liquidity on the market.

European markets may be affected by a number of factors, including but not limited to continuing uncertainty regarding the commercial and other relationships between the United Kingdom and the European Union resulting from the United Kingdom leaving the European Union on January 31, 2020, political activism in France and social movements, particularly in light of the global economic downturn associated with the COVID-19 pandemic. Markets in the United States may be affected by trade tensions with China or by a tendency towards political stalemate, as well as uncertainty relating to the 2020 elections. Share prices could fall from their current levels, which have rebounded from the initial sharp decline resulting from the COVID-19 pandemic, and the impact could be exacerbated if the correction is particularly rapid or if broad groups of market participants withdraw assets from share-based products at the same time. Credit markets and the value of fixed income assets could be adversely affected if interest rates were to rise sharply if the European Central Bank (the "**ECB**"), the Federal Reserve Bank and other central banks begin to scale back the extraordinary support measures they put in place in response to current adverse economic conditions.

It is difficult to predict when markets will recover from the current significant economic downturn, when future economic or market downturns will occur, and which markets will be most significantly impacted. If economic or market conditions in France or elsewhere in Europe, or global markets more generally, were to deteriorate or become more volatile, the Group's operations could be disrupted, and its business, results of operations and financial condition could be adversely affected.

An economic environment characterized by sustained low interest rates could adversely affect the profitability and financial condition of the Group.

In recent years, global markets have been characterized by low interest rates, which is expected to continue due to measures put in place by the ECB in response to the current crisis caused by the COVID-19 pandemic. During periods of low interest rates, interest rate spreads tend to tighten and the Group may be unable to lower its funding costs sufficiently to offset reduced income from lending at such rates. The Group's efforts to reduce its cost of deposits may be restricted by the prevalence of regulated savings products (such as *livret Bleu/livret A* passbook savings accounts and home savings plans) with interest rates set above current market levels. In addition, the issuance of new loans at low prevailing market interest rates could result in an overall decrease in the average interest rate of the Group's portfolio of loans, and therefore in its interest income, which could negatively impact the profitability of the Group's retail banking activities and its overall financial position. Furthermore, if market interest rates were to rise in the future, a portfolio featuring significant amounts of lower interest rate loans as a result of an extended period of low interest rates would be expected to decline in value. If the Group's hedging strategies are ineffective or provide only a partial hedge against such a change in value, the Group could incur losses. An environment of persistently low interest rates can also have the effect of flattening the yield curve in the market more generally, which could reduce the premiums generated by the Group from its funding activities and negatively affect its profitability and financial condition. A flattening yield curve can also influence financial institutions to engage in riskier activities in an effort to earn the desired level of returns, which can increase overall market risk and volatility.

The end of a period of prolonged low interest rates, in particular due to tightening monetary policy, also carries risks. Any sharper or more rapid than expected tightening could have a negative impact on economic conditions. On the lending side, it could in particular cause stress in the Group's loan and bond portfolios, possibly leading to an increase in non-performing exposures and defaults. In addition, the ending of accommodative monetary policies may lead to severe corrections in certain markets or asset classes (e.g., non-investment grade corporate and sovereign borrowers, certain sectors of equities and real estate) that particularly benefitted from the prolonged low interest rate and high liquidity environment, and such corrections could potentially be contagious to financial markets generally, including through substantially increased volatility.

Legislative action and regulatory measures in the banking and financial sector have impacted and may continue to impact the Group and the financial and economic environments in which it operates.

Numerous laws and regulations have been enacted or put forward in recent years with a view to introducing a number of changes, some permanent, in the global financial system. These measures, aimed at preventing a recurrence of a global financial recession, have changed significantly—and may continue to change—the environment in which the Group and other financial institutions operate. The Group is exposed to risk related to these legislative and regulatory changes. The measures that have been or may be adopted include more stringent capital and liquidity requirements, taxes on financial transactions, limits or taxes on employee compensation over specified levels, limits on the types of activities that commercial banks can undertake (particularly proprietary trading and investment and ownership of interests in private equity funds and hedge funds) or new ring-fencing requirements relating to certain activities, restrictions on certain types of financial activities or products such as derivatives, a "bail-in" procedure (the mandatory write-down or conversion into equity of certain debt instruments in the event of resolution), enhanced recovery and resolution regimes, periodic stress tests

and the creation of new regulatory bodies or the strengthening of the powers of existing bodies. Additional emergency measures have also been adopted in response to the crisis caused by the COVID-19 pandemic, which may have a long term impact on the Group.

In this changing legislative and regulatory environment, it is impossible to predict the impact these new measures will have on the Group. The Group is incurring, and could incur in the future, significant costs to update or develop programs to comply with these new legislative and regulatory measures. Despite its efforts, the Group may also be unable to fully comply with all applicable legislation and regulations and could therefore be subject to financial or administrative penalties. Furthermore, the new legislative and regulatory measures may require the Group to adapt its businesses, which could affect its results and financial position. Lastly, the new regulations may increase the Group' overall funding costs or require it to raise new capital.

The Group is subject to significant regulation in each of the countries in which it operates; regulatory actions could adversely affect the Group's business and results.

A variety of regulatory and supervisory regimes apply to the Group and its subsidiaries in France and in each of the other countries in which it operates. In addition to reputational damage and the possibility of civil claims being brought against the Group, non-compliance with these regulations, including with respect to anti-money laundering requirements, could lead to significant intervention by regulatory authorities, fines, public reprimand, enforced suspension of operations or, in extreme cases, withdrawal of authorizations to operate. The financial services industry has come under increased scrutiny from a variety of regulators in recent years, with increases in the penalties and fines sought by regulatory authorities, a trend that may accelerate in the current financial environment.

The businesses and earnings of the Group might be materially adversely affected by the policies and actions of various regulatory authorities of France, other European Union countries or foreign governments and international organizations. Such constraints could limit the ability of Group entities to expand their businesses or to pursue certain activities. The nature and impact of future changes in such policies and regulatory actions are unpredictable and beyond the Group's control. Such changes could include, but are not limited to, the following:

- monetary, interest rate and other policies of central banks and regulators;
- general changes in government or regulatory policy liable to significantly influence investor decisions, in particular in the markets in which the Group operates;
- general changes in regulatory requirements, including prudential rules relating to the regulatory capital adequacy framework and the recovery and resolution regime;
- changes in rules and procedures relating to internal controls;
- changes in financial reporting rules;
- expropriation, nationalization, price controls, exchange controls, confiscation of assets and changes in legislation relating to foreign ownership; and
- any other adverse change of law that may affect demand for the products and services offered by the Group.

The Group's activities are highly concentrated in France, exposing the Group to risks linked to a potential downturn in French economic conditions.

The French market represents the largest share of the Group's net banking income and assets. In 2019, France accounted for approximately 76% of the Group's net banking income, and approximately 82% of its customer credit risk originated in France at the end of 2019.

Because of the concentration of the Group's business in France, a significant deterioration in French economic conditions would have a greater impact on the Group's results and financial condition than would be the case for a group with more internationally diversified activities. An economic downturn in France could impact the credit quality of the Group's individual and business customers, make it more difficult for the Group to identify customers for new business that meet its credit criteria, and affect fee income by reducing life insurance policy sales, assets under management or brokerage activities. In addition, if housing prices in France were to be significantly affected by adverse economic conditions, such as the crisis caused by the COVID-19 pandemic, the Group's home loan activities and portfolio (which represented nearly half of the Group's total portfolio of customer loans as of December 31, 2019) could be significantly and adversely affected.

Credit Risks

A substantial increase in net charges for loan losses could adversely affect the Group's results and financial position.

In the context of its lending activities, the Group records charges for actual or anticipated loan losses in its income statement under cost of risk. The Group's overall level of these charges is based upon its assessment of exposure at default, based on factors such as, the volume and type of lending, industry standards, past due loans, economic conditions and other factors reflecting the recovery rates for the various loans.

Although the Group seeks to establish an appropriate level of charges for cost of risk, its lending businesses may have to increase their charges for loan losses in the future as a result of increases in non-performing assets or for other reasons, such as deteriorating market conditions, giving rise to an increase in actual or anticipated counterparty defaults and bankruptcies, or factors affecting specific sectors or countries. Any significant increase in charges for loan losses in given sectors or a significant change in the Group's estimate of the risk of loss inherent in its portfolio of non-impaired loans, or any change in IFRS, as well as the occurrence of actual loan losses in excess of the charges for anticipated losses, could have an adverse effect on the Group's earnings and financial position.

A deterioration in the quality of corporate debt obligations could adversely impact the Group's results of operations.

The credit quality of corporate issuers could experience a deterioration, primarily from increased economic uncertainty and, in certain sectors, the risks associated with trade policies of major economic powers. Certain global events, such as the ongoing COVID-19 pandemic or the exit of the United Kingdom from the European Union, can also affect macroeconomic factors and impact the credit quality of borrowers. The risks could be exacerbated by the practice by which lending institutions have, in recent years, reduced the level of covenant protection in their loan documentation, making it more difficult for lenders to intervene at an early stage to protect assets and limit risk of non-payment. If the current trends toward deterioration in credit quality continue, the Group may be required to record asset impairment charges or to mark down the value of its corporate debt portfolio, which would in turn impact the Group's profitability and financial condition.

Uncertainty in the financial strength and conduct of other financial institutions and market participants could adversely affect the Group.

The Group's ability to engage in funding, investment and derivative transactions could be adversely affected by uncertainty in the strength of other financial institutions or market participants. Financial institutions are closely interrelated as a result of their trading, clearing, counterparty, funding or other activities. As a result, default by, or even rumors or questions about the solvency of, one or more financial services institutions, or a loss of confidence in the financial services industry generally, may lead to market-wide liquidity problems and could lead to further losses or defaults. The Group has direct or indirect exposure to many counterparties in the financial sector, including brokers and dealers, commercial banks, investment banks, collective investment funds and hedge funds, and other institutional clients with which it regularly executes transactions. Many of these transactions expose the Group to credit risk in the event of default. In addition, this risk could be exacerbated if the collateral the Group holds cannot be liquidated or is liquidated at prices that are not sufficient to cover the full amount of the loan or derivative exposure.

The Group may be vulnerable to specific political, macroeconomic and financial environments or specific situations in the countries where it operates.

The Group is subject to the risk that economic, financial, political or social conditions in a foreign country where it operates will affect the Group's financial interests. The Group's country risk measurement and monitoring system is based on a proprietary scoring method. The internal score assigned to countries is based on the structural solidity of their economies, their repayment capacity, governance and political stability.

While the Group's relatively limited international activities reduce its exposure to country risk compared to financial institutions that are more active internationally, the Group nonetheless has substantial business activities and affiliates in Germany, Spain, Italy and North Africa that could expose it to risks. The Group monitors country risk and takes it into account in the provisions recorded in its financial statements. However, a significant change in a country's political or macroeconomic environments may require the Group to record additional provisions or lead it to incur losses in amounts that exceed the current provisions.

Future events may be different from those reflected in the management assumptions and estimates used in the preparation of the Group's financial statements, which may cause unexpected losses in the future.

Pursuant to IFRS rules and interpretations in effect at the date of this Base Offering Memorandum, the Group is required to use certain estimates in preparing its financial statements, including accounting estimates to determine loan loss charges, provisions for future litigation, and the fair value of certain assets and liabilities, among other items. Should the Group's estimates prove substantially inaccurate, or if the methods by which such values were determined are revised in future IFRS rules or interpretations, the Group may experience unexpected losses.

Liquidity and Financing Risks

Market downturns may lead to lower revenues from life insurance, brokerage, asset management and other commission- and fee-based businesses.

A market slowdown would lead to a decline in transaction volumes and slower growth of asset management, life insurance and similar products. These transactions and products generate fee and commission income for the Group, which could therefore be adversely affected in the event of a slowdown in these areas. In addition, because the fees that the Group charges for the management of its customers' portfolios are in many cases based on the value or performance of those portfolios, a market downturn would reduce the value of the managed portfolios, and accordingly, the revenues

generated by the Group's asset management and private banking businesses. Future downturns could therefore have negative effects on the Group's results and financial position.

Even in the absence of a market downturn, any underperformance by the Group's mutual funds and life insurance products may result in increased withdrawals and reduced inflows, which would reduce the revenues the Group receives from its asset management and insurance businesses.

Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and possibly leading to material losses.

In some of the Group's businesses, prolonged market movements, particularly price falls, may reduce activity in the market or reduce its liquidity. These developments can lead to material losses if the Group cannot close out deteriorating positions in a timely way. This may be the case in particular for assets that the Group holds for which there are not very liquid markets to begin with. Assets that are not traded on stock exchanges or other public markets, such as derivatives contracts between banks, may have values that the Group calculates using internal models rather than market prices. Monitoring the deterioration in the price of assets like these is difficult and could lead to losses that the Group did not anticipate.

For investment purposes, the Group takes positions in the debt, foreign exchange and equity markets as well as in unlisted equities, real-estate assets and other types of assets. Price volatility, i.e. the breadth of price swings over a given period or in a given market, independently of the level of the market, could have a negative impact on these positions. If the volatility proves to be lower or higher than expected by the Group, this could result in losses on many other products used by the Group, such as derivatives.

Despite the risk management policies, procedures and methods implemented, the Group may be exposed to unidentified or unforeseen risks that could lead to material losses.

The Group has devoted significant resources to developing its risk management policies and corresponding risk assessment techniques, procedures and methods, and intends to continue to do so in the future. Nonetheless, the Group's risk management techniques and strategies may not be fully effective in limiting its risk exposure in all economic market environments or against all types of risk, including risks that the Group fails to identify or foresee.

Some of the Group's qualitative tools and metrics for managing risk are based on the use of observed historical market behavior. The Group then analyses the observed data, using statistical methods, to quantify its risk exposure. The Group uses complex and subjective analysis based on projected economic conditions and their impact on borrowers' capacity to repay and the value of the assets to measure the losses linked to credit risk exposure and to assess the value of certain assets. During periods of market turbulence, such analysis could result in inaccurate estimates and call into question the reliability of these evaluation procedures.

These tools and metrics may incorrectly predict future risk exposures. These risk exposures could, for example, arise from factors the Group did not anticipate or correctly evaluate in its statistical models. This would limit the Group's ability to manage its risks and could affect its results.

Like all financial institutions, the Group is subject to the risk of non-compliance with its risk management policies and procedures, either through human error or malicious intent. In recent years, several financial institutions have suffered significant losses from unauthorized market activities conducted by employees. While the Group makes every effort to monitor compliance with its risk management policies and procedures, it is impossible to be certain that its monitoring will be effective in avoiding losses from unauthorized activities.

The Group's hedging strategies do not rule out the risk of loss.

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

Changes in the fair value of the Group's securities and derivatives portfolios and its own debt could have an impact its net income and shareholders' equity.

The carrying values of the Group's securities and derivatives portfolios and certain other assets, as well as its own debt in the Group's balance sheet, are adjusted as of each financial statement date. Most of the adjustments are made on the basis of changes in fair value of the assets or liabilities during an accounting period, with the changes recorded either in the income statement or directly in shareholders' equity. Changes that are recorded in the income statement, to the extent not offset by opposite changes in the fair value of other assets, affect net banking income and, as a result, net income. All fair value adjustments affect shareholders' equity and, as a result, the Group's capital adequacy ratios. More generally, fair value adjustments may be required as a result of inherent uncertainty in the models and parameters used in the valuation the Group's securities and derivatives portfolios. This is particularly true where securities or derivatives are complex or do not have publicly quoted market prices, and valuation is based on internally-generated or otherwise non-standard modeling that ultimately relies to some degree on the Group's estimates and judgments.

Risks Related to the Group's Insurance Activities

A deterioration in market conditions, in particular excessive interest rate increases could have a material adverse impact on the Group's insurance business and net income

The Group's insurance segment, conducted primarily by GACM, is exposed to risks connected to the market, in particular capital guarantee and return commitments on euro-denominated investment products and real estate risks. If there were to be a sudden increase in interest rates, GACM's rate for its euro contracts could become below market (which would make other investments seem more attractive) and would result in increased redemptions on unfavorable terms, potentially requiring GACM to sell bonds underlying those contracts at unfavorable prices. Conversely, persistently low rates could dilute the rate of return on certain assets held by GACM below the minimum guaranteed rate payable by GACM on its euro contracts, resulting in lower profitability. Additionally, a crash in the equity or real estate market would lead to an impairment of assets held by GACM, requiring the recognition of losses, which would only be partially offset by obligations under unit-linked contracts.

Claims experienced by GACM could be inconsistent with the assumptions used in underwriting such insurance activities

GACM's activities are exposed to underwriting risk, which results from a mismatch between (i) claims actually recorded and benefits actually paid as compensation for these claims and (ii) the assumptions used by GACM to set the prices for its insurance products and to establish technical reserves for potential claims. GACM uses both its own empirical analysis and industry data to develop its products and estimate future policy benefits, including information used in pricing the insurance products and establishing the related actuarial liabilities. However, there can be no

assurance that actual experience will match these estimates, and unanticipated risks such as pandemic diseases or natural disasters could result in higher than expected payments to policyholders. To the extent that the actual benefits paid by GACM to policyholders are higher than the underlying assumptions used in initially establishing the future policy benefit reserves, or if events or trends were to cause the Group to change the underlying assumptions, the Group may be exposed to greater-than expected liabilities, which may adversely affect the results of operations for its pension, loan insurance, retirement and non-life and health insurance activities.

Operational Risks and Related Risks

The legal risks to which the Group is exposed could have an adverse effect on its financial position and results.

The Group and certain of its employees could be involved in various lawsuits, including civil, administrative and criminal proceedings. The large majority of these proceedings come within the scope of the Group's ordinary activities. Lawsuits increase the risk of loss or damage to the Group's reputation. Such proceedings or regulatory enforcement measures could also give rise to civil or criminal penalties, which would undermine the Group's activity, financial position and operating income. It is inherently difficult to predict the outcome of lawsuits, regulatory proceedings and orders involving Group entities.

When preparing its financial statements, the Group estimates the consequences of litigations and claims in which it is involved and recognizes a provision when the losses associated with such proceedings are likely and can be reasonably estimated. If such estimates prove to be inaccurate or the provisions recognized by the Group prove to be insufficient to cover the risks arising from such proceedings, it could have an adverse material effect on the Group's financial position and results.

An interruption in or breach of the Group's information systems may result in lost business and other losses.

Like most other banks, the Group relies heavily on communications and information systems to conduct its business. Any failure, interruption or breach in security of these systems could result in failures or interruptions in the Group's customer relationship management, general ledger, deposit, servicing and/or loan organization systems. If the Group's information systems were to fail, even for a short period of time, it would be unable to serve some customers' needs in a timely manner and could lose their business. Likewise, a temporary shutdown of the Group's information systems, even though it has back-up recovery systems and contingency plans, could result in considerable costs for information retrieval and verification. The Group cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. Any such failure or interruption could have a material adverse effect on the Group's financial position and results.

The Group is also exposed to the risk of operational interruption or breakdown of one of its providers of clearing, currency market, clearing house, custodian services, or other financial intermediaries or outside service providers it uses to undertake or facilitate transactions on securities. Insofar as interconnectivity increases with its service providers, the Group can be increasingly exposed to the risk of operational failure of its providers' information systems. The Group cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed.

Attacks on the Group's IT systems may have a negative effect on the proper functioning of banking services and the protection of the Group's customers.

Like other organizations, the Group's IT systems are the target of an increasing number of attacks. Corporate information systems are exposed to complicated and constantly developing new

threats that have the potential to significantly impact all companies and, more specifically, those in the banking sector, both financially and reputationally. The Group has prioritized the resilience of its technical infrastructure, the continuity of services to customers, and the security of data exchanges, both in terms of anticipating, and its ability to react to, threats. These actions may not, however, be enough to fully protect the Group, its employees, its partners or its customers, given the changing nature and sophistication of cyberattacks. Despite the Group's efforts, such attacks could disrupt customer services or lead to losses, theft or the disclosure of confidential data, and the infiltration of the Group's IT security systems could cause interruptions in business activity, information recovery and verification costs and reputational damage. Such consequences could have an adverse effect on the Group's business activities, operating income and financial position.

Reputational risk could have a negative impact on the Group's profitability and business outlook.

Various issues may give rise to reputational risk and damage the Group and its business prospects. These issues include inappropriately dealing with potential conflicts of interest, legal and regulatory requirements, competition issues, ethical issues, money laundering laws, information security policies and sales and trading practices. The Group's reputation could also be damaged by an employee's misconduct, or fraud or embezzlement by financial intermediaries to which the Group is exposed, any downward revision, restatement or correction of its reported results or any legal or regulatory proceeding whose outcome may be negative. Any damage to the Group's reputation might lead to a loss of business that could impact its earnings and financial position. Failure to address these issues adequately could also give rise to additional legal risk, which might increase the number of litigation claims and the amount of damages asserted against Group entities, or subject Group entities to regulatory sanctions.

The Group's activities may be interrupted as a result of government imposed shutdowns

The COVID-19 pandemic and the prolonged confinement imposed by the various governments in the countries in which the Group operates led to the restriction of access for both customers and employees to the Group's sales outlets and central services. This prolonged confinement caused a decrease in the Group's activity. With a potential resurgence of the virus in the regions in which the Group operates, new constraints on the continuation of activities cannot be ruled out and could result in further decrease in the Group's earnings.

Other Risks Relating to the Group's Activities

The Group faces significant competition.

The Group faces intense competition in all of its main businesses in the markets in which it operates or in which it may decide to operate. The French and European financial services markets are relatively mature, and demand for financial services is, to some extent, linked to overall economic development. Competition in this environment is based on many factors, particularly the products and services offered, pricing, distribution systems, customer service, brand recognition, perceived financial strength and the willingness to use capital to serve client needs. Some of the Group's competitors in France are larger and have greater resources than the Group, and they may have a stronger name in some areas of France. The Group's international subsidiaries also face significant competition from banks and financial institutions that have their head offices in the countries where they operate, as well as other international financial institutions that are active in those countries. If the Group is unable to respond to the competitive environment in France or in its other markets with attractive and profitable product and service offerings, it may lose market share in important areas of its business or incur losses on some or all of its activities. In addition, downturns in the global economy or in the economies of the Group's major markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for the Group and its competitors. New, competitive companies that are subject to separate or more flexible regulations, or

to different prudential ratios, could also enter the market. These new market players may be able to offer a more competitive range of products and services.

Technological advances and the growth of digital commerce have enabled non-banking institutions to offer products and services that were traditionally banking products, and have allowed financial institutions and other companies to offer electronic and internet-based financial solutions, including electronic securities trading. These new entrants could apply downward pressure on the prices of the Group's products and services or affect the Group's market share. Furthermore, new payment systems and new currencies, such as bitcoin, and new technologies that facilitate transaction processing, such as blockchain, have become increasingly commonplace. The effect of the emergence of these new technologies, which are subject to little regulation compared to the Group, is difficult to predict, but their increased use could reduce the Group's market share or divert amounts that would otherwise have been invested in portfolios managed by more established financial institutions such as the Group.

BFCM must maintain high credit ratings, or the Group's business and profitability could be adversely affected.

Credit ratings are important to BFCM's liquidity and funding costs, and therefore to those of the Group. A rating downgrade could have a negative impact on the Group's liquidity and competitive position, increase borrowing costs, limit access to the capital markets or trigger obligations under certain bilateral provisions in some derivatives contracts of the Group's financing and market segment (CM-CIC Marchés). It could also mean the Group could be forced to provide additional margin for certain market transactions (over-the-counter derivatives, securities transactions, etc.).

The risk of a downgrade of France's sovereign debt credit rating also exposes the entire economy to adverse repercussions. In the first half of 2020, Fitch Ratings revised France's sovereign debt credit rating from AA stable to AA negative, citing the worsening economic conditions caused by the COVID-19 pandemic. Any future, further downgrade of France's sovereign debt credit rating would likely cause BFCM's rating to drop, which could negatively impact the Group's financing conditions.

The cost of BFCM's long-term unsecured funding is directly related to its credit spread (the difference in the interest paid on its bonds and that paid on government bonds with the same maturity), which in turn depends in large part on its credit rating. Increases in credit spreads can significantly increase BFCM's cost of funding. Changes in credit spreads are continuous, market-driven, and subject at times to unpredictable and highly volatile movements. Credit spreads are also influenced by market perception of the issuer's solvency. Credit spreads may also be influenced by movements in the cost to purchasers of credit default swaps referenced to BFCM's bonds, which is influenced both by the credit quality of those bonds, and by a number of market factors that are beyond the control of BFCM and the Group.

Unforeseen events could interrupt the Group's operations and cause substantial losses and additional costs.

Unforeseen events such as severe natural disasters, pandemics (including the COVID-19 pandemic), terrorist attacks or other states of emergency could lead to an abrupt interruption of operations of entities in the Group, and, to the extent not partially or entirely covered by insurance, may cause substantial losses. Such losses can relate to property, financial assets, trading positions and key employees. Such unforeseen events may also disrupt the Group's infrastructure, or that of third parties with which it conducts business, and lead to additional costs (such as employee relocation costs) and push up existing costs (such as insurance premiums). Such events may also make insurance cover for certain risks unavailable and thus increase the Group's global risk.

The Group may not realize the objectives of its strategic plan 2019-2023

On November 13, 2018, the Group presented its strategic plan for 2019-2013 known as ensemble#nouveaumonde (the "**Strategic Plan**"). The Strategic plan is based on three pillars (i) customer relations, (ii) employee engagement and (iii) technological innovation.

The Strategic Plan also includes financial targets, including a target for annual growth in net banking income. Achieving this annual growth in net banking income will depend on the rise in interest rates and our ability to control our costs. If the Group does not realize the targets of the Strategic Plan, its financial condition and results of operations could be adversely affected.

RISKS RELATING TO THE ISSUER'S ORGANIZATIONAL STRUCTURE

BFCM does not hold any ownership or financial interest in the Local Banks.

BFCM does not own any interest in the Local Banks, nor does it share in the profits and losses of the Local Banks. Its economic interest in the results of the Local Banks' operations is limited to the financing it provides in its capacity as the Group's funding arm. Moreover, BFCM has no voting rights or other rights to influence the management, strategy or policies of the Local Banks.

The Local Banks control BFCM and their interests may differ from those of investors in the securities issued by BFCM.

Almost all BFCM shares are directly or indirectly owned by the Local Banks, including 93% through the Caisse Féderale de Crédit Mutuel (CF de CM). As a result, CF de CM and the Local Banks have the power to control the outcome of all votes at meetings of BFCM's shareholders, including votes on decisions such as the appointment or approval of members of its board of directors and the distribution of dividends. While maintaining BFCM's reputation as a leading issuer is of major importance for the Group, some decisions taken by BFCM Shareholders' Meetings could be contrary to the interests of BFCM bondholders.

Certain local banks conduct business under the Crédit Mutuel name but belong to federations that are not part of the Group

Of the 18 Crédit Mutuel federations operating in France, only 13 federations comprise the Group. The banks of five other federations use Crédit Mutuel's name and logo, and they and their non-mutual subsidiaries hold themselves out as part of Crédit Mutuel. If one or more of the Crédit Mutuel federations that are outside the Group were to experience difficulties, such as a business downturn, a deterioration in asset quality or a rating downgrade, it is possible that the market would fail to understand that the federation in difficulty is not part of the Group. In such event, difficulties experienced by a federation outside of the Group could adversely affect the reputation of the Group and/or have an impact on the Group's financial position and earnings

Certain aspects of the Group's governance are subject to the decisions taken by the Confédération Nationale du Crédit Mutuel

Under French law, certain matters relating to the governance of the 18 Crédit Mutuel federations (including 13 in the Group and five outside the Group) are determined by a central body known as the *Confédération Nationale du Crédit Mutuel* ("**CNCM**"). The CNCM represents all local cooperative banks in the 18 federations in dealings with French bank regulatory and supervisory authorities. In addition, the CNCM has the power to exercise financial, technical and administrative oversight functions relating to the organization of the Crédit Mutuel banks, and to take steps to ensure their proper functioning, including striking a bank from the list of banks authorized to operate as part of the Crédit Mutuel system. Further, pursuant to Article L.511-31 of the French Monetary and Financial Code, the CNCM must also take all necessary measures to ensure the liquidity and solvency of the Crédit Mutuel banks and the Crédit Mutuel system. See "*—BFCM and the Group's Local*

Banks, together with local banks in federations outside of the Group, are part of a mutual financial support mechanism that includes all eighteen Crédit Mutuel federations".

BFCM and the Group's Local Banks, together with local banks in federations outside the Group, are part of a mutual financial support mechanism that includes all eighteen Crédit Mutuel federations

The 18 Crédit Mutuel federations have a mutual financial support mechanism that could require BFCM or the Local Banks in the Group to provide support to local banks in federations that are outside the Group. While the support system for a local bank would initially be implemented at the regional level, within such local bank's federation, if the resources available at the regional level were insufficient, then the national support mechanism (the financial solidarity mechanism) could be called upon by the CNCM board of directors, requiring support from other federations. While BFCM and the Local Banks in the Group benefit from the support of the federations that are outside the Group, they remain exposed to risks relating to local banks that are not part of the Group. In particular, because BFCM is part of the financial support mechanism, it could be required to use its resources to support other members of the support mechanism that encounter financial difficulty.

BFCM has no control over when it will be required to provide support under the financial solidarity mechanism and may be required to provide support to entities outside of the Group and in which it holds no economic interest

Because the BFCM is not the central body of the Crédit Mutuel system, it has no control over when and for which entity it will be required to provide support pursuant to the financial solidarity mechanism. Instead, CNCM as central body is vested with the power to implement the financial support mechanism. If an affiliate of CNCM were to encounter a major financial hardship, the CNCM board of directors may call upon other CNCM affiliates, including BFCM; to provide financial support to the struggling entity. When the financial support mechanism is activated, there is unlimited solidarity between the CNCM affiliates, and thus no limit on the amount of financial support BFCM may be required to provide.

RISKS RELATING TO THE NOTES

Risks relating to Senior Preferred Notes and Senior Non-Preferred Notes

The Notes are complex instruments that may not be suitable for certain investors

The Notes are complex financial instruments and may not be a suitable investment for certain investors. Each potential investor in the Notes should determine the suitability of such investment in light of its own circumstances and have sufficient financial resources and liquidity to bear the risks of an investment in the Notes, including the possibility that the entire amount invested in the Notes could be lost. A potential investor should not invest in the Notes unless it has the knowledge and expertise (either alone or with a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the market value of the Notes, and the impact of this investment on the potential investor's overall investment portfolio.

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 France, the United States 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 the Notes or that economic and market conditions will not have any other adverse effect.

There will be no prior market for the Notes

At the time of issuance of each Series of Notes, there will be no trading market for such 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. No party has any obligation to make a market in the Notes.

The terms and conditions 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. 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 the Notes.

The Notes may be subject to mandatory write-down or conversion to equity under EU and French laws relating to bank recovery and resolution

The European Bank Recovery and Resolution Directive, as transposed into French law ("**BRRD**", and as amended and replaced from time to time, including by Directive (EU) 2019/879, to be implemented under French law no later than December 28, 2020, "**BRRD II**") and the Single Resolution Mechanism Regulation provide resolution authorities with the power to "bail-in" any non-excluded liabilities (including senior preferred and senior non-preferred debt instruments such as the Notes), meaning writing them down or converting them to shares or other equity instruments, if resolution proceedings are initiated in respect of the issuing institution.

BRRD II, together with the Single Resolution Mechanism Regulation, require that the relevant resolution authorities write-down shares or hybrid capital instruments (together, "**Capital Instruments**") or convert them to equity or other instruments, if they determine that, prior to the initiation of a resolution proceeding, (i) the conditions for the initiation of a resolution proceeding in respect of an issuing institution (such as the Issuer) have been satisfied (see below), (ii) the viability of such issuing institution or its group (such as the Group) depends on such write-down or conversion or (iii) the issuing institution or its group requires extraordinary support (subject to certain exceptions). In addition, once a resolution proceeding is initiated in respect of an issuing institution, the powers provided to the Relevant Resolution Authority include the power to "bail-in" any remaining Capital Instruments and then any bail-inable liabilities (including debt instruments such as the Senior Non-Preferred Notes and the Senior Preferred Notes if any write-down of subordinated instruments is not sufficient), meaning the power to write down these instruments or convert them to equity or other instruments. The Terms and Conditions of the Notes contain provisions giving effect to the bail-in powers.

The bail-in power could result in the full write down (*i.e. to zero*) or partial write down or conversion to shares or other equity instruments of the Notes. In addition, if the Issuer's financial condition deteriorates or is perceived to deteriorate, the existence of these powers could cause the market value and/or liquidity of the Notes to decline more rapidly than would be the case in the absence of such powers. Public financial support would not be available except as a last resort, after resolution tools, including the bail-in power, have been fully exhausted.

After a resolution proceeding is initiated and in addition to the powers mentioned above, the BRRD II provides resolution authorities with broader powers to implement other resolution tools, which include the total or partial the sale of the issuing institution's business, the separation of assets, the replacement or substitution of the issuing institution as obligor in respect of the issuing institution's 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. Alongside those resolution tools, the Relevant Resolution Authority can temporarily suspend any payment obligation or delivery obligation under a contract entered into by the relevant entity, so long as the payment and delivery obligations and the provision of collateral continue to be performed. The exercise of any of these powers could adversely affect the rights of the Noteholders, the market value of their investment in the Notes, the liquidity of the Notes and/or the Issuer's ability to satisfy its obligations under the Notes.

For further information about BRRD II and related matters, see the section entitled "*Government Supervision and Regulation of Credit Institutions in France*.")

The qualification of certain Senior Preferred Notes and the Senior Non-Preferred Notes as MREL or TLAC eligible is subject to uncertainty

The Senior Non-Preferred Notes are intended, for regulatory purposes, to be MREL or TLAC eligible under the applicable MREL or TLAC Requirements. In addition, if and to the extent permitted by the applicable MREL or TLAC Requirements, the Issuer may also treat the Senior Preferred Notes, for regulatory purposes, as MREL or TLAC eligible under the applicable MREL or TLAC Requirements.

The CRR Revision and the BRRD Revision (which are amendments to the European Capital Requirements Regulation and the Bank Recovery and Resolution Directive, which have or will become CRR II and BRRD II) give effect to the Financial Stability Board's TLAC Term Sheet and modify the requirements for MREL eligibility in order to implement the TLAC concept set forth in the FSB TLAC Term Sheet. While the Issuer believes that the Terms and Conditions of the Notes are consistent with the CRR II and BRRD II, the CRR Revision has not yet been fully interpreted and the BRRD Revision has not yet been interpreted or implemented under French Law. It is therefore not yet possible to fully assess the impact of the implementation of the TLAC requirements or the changes to the requirements for MREL eligibility in the applicable MREL or TLAC Requirements.

Because of the uncertainty surrounding the implementation and interpretation of the regulations implementing the TLAC requirements and the interpretation and final implementation of the changes to the regulations giving effect to MREL, the Issuer cannot provide any assurance that the Senior Preferred Notes designated as MREL or TLAC eligible or the Senior Non-Preferred Notes will ultimately be MREL or TLAC eligible. If such Notes turn out to be not MREL or TLAC eligible (or if they initially are MREL or TLAC eligible and subsequently become ineligible due to a change in applicable MREL or TLAC Requirements), then an MREL or TLAC Disqualification Event will occur, and the Issuer will have the option to redeem the Notes prior to their stated maturity, which could have a material adverse effect on the Noteholders who could lose part of their investments in the Notes.

The Issuer is not required to redeem the Notes if it is prohibited by French law from paying additional amounts

There is uncertainty as to whether gross-up obligations in general, including those under the Terms and Conditions of the Notes, are enforceable under French law. If the Issuer becomes obligated to pay additional amounts following a Tax Event (as defined in the Terms and Conditions of the Notes—Condition 4(b) "*Redemption for Taxation Reasons*"), and the obligation to pay additional amounts is illegal or unenforceable under French law, the Issuer will have the right, but not the

obligation, to redeem the Notes. If the Issuer would on the next payment of interest in respect of a given Series of such Notes be required to pay any additional amounts, but would be prevented by French law from doing so, and the Issuer does not redeem the Notes, holders of such Notes may receive less than the full amount due, and the market value of such Notes will be adversely affected.

The Notes may be subject to substitution and/or variation without Noteholder consent

If a Tax Event occurs with respect to a Series of Notes, or if an MREL or TLAC Disqualification Event or an Alignment Event occurs with respect to a Series of Senior Preferred Notes intended to be MREL or TLAC eligible or with respect to a Series of Senior Non-Preferred Notes, the Issuer may, at its option, subject to prior permission of the Relevant Regulator and/or the Relevant Resolution Authority (if required), without the consent or approval of holders of the relevant Series of Notes, elect either (i) to substitute all (but not some only) of such Series of Notes or (ii) to vary the terms of all (but not some only) of such Series of Notes, in each case so that they become or remain Qualifying Notes. While Qualifying Notes generally must contain terms that are materially no less favorable to holders than the original terms of the relevant Senior Preferred Notes or Senior Non-Preferred Notes, there can be no assurance that the terms of any Qualifying Notes will be viewed by the market, or by a particular investor, as equally favorable, or that the Qualifying Notes will trade at prices that are equal to the prices at which the Notes would have traded on the basis of their original terms.

Such substitution or variation will be effected without any cost or charge to the holders of such Notes but may have adverse tax consequences for such holders. Further, prior to the making of any such modification or taking any action, or prior to any substitution, variation, modification or amendment, the Issuer shall not be obliged to consider the tax position of individual holders of such Notes or the tax consequences of any such substitution, variation, modification, amendment or other action for individual holders of such Notes. No holder of such Notes shall be entitled to claim, whether from the Fiscal and Principal Paying Agent, the Issuer, or any other person, any indemnification or payment in respect of any tax consequence of any such substitution, variation, modification, amendment or other action upon individual holders of such Notes.

The Terms and Conditions of the Notes contain a waiver of set-off rights

Unless otherwise specified in the applicable Pricing Supplement, by subscribing or acquiring Notes, each Noteholder shall be deemed to have irrevocably waived any actual and potential right of or claim to deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any Note at any time (for the avoidance of doubt, both before and during any winding-up, liquidation or administration of the Issuer) to the fullest extent permitted by applicable law. As a result, Noteholders will not at any time be entitled to set-off the Issuer's obligations under the Notes against obligations owed by them to the Issuer, and more generally to exercise or claim any set-off right.

The Terms and Conditions of the Notes might not provide for any events of default

There will be no events of default in respect of the Senior Preferred Notes indicated as MREL or TLAC eligible in the relevant Pricing Supplement, or in respect of the Senior Non-Preferred Notes. As a result, in no event will holders of such Notes be able to accelerate the maturity of their Notes. Accordingly, in the event that any payment on such Notes is not made when due, each holder of such Notes will have a claim only for amounts then due and payable on their Notes. However, if any judgment were issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer were liquidated for any other reason, then such Notes shall become immediately due and payable, subject to certain limitations described in Condition 2 (*Status of the Notes*).

Changes in the method by which a benchmark is determined may adversely affect the value of Floating Rate Notes

The rate of interest on the Floating Rate Notes may be calculated on the basis of the London Interbank Offered Rate ("**LIBOR**"), the Secured Overnight Funding Rate ("**SOFR**") or any other reference rate specified in the applicable Pricing Supplement (any such reference rate, a "**Benchmark**"), or by reference to a swap rate that is itself based on a Benchmark. Accordingly, changes in the method by which any Benchmark is calculated or the discontinuation of any Benchmark may impact the rate of interest applicable to Floating Rate Notes bearing interest on the basis of such Benchmark, and thus their value. See "*—SOFR is a relatively new market index that may be used as a reference rate for Floating Rate Notes and, as the related market continues to develop, there may be an adverse effect on the return on or value of the Notes*."

LIBOR and other Benchmarks are subject to ongoing national and international regulatory reforms. Some of these reforms are already effective while others are still to be implemented. Following the implementation of any such reforms, the manner of the administration or determination of such Benchmarks may change with the result that they may perform differently than in the past, or their calculation method may be revised, or they could be eliminated entirely, or declared non-representative.

In June 2016, the European Union adopted a Regulation (as amended, the "**Benchmark Regulation**") on indices (such as LIBOR) used in the European Union as benchmarks in financial contracts. It provides, among other things, that administrators of benchmarks in the European Union (such as ICE Benchmark Administration Limited, which currently administer LIBOR) generally must be authorized by or registered with regulators, and that they must comply with a code of conduct designed primarily to ensure reliability of input data, governing issues such as conflicts of interest, internal controls and benchmark methodologies. The Benchmark Regulation prohibits supervised entities (such as BFCM) from using Benchmarks that are not published by a registered administrator or otherwise qualified under the Benchmark Regulation. The Benchmark Regulation could have a material impact on the value of and return on a given series of Floating Rate Notes, in particular, if the terms of any applicable Benchmark are changed in order to comply with the requirements of the Benchmark Regulation.

Following the withdrawal of the United Kingdom from the European Union on January 31, 2020, Benchmark administrators in the United Kingdom are required to comply with the Benchmark Regulation during the transition period instituted by the Withdrawal Agreement and ending on December 31, 2020 (unless extended), and are also required to comply with U.K. national requirements. U.K. national requirements may have a particularly significant impact on the calculation of LIBOR (or whether LIBOR continues to exist as a Benchmark). On July 27, 2017, the U.K. Financial Conduct Authority (the "**FCA**") announced that it will no longer persuade or compel banks to submit rates for the calculation of LIBOR after 2021. The FCA and other regulators have stated publicly that the continuation of LIBOR cannot and will not be guaranteed after 2021.

It is not possible to predict the effect of any reforms to LIBOR or any other Benchmark. Changes in the methods pursuant to which LIBOR or any other Benchmark is determined, or the announcement that a Benchmark will be replaced with a successor or alternative rate, could result in a sudden or prolonged increase or decrease in the reported values of such Benchmark, increased volatility or other effects. If this were to occur, the rate of interest on, and the trading value of, the affected Floating Rate Notes could be adversely affected.

If LIBOR or any other Benchmark is discontinued or declared non-representative, or the authorization or registration of a relevant benchmark administrator under the Benchmark Regulation is withdrawn, the rate of interest on the affected Floating Rate Notes will be changed in ways that may be adverse to holders of such Notes, without any requirement that the consent of such Noteholders be obtained

Pursuant to the terms and conditions of any Floating Rate Notes, if a Benchmark Transition Event (as defined in Condition 17 ("Definitions") in "*Terms and Conditions of the Notes*") occurs or if

the Issuer determines at any time that the relevant Benchmark that underlies the reference rate for such Notes has been discontinued, the Issuer will appoint an agent (which may be, in each case, the Issuer, an affiliate of the Issuer or one of the Dealers), who will determine a replacement rate, as well as any necessary changes to the business day convention, the definition of business day, the interest determination date, the day count fraction and any method for calculating the replacement rate, as applicable, as well as any spread or adjustment factor needed to make such replacement rate comparable to the relevant reference rate. Such replacement rate will (in the absence of manifest error) be final and binding, and will apply to the relevant Floating Rate Notes without any requirement that the Issuer obtain consent of any Noteholders.

The replacement rate may have no or very limited trading history and accordingly its general evolution and/or interaction with other relevant market forces or elements may be difficult to determine or measure. In addition, given the uncertainty concerning the availability of a replacement rate and the involvement of an agent, the fallback provisions may not operate as intended at the relevant time and the replacement rate may perform differently from the prior Benchmark. For example, there are currently proposals to replace LIBOR (which generally has a term of one, three or six months) with SOFR, which is an overnight rate. Moreover, LIBOR is currently based on interbank lending rates and carries an implicit element of credit risk of the banking sector, while this is not the case for SOFR. These and other changes could significantly affect the performance of an alternative rate compared to the historical and expected performance of LIBOR. There can be no assurance that any spread or adjustment factor applied to any Series of Notes will adequately compensate for this impact. This could in turn impact the rate of interest on and trading value of the affected Floating Rate Notes.

Because SOFR is an overnight rate and does not reflect the implicit credit risk of the banking sector, in contrast to LIBOR which is a term rate that reflects banking sector credit risk, if LIBOR is replaced by SOFR, a spread or adjustment factor will be needed to account for the basis difference between SOFR (or any other successor rate) and LIBOR. There is no market-accepted spread or adjustment factor as of the date of this Base Offering Memorandum. The Issuer, an affiliate of the Issuer, or an agent designated by the Issuer will determine the spread or adjustment factor to SOFR or any other successor rate without any requirement to obtain the consent of Noteholders, and such spread or adjustment factor may not ultimately come to be accepted by the market or produce the same result as would the continued use of LIBOR.

If the Replacement Rate Determination Agent is unable to determine an appropriate replacement rate for any Benchmark, then the rate of interest on the affected Floating Rate Notes will not be changed. The terms and conditions of the Floating Rate Notes provide that, if it is not possible to determine a value for a given Benchmark, the relevant interest rate on such Floating Rate Notes will generally be equal to the last such Benchmark available on the Relevant Screen Page, effectively converting such Floating Rate Notes into fixed rate obligations. They may also provide for other fallbacks, such as consulting reference banks for rate quotations, which may prove to be unworkable if the reference banks decline to provide such quotations for a sustained period of time (or at all). The trading value of such Notes could as a consequence be adversely affected.

Even if the Replacement Rate Determination Agent is able to determine an appropriate replacement rate for any Benchmark, if the replacement of the Benchmark with the replacement rate would result in an MREL or TLAC Disqualification Event or in the Relevant Resolution Authority treating any future Interest Payment Date as the effective maturity of the Notes, the rate of interest will not be changed, but will instead be fixed on the basis of the last available quotation of the Benchmark. This could occur if, for example, the switch to the replacement rate would create an incentive to redeem the relevant Notes that would be inconsistent with the relevant requirements necessary to maintain the regulatory status of the Notes. While this mechanism will ensure that the Notes will not become subject to a potential regulatory event-based redemption, it will result in the Notes being effectively converted to fixed rate instruments. Investors holding such Notes might incur costs from unwinding hedges. Moreover, in a rising interest rate environment, holders of such Notes

will not benefit from any increase in rates. The trading value of the Notes could as a consequence be adversely affected.

SOFR is a relatively new market index that may be used as a reference rate for Floating Rate Notes and, as the related market continues to develop, there may be an adverse effect on the return on or value of the Notes

The rate of interest on the Notes may be calculated on the basis of SOFR. Because SOFR is an overnight funding rate, interest on SOFR-linked Notes with interest accrual periods longer than overnight will be calculated on the basis of either the arithmetic mean of SOFR over the relevant Interest Period, or compounding during a period approximately equal to the relevant interest period, or a published index average. As a consequence of these calculation methods, the amount of interest payable on each relevant interest payment date for the relevant series of Notes will only be known a short period of time prior to the relevant Interest Payment Date. Investors therefore will not know in advance the interest amount which will be payable on such Notes.

SOFR is a new rate. The New York Federal Reserve began to publish SOFR in April 2018. Although the New York Federal Reserve has published historical indicative SOFR information going back to 2014, such prepublication historical data inherently involves assumptions, estimates and approximations. Investors should not rely on any historical changes or trends in SOFR as an indicator of the future performance of SOFR. Since the initial publication of SOFR, daily changes in the rate have, on occasion, been more volatile than daily changes in other benchmark or market rates, particularly as a result of disruptions in the US repurchase agreement market (on which SOFR is based). As a result, the return on and value of SOFR-linked Notes may fluctuate more than floating rate debt securities that are linked to less volatile rates.

Because indexation to SOFR is relatively new, SOFR-linked Notes will likely have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to SOFR may evolve over time, and trading prices of SOFR-linked Notes may be lower than those of later-issued SOFR-linked debt securities as a result. Similarly, if SOFR does not prove to be widely used in securities like the Notes, the trading price of SOFR-linked Notes may be lower than those of notes linked to rates that are more widely used. Investors may not be able to sell SOFR-linked Notes at all or may not be able to sell such Notes at prices that will provide a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

The New York Federal Reserve notes on its publication page for SOFR that use of SOFR is subject to important limitations, including that the New York Federal Reserve may alter the methods of calculation, publication schedule, rate revision practices or availability of SOFR at any time without notice. There can be no guarantee that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in such Notes. If the manner in which SOFR is calculated is changed or if SOFR is discontinued, that change or discontinuance may result in a reduction or elimination of the amount of interest payable on SOFR-linked Notes and a reduction in the trading prices of such Notes, or may cause adverse U.S. federal income tax consequences for holders of SOFR-linked 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.

Transactions in the Notes could be subject to the European financial transaction tax, if adopted

On February 14, 2013, the European Commission published a proposal (the "Commission's Proposal") for a Directive for a common financial transaction tax (the "FTT") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia and Spain (the "Participating Member States") and which, if enacted, could apply under certain circumstances to transactions involving the Notes. The issuance and subscription of Notes should, however, be exempt. Estonia has since officially announced its withdrawal from the negotiations.

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.

. Following the lack of consensus in the negotiations on the Commission's Proposal, the Participating Member States (excluding Estonia which withdrew) have agreed to continue negotiations on a new proposal based on the French model of the tax which would only concern listed shares of EU companies whose market capitalization exceeds €1 billion as of December 1 of the year preceding the taxation year. According to this new proposal, the applicable tax rate would be at least 0.2%. Primary market transactions should be exempt However, such new proposal remains subject to change before any implementation, the timing of which remains uncertain. Additional EU Member States may decide to participate and/or certain of the Participating Member States may decide to withdraw (in addition to Estonia which already withdrew).

Prospective holders of Notes are advised to seek their own professional advice in relation to the consequences of the FTT that could be associated with subscribing for, purchasing, holding and disposing of the Notes.

Additional Risks Relating to Senior Non-Preferred Notes

Senior Non-Preferred Notes are Senior Non-Preferred Obligations and are junior to certain obligations

The Issuer's obligations under the Senior Non-Preferred Notes constitute Senior Non-Preferred Obligations within the meaning of Articles L. 613-30-3–I-4° and R. 613-28 of the French Monetary and Financial Code. While the Senior Non-Preferred Notes by their terms are expressed to be direct, unconditional, unsecured and senior (*chirographaires*) obligations of the Issuer, they nonetheless rank junior in priority of payment to Senior Preferred Obligations of the Issuer, including the Senior Preferred Notes, in the case of judicial liquidation (*liquidation judiciaire*). The Issuer's Senior Preferred Obligations include all of its deposit obligations, its obligations in respect of derivatives and other financial contracts, its unsubordinated debt securities outstanding as of the date of entry into force of Article L. 613-30-3-1-4° of the French Monetary and Financial Code and all unsubordinated or senior debt securities issued thereafter that are not expressed to be Senior Non-Preferred Obligations within the meaning of the Articles L. 613-30-3-1-4°and R. 613-28 of the French Monetary and Financial Code (including Senior Preferred Notes).

As a consequence, if any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, the rights of payment of the holders of the Senior Non-Preferred Notes will be subordinated to the payment in full of holders of all present and future Senior Preferred Obligations of the Issuer (including the Senior Preferred Notes) and all present and future undertakings benefiting from statutory preferences. In the event of incomplete payment of all present and future Senior Preferred Obligations of the Issuer (including the Senior Preferred Notes) and all present and future undertakings benefiting from statutory preferences upon the liquidation of the Issuer, the obligations of the Issuer in connection with the Senior Non-Preferred Notes will be terminated and the relevant Noteholders would lose their investment in the Senior Non-Preferred Notes.

Further, there is no restriction on the issuance by the Issuer of additional Senior Preferred Obligations. As a consequence, if any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, the Issuer will be required to pay potentially substantial amounts of Senior Preferred Obligations (including Senior Preferred Notes) before any payment is made in respect of the Senior Non-Preferred Notes.

In addition, if the Issuer enters into resolution, its bail-inable liabilities (including the Senior Non-Preferred Notes) may be subject to bail-in, meaning potential write-down or conversion into equity securities or other instruments, in the order of priority that would apply in judicial liquidation proceedings (*liquidation judiciaire*). Due to the fact that Senior Non-Preferred Obligations (such as the Senior Non-Preferred Notes) rank junior to Senior Preferred Obligations (such as the Senior Preferred Notes), the Senior Non-Preferred Notes would be written down or converted in full before any of the Issuer's present or future Senior Preferred Obligations were written down or converted. See "*—The Notes may be subject to mandatory write-down or conversion to equity under EU and French laws relating to bank recovery and resolution*."

As a consequence, holders of the Senior Non-Preferred Notes bear significantly more risk than holders of senior preferred obligations (such as Senior Preferred Notes), and could lose all or a significant part of their investments if the Issuer were to enter into resolution or judicial liquidation proceedings.

USE OF PROCEEDS

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

CAPITALIZATION

Capitalization of the Crédit Mutuel Alliance Fédérale

The table below sets forth the consolidated capitalization of the Crédit Mutuel Alliance Fédérale as at June 30, 2020.

(in millions of euros)	**June 30, 2020**
Debt securities	137,122
Subordinated debt	8,227
Total debt	**145,349**
Shareholder's equity - Group share:	
Subscribed capital and issue premiums	6,675
Consolidated reserves	36,506
Unrealized or deferred gains and losses	718
Net income for the half year	768
Shareholder's equity – Group share	**44,667**
Shareholder's equity - Minority interests	2,857
Total capitalization	**192,873**

Capitalization of the BFCM Group

The table below sets forth the consolidated capitalization of the BFCM Group as at June 30, 2020.

(*in millions of euros*)	**June 30, 2020**
Debt securities	137,479
Subordinated debt	8,727
Total debt	**146,206**
Shareholder's equity – Group share:	
Subscribed capital and issue premiums	6,197
Consolidated reserves	20,438
Unrealized or deferred gains and losses	486
Net income for the half year	378
Shareholder's equity - Group share	**27,499**
Shareholder's equity - Minority interests	3,854
Total capitalization	**177,559**

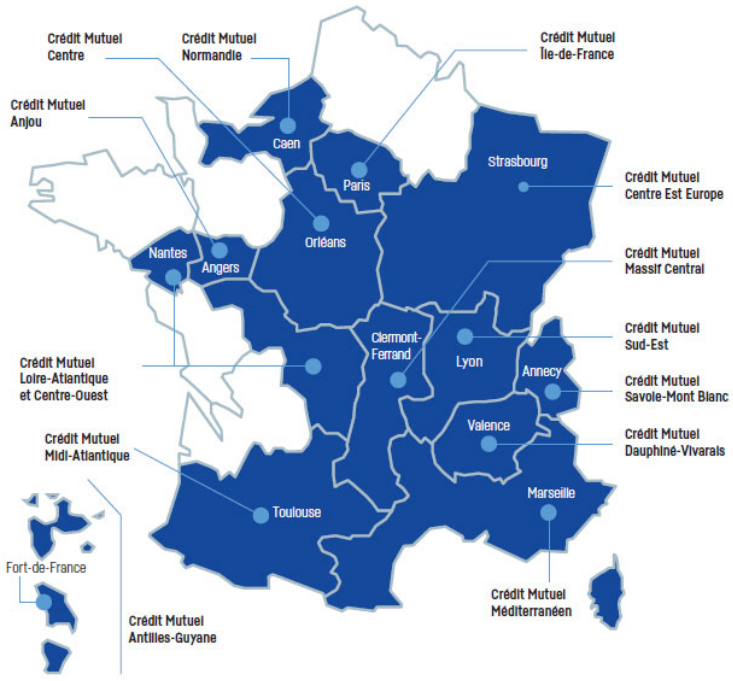
HISTORY AND STRUCTURE OF THE CRÉDIT MUTUEL ALLIANCE FÉDÉRALE

History of the Crédit Mutuel Alliance Fédérale

The Crédit Mutuel Alliance Fédérale 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 Crédit Mutuel Alliance Fédérale.

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 Crédit Mutuel Alliance Fédérale. Through the Crédit Mutuel Alliance Fédérale, these federations centralize their products, funding, risk management and administrative functions, as well as holding interests in affiliates in France and internationally.

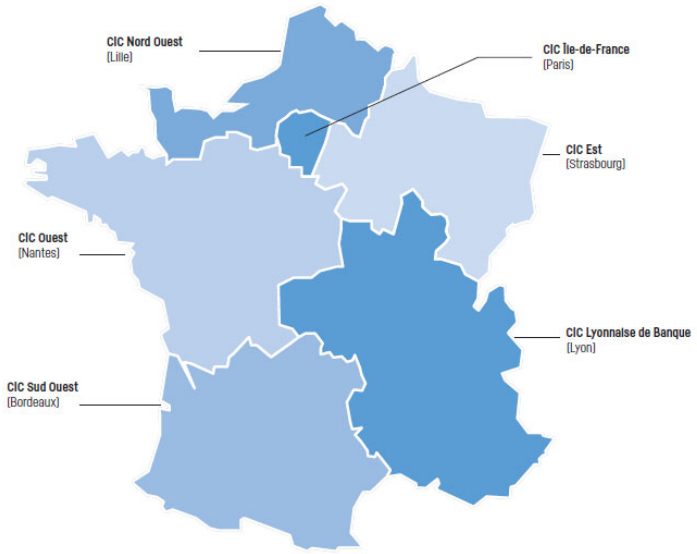
In 2019 the Crédit Mutuel Alliance Fédérale included eleven regional Federations. On January 1, 2020, Crédit Mutuel Antilles-Guyane and Crédit Mutuel Massif Central joined the Crédit Mutuel Alliance Fédérale, making it 13 Federations. The 13 regional Federations that currently form the Crédit Mutuel Alliance Fédérale include 1,415 Local Banks as members. The regional coverage of the 13 Federations in the Crédit Mutuel Alliance Fédérale is illustrated by the following diagram:



The strategy and policies of the Crédit Mutuel Alliance Fédérale 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 indirectly owned by certain Local Banks). BFCM raises funds in international markets on behalf of the Crédit Mutuel Alliance Fédérale, which it on-lends to the Local Banks (through CF de CM), and also provides funding for other businesses of the Crédit Mutuel Alliance Fédérale. BFCM also holds substantially all of the Crédit Mutuel Alliance Fédérale's interests in entities other than those in the Crédit Mutuel network.

Over time, the Crédit Mutuel Alliance Fédérale has acquired interests in financial institutions with complementary activities. The most significant acquisition was Crédit Industriel et Commercial (CIC) in which BFCM held an interest of 93.7% (with 6.3% of the remainder held by Mutuelles Investissement in which BFCM in turn holds 90%) as of December 31, 2019. The CIC group operates through five regional banks that together cover all of France and also operates the Crédit Mutuel Alliance Fédérale's financing and market, private banking and private equity businesses. CIC also has four foreign branches (New York, London, Singapore and Hong Kong) and 36 representative offices around the world.



The Crédit Mutuel Alliance Fédérale has also pursued a strategy of prudent international expansion. In 2008, the Crédit Mutuel Alliance Fédérale acquired Citibank Deutschland (now TARGOBANK Germany), and in 2009, the Crédit Mutuel Alliance Fédérale acquired a controlling interest in the consumer finance group Cofidis. In 2010, the Crédit Mutuel Alliance Fédérale created a 50/50 partnership with Banco Popular Español, currently known as TARGOBANK Spain. BFCM increased its total equity stake in TARGOBANK Spain to 51.02% in March 2016 before acquiring Banco Popular Español's stake on June 2, 2017 and becoming the sole shareholder. The Crédit Mutuel Alliance Fédérale has also developed various partnerships and acquired various minority interests, including interests in Banque de Tunisie, and Banque Marocaine du Commerce Extérieur.

Organisational Structure of the Crédit Mutuel Alliance Fédérale

As a result of the historical development described above, the Crédit Mutuel Alliance Fédérale currently includes the following principal entities:

- 1,415 Local Banks owned by almost 5 million shareholding members, with nearly 16,000 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 Crédit Mutuel Alliance Fédérale products and services.

- The CF de CM, in which the Local Banks own 88.3% of the share capital as of December 31, 2019 and a group insurance company owns the remainder.

- BFCM, in which the CF de CM owns 93% of the share capital as of December 31, 2019 and various Local Banks indirectly own the remainder. See "*—Role of BFCM in the Crédit Mutuel Alliance Fédérale*" for information on the activities of BFCM.

- CIC (Crédit Industriel et Commercial) and subsidiaries, which operate one of the Crédit Mutuel Alliance Fédérale's retail networks, as well as the Crédit Mutuel Alliance Fédérale'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 Crédit Mutuel Alliance Fédérale retail banks since 1992.

- TARGOBANK Germany, which provides mainly consumer finance in Germany, and TARGOBANK Spain, which concentrates in home loans in Spain.

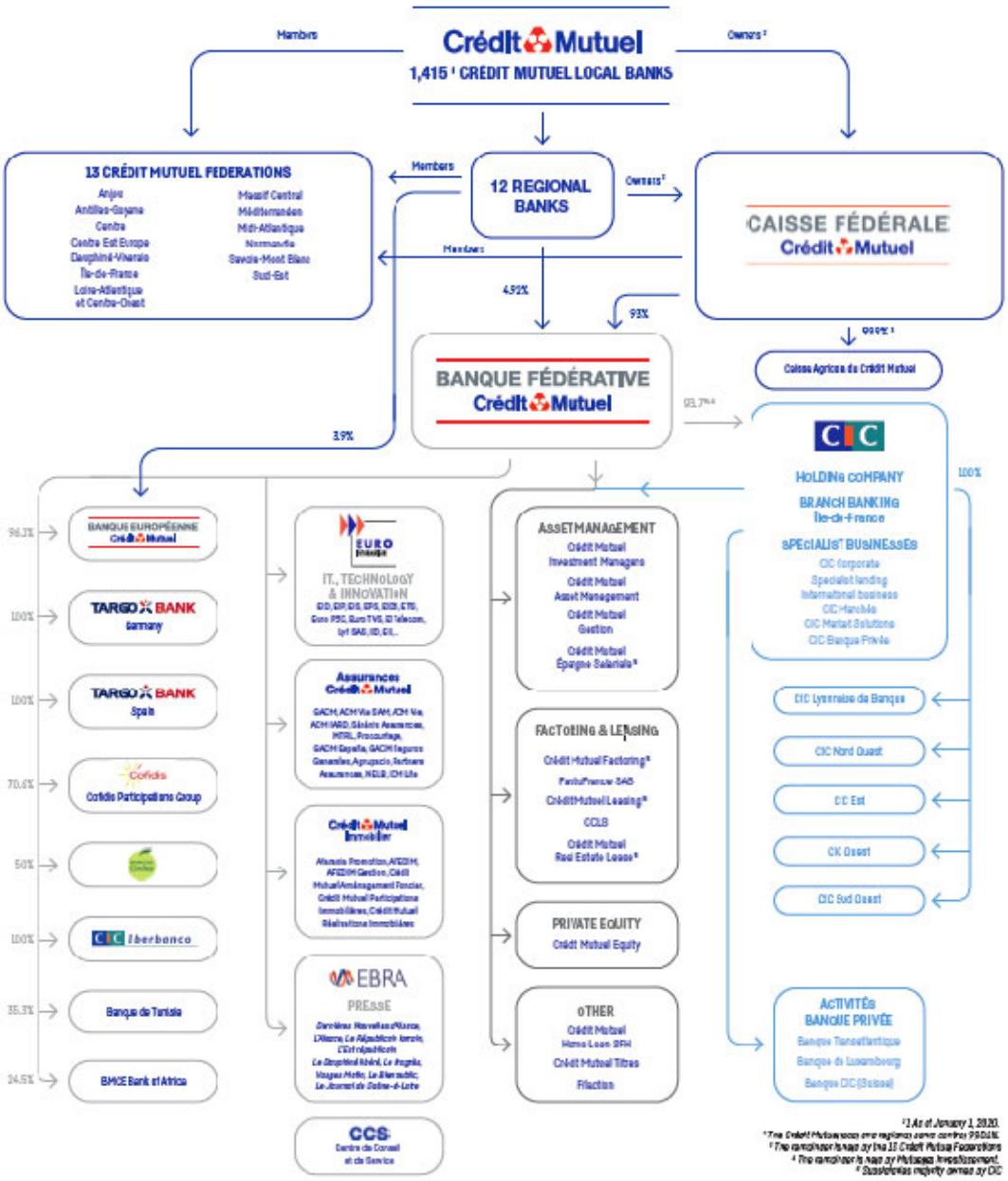
- Cofidis, which is one of the leaders in French consumer finance and also has activities elsewhere in Europe.

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

- GACM and subsidiaries, which operate the Crédit Mutuel Alliance Fédérale'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 Crédit Mutuel Alliance Fédérale and its principal entities as of the date of this Base Offering Memorandum:



Role of BFCM in the Crédit Mutuel Alliance Fédérale

BFCM plays two principal roles in the Crédit Mutuel Alliance Fédérale. First, BFCM is the central financing arm of the Crédit Mutuel Alliance Fédérale, acting as the principal issuer of debt securities in international markets. In this capacity, BFCM provides financing to Crédit Mutuel Alliance Fédérale financial institutions to meet their funding needs, and receives deposits from Crédit Mutuel Alliance Fédérale 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 Crédit Mutuel Alliance Fédérale are included in the financing and market segment of the Crédit Mutuel Alliance Fédérale. As BFCM

is a holding company for the Crédit Mutuel Alliance Fédérale, BFCM's consolidated financial results reflect the financial results of the Crédit Mutuel Alliance Fédérale, excluding the results of the Crédit Mutuel retail network.

The Crédit Mutuel Alliance Fédérale and the Eighteen Crédit Mutuel Federations

There are a total of eighteen Crédit Mutuel federations operating in France. Thirteen of these are part of the Crédit Mutuel Alliance Fédérale. Three federations that are not a part of the Crédit Mutuel Alliance Fédérale have joined together in a group that operates in a manner that is somewhat similar to that of the Crédit Mutuel Alliance Fédérale. 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 Crédit Mutuel Alliance Fédérale.

The Local Banks in the Crédit Mutuel Alliance Fédérale 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 five federations operate outside the Crédit Mutuel Alliance Fédérale, 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 European Central Bank, which is the European banking regulator (the "**ECB**"), 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 Crédit Mutuel Alliance Fédérale.

The Financial Support Mechanism

The local banks are part of a financial support 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 five federations that are not part of the Crédit Mutuel Alliance Fédérale.

At the regional level, Crédit Mutuel's financial support mechanism is organized in accordance with Article R.511-3 of the French Monetary and Financial Code. This article provides that the ECB acting through ACPR's proposal 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 ACPR has deemed that the liquidity and solvency of the local banks is guaranteed through this affiliation. In addition, each regional federation manages a financial support 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 Crédit Mutuel Alliance Fédérale) 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 mutual support. As the central body, the CNCM ensures the mutual support 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 Crédit Mutuel Alliance Fédérale could in such circumstances be required to provide support to a federation that is not part of the Crédit Mutuel Alliance Fédérale. While this has never occurred since the Group was created, the risk of it occurring in the future cannot be excluded, even if the Crédit Mutuel Alliance Fédérale considers that it is highly unlikely absent extremely unusual circumstances.

A financial institution owned by one or a group of local banks may become affiliated to CNCM and, as a consequence, may join the financial solidarity mechanism. On September 22, 2020, the BFCM's request to be affiliated with CNCM was approved. As a CNCM affiliate, the BFCM will benefit from the financial solidarity mechanism, and it will also be required to contribute if a local bank encounters financial difficulties and the resources available to its regional federation are not sufficient to ensure its liquidity and/or solidarity.

GOVERNMENT SUPERVISION AND REGULATION OF CREDIT INSTITUTIONS IN FRANCE

French Banking Regulatory and Supervisory Bodies

French banking law is mostly set forth in directly applicable EU regulations and in the French Monetary and Financial Code, which is derived mainly from EU directives and guidelines. The French Monetary and Financial Code sets forth the conditions under which credit institutions, including banks, may operate, and vests related supervisory and regulatory powers in certain banking regulatory and supervisory bodies.

The French Supervisory Banking Authorities

In France, the *Autorité de contrôle prudentiel et de résolution* (the "**ACPR**") was created in July 2013 to supervise financial institutions and insurance firms and be in charge of ensuring the protection of consumers and the stability of the financial system. On October 15, 2013, the European Union adopted Regulation (EU) No 1024/2013 establishing a single supervisory mechanism for credit institutions of the euro-zone and opt-in countries (the "**ECB Single Supervisory Mechanism**"), which has conferred specific tasks on the European Central Bank (the "**ECB**") concerning policies relating to the prudential supervision of credit institutions. This European regulation has given to the ECB, in conjunction with the relevant national regulatory authorities, direct supervisory authority for certain European credit institutions and banking groups, including the Crédit Mutuel Alliance Fédérale.

Since November 4, 2014, the ECB has fully assumed supervisory tasks and responsibilities within the framework of the ECB Single Supervisory Mechanism, in close cooperation, in France, with the ACPR (each of the ACPR and the ECB is hereinafter referred to as a "**Supervisory Banking Authority**"), as follows:

- The ECB is exclusively competent to carry out, for prudential supervisory purposes, the following tasks in relation to all credit institutions, regardless of the significance of the credit institution concerned:
    - to authorize credit institutions and to withdraw authorization of credit institutions; and
    - to assess notifications of the acquisition and disposal of qualifying holdings, in other credit institutions, except in the case of a bank resolution.
- The other supervisory tasks are performed by both the ECB and the ACPR, their respective supervisory roles and responsibilities being allocated on the basis of the significance of the supervised entities, with the ECB directly supervising significant banks, such as the Crédit Mutuel Alliance Fédérale, while the ACPR is in charge of the supervision of the less significant entities. These supervisory tasks include, *inter alia*, the following:
    - to ensure compliance with all prudential requirements laid down in general EU banking rules for credit institutions in the areas of own funds requirements, securitization, large exposure limits, liquidity, leverage, reporting and public disclosure of information on such matters;
    - to carry out supervisory reviews, including stress tests and their possible publication, and on the basis of this supervisory review, to impose where necessary on credit institutions higher prudential requirements to protect financial stability under the conditions provided by EU law;

- to impose robust corporate governance practices (including the fit and proper requirements for the persons responsible for the management process, internal control mechanisms, remuneration policies and practices) and effective internal capital adequacy assessment processes; and

- to carry out supervisory tasks in relation to recovery plans, and early intervention where credit institutions or groups do not meet or are likely to breach the applicable prudential requirements, including structural changes required to prevent financial stress or failure but excluding, however, resolution measures.

- The ACPR may apply requirements for capital buffers to be held by credit institutions at the relevant level, in addition to own funds requirements (including countercyclical buffer rates). If deemed necessary, the ECB may, instead of the ACPR but by cooperating closely with it, apply such higher requirements.

Supervisory framework

With respect to the banking sector, and for the purposes of carrying out the tasks conferred on it, the relevant Supervisory Banking Authority 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, as well as investment firms, and controls their financial standing.

Banks are required to submit periodic (either monthly or quarterly) accounting reports to the relevant Supervisory Banking Authority concerning the principal areas of their activities. The main reports and information filed by institutions with the relevant Supervisory Banking Authority include periodic regulatory reports. 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 of 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 relevant Supervisory Banking Authority 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 relevant Supervisory Banking Authority may order financial institutions to comply with applicable regulations and to cease conducting activities that may adversely affect the interests of its clients. The relevant Supervisory Banking Authority 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 relevant Supervisory Banking Authority 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 relevant Supervisory Banking Authority may also require credit institutions to maintain regulatory capital and/or liquidity ratios higher than those required under applicable law and submit to specific liquidity requirements, including restrictions in terms of asset/liability maturity mismatches.

Where regulations have been violated, the relevant Supervisory Banking Authority 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 relevant Supervisory

Banking Authority also has the power to appoint a temporary administrator to manage provisionally a bank that it deems to be mismanaged. Insolvency proceedings may be initiated against banks or other credit institutions, or investment firms only after prior approval of the relevant Supervisory Banking Authority.

The Resolution Authority

In France, the ACPR is in charge of implementing measures for the prevention and resolution of banking crises, including, but not limited to, the Bail-In Tool described below. See "—R*esolution Measures*" below.

Since January 1, 2016, a single resolution board (the "**SRB**") established by Regulation (EU) No 806/2014 of the European Parliament and of the Council of July 15, 2014 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, as amended from time to time (including by Regulation (EU) No 2019/877 of the European Parliament and of the Council of May 20, 2019 as regards the loss absorbing and recapitalization capacity of credit institutions and investment firms) or such other regulation that may come in effect in place thereof (the "**Single Resolution Mechanism Regulation**"), together with national authorities, are 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 Crédit Mutuel Alliance Fédérale. The ACPR remains responsible for implementing the resolution plan according to the SRB's instructions.

The "**Relevant Resolution Authority**" means the ACPR, the SRB and/or any other authority entitled to exercise or participate in the exercise of the bail-in power and the write down or conversion power, from time to time (including the Council of the European Union and the European Commission when acting pursuant to Article 18 of the Single Resolution Mechanism Regulation).

Other French Banking Regulatory and Supervisory Bodies

The Financial Sector Consultative Committee (*Comité consultatif du secteur financier*) is made up of representatives of credit institutions, financing companies, electronic money institutions, payment institutions, investment firms, asset management companies, insurance companies and insurance brokers and client representatives. This committee is a consultative organization that studies the relations between the abovementioned entities 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, electronic money, payment service and investment service industries other than those draft regulations issued by the AMF.

In addition, 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, financing companies, electronic money institutions, payment institutions, asset management companies 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. The Issuer is a member of the French Banking Association (*Fédération bancaire française*), which is itself affiliated to the French Credit Institutions and Investment Firms Association.

Banking Regulations

Banking regulations applicable to French credit institutions are mainly composed and/or derived from EU directives and regulations.

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 "**CRR**").

The CRR (with the exception of some of its provisions, which came 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 became applicable as from January 1, 2016) and was implemented under French law by the banking reform dated February 20, 2014 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*).

Banking regulations amending the CRD IV Directive and the CRR were adopted on May 20, 2019 as follows:

- Directive (EU) 2019/878 of the European Parliament and of the Council of May 20, 2019 amending the CRD IV Directive as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures (the "**CRD IV Directive Revision**" and together with the CRD IV Directive, the "**CRD V Directive**"); and

- Regulation (EU) 2019/876 of the European Parliament and of the Council of May 20, 2019 amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and amending Regulation (EU) 648/2012 (the "**CRR Revision**" and together with the CRR, the "**CRR II**").

Both the CRD IV Directive Revision and the CRR Revision entered into force on June 27, 2019 and the CRD IV Directive Revision will be implemented under French law by December 28, 2020. Certain provisions of the CRR Revision are applicable since June 27, 2019 (including those applicable to capital instruments and TLAC instruments), others shall apply as from June 28, 2021 or January 1, 2022.

Main banking regulations applicable to French credit institutions

Credit institutions such as the Issuer must comply with minimum capital and leverage requirements. In addition to these requirements, the principal regulations applicable to credit institutions concern risk diversification, liquidity, monetary policy, restrictions on equity investments and reporting requirements.

Minimum Capital and Leverage Requirements

French credit institutions are required to maintain minimum capital to cover their credit, market, counterparty and operational risks. Pursuant to the CRR II, 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%, each to be obtained by dividing the institution's relevant eligible regulatory capital by its total risk exposure (also commonly referred to as risk-weighted assets or "**RWAs**") (Pillar 1 capital requirements).

Pursuant to the CRD V Directive, the Supervisory Banking Authority may also require French credit institutions to maintain additional capital in excess of the requirements described above (Pillar 2 capital requirements), under the conditions set out in the CRD V Directive, and in particular on the basis of a supervisory review and evaluation process ("**SREP**") to be carried out by the competent authorities.

The European Banking Authority ("**EBA**") published guidelines on December 19, 2014 addressed to competent authorities on common procedures and methodologies for the SREP, which contained guidelines proposing a common approach to determine the amount and composition of additional own funds requirements. These guidelines were implemented with effect from January 1, 2016 and were amended on July 19, 2018. Under these guidelines, competent authorities should set a composition requirement for the additional own funds requirements to cover certain risks of at least 56% common equity Tier 1 capital and at least 75% Tier 1 capital. The guidelines also contemplate that competent authorities should not set additional own funds requirements in respect of risks which are already covered by capital buffer requirements (referred to below) and/or additional macro-prudential requirements. On July 23, 2020, the EBA published guidelines on the pragmatic 2020 SREP in light of the COVID-19 pandemic pursuant to which competent authorities have the option of applying an alternative specific process for 2020 in accordance with the principles set forth in these guidelines (in lieu of the process provided for by the original SREP guidelines) which may be necessary in response to the COVID-19 pandemic.

In addition, in accordance with the CRD V Directive, French credit institutions have to comply with certain common equity Tier 1 buffer requirements, including (i) a capital conservation buffer of 2.5% that is applicable to all institutions, (ii) the global systemically important institutions buffer of up to 3.5% that is applicable to global-systemically important banks ("**G-SIBs**") and (iii) the other systemically important institutions buffer of up to 2% (which will be increased up to 3% upon implementation of the CRD IV Directive Revision into French law) that is applicable to other systemically important banks ("**O-SIBs**"). Where a group, on a consolidated basis, is subject to a G-SIB buffer and an O-SIB buffer, the higher buffer shall apply. The Crédit Mutuel Alliance Fédérale is considered an O-SIB (but not a G-SIB) as of the end of 2019, with an O-SIB buffer of 0.50%. If in the future the Crédit Mutuel Alliance Fédérale were to become a G-SIB, the additional requirements applicable to G-SIBs would apply to it.

French credit institutions may also have to comply with other common equity Tier 1 buffers to cover countercyclical and systemic risks. The countercyclical buffer is calculated as the weighted average of the countercyclical buffer rates that apply in all countries where the relevant credit exposures of the Crédit Mutuel Alliance Fédérale are located. After having raised the rate of the countercyclical buffer from 0% to 0.25% on June 29, 2018 (applicable as from July 1, 2019), the High Council for Financial Stability (*Haut Conseil de Stabilité Financière*) ("**HCSF**") raised the countercyclical buffer from 0.25% to 0.5% in April 2019 (as applicable from April 2, 2020) and confirmed this rate of 0.5% in July 2019, October 2019 and January 2020. However, following the outbreak of COVID-19, the Banque de France announced on March 13, 2020 that it would propose a complete relaxation of the countercyclical buffer from 0.5% to 0% to address the emergency situation resulting from the outbreak. Further to this announcement, the HCSF decided on April 1, 2020 to lower the countercyclical buffer rate to 0% as from April 2, 2020, thereby enabling banks to use this buffer that had already been constituted to address the emergency situation arising from the COVID-19 pandemic. On July 1, 2020, the HCSF decided to maintain the countercyclical buffer rate à 0% until further notice and further confirmed this decision on October 6, 2020.

The total common equity tier 1 capital required to meet the capital conservation buffer, extended by, as applicable, the G-SIBs buffer, the O-SIBs buffer, the institution-specific countercyclical buffer and the systemic risk buffer is called the "**combined buffer requirement**". The combined buffer requirement shall be in addition to the minimum (Pillar 1) and the additional (Pillar 2) capital requirements referred to above.

Following the results of the 2019 SREP published in December 2019, the ECB set the level of the common equity Tier 1 additional requirements in respect of Pillar 2 ("**P2R**") for the Crédit Mutuel Alliance Fédérale at 1.50% as from December 31, 2019 and maintained a minimum requirement for the common equity Tier 1 ratio set at 8.5% and a total requirement of own funds set at 12%. In addition, on March 12, 2020, the ECB decided, as part of the transitional measures taken in response to the outbreak of the COVID-19 pandemic, to bring forward the application of article 104a of the CRD V Directive (which was initially scheduled to come into effect in January 2021), thus allowing institutions to partially use capital instruments that do not qualify as common equity Tier 1 capital (for example additional tier 1 or tier 2 instruments) to meet the P2R (See "*—Regulatory Responses to the COVID-19 Pandemic*" below). As of June 30, 2020, the consolidated common equity Tier 1 ratio (excluding transitional measures) of the Crédit Mutuel Alliance Fédérale was 17.1%.

In accordance with the CRR II, each institution is also required to maintain a 3% minimum leverage ratio beginning on June 28, 2021, i.e. two years from the entry into force of the CRR Revision, defined as an institution's Tier 1 capital divided by its total exposure measure calculated using the balance sheet assets and off-balance sheet commitments assessed according to a prudential approach. Derivatives and repurchase agreements are also adjusted. The leverage ratio of Crédit Mutuel Alliance Fédérale as of June 30, 2020 was 5.9%. Further, each institution that is a G-SIB will be required to comply with an additional buffer requirement (equal to the G-SIB total exposure measure used to calculate the leverage ratio multiplied by 50% of the applicable G-SIB buffer rate) over the minimum leverage ratio as from January 1, 2023 (following the deferral of the application date initially set on January 1, 2022 by the Regulation (EU) 2020/873 of the European Parliament and of the Council amending the CRR II as regards certain adjustments in response to the COVID-19 pandemic. *See "—Regulatory Responses to the COVID-19 pandemic*" below for further information). If in the future the Crédit Mutuel Alliance Fédérale were to become a G-SIB, such additional buffer requirement would apply to it.

Non-compliance with capital buffer requirements may result in distribution restrictions (including restrictions on the payment of dividends, Additional Tier 1 coupons and variable compensation). Such distribution restrictions may also apply in case of non-compliance with capital ratio buffers in addition to the minimum MREL requirements (see "*—MREL and TLAC*" below) or, as from January 1, 2023 with the G-SIBs leverage ratio buffer. Non-compliance with minimum capital requirements (including Pillar 1 and Pillar 2 requirements) may result in the initiation of resolution measures and possibly the withdrawal of a group's banking license.

In accordance with the Basel III post-crisis regulatory reform endorsed by the Basel Committee's oversight body, the Group of Central Bank Governors and Heads of Supervision endorsed (i) a revised standardized approach for credit risk, which will improve the robustness and risk sensitivity of the existing approach, (ii) revisions to the internal ratings-based approach for credit risk, where the use of the most advanced internally modelled approaches for low-default portfolios will be limited, (iii) revisions to the credit valuation adjustment (the "**CVA**") framework, including the removal of the internally modelled approach and the introduction of a revised standardized approach, (iv) a revised standardized approach for operational risk, which will replace the existing standardized approaches and the advanced measurement approaches and (v) an aggregate output floor, which will ensure that banks' RWAs generated by internal models are no lower than 72.5% of RWAs as calculated by the Basel III framework's standardized approaches.

The implementation of the amendments to the Basel III framework within the EU may go beyond the Basel Committee standards and provide for European specificities. Therefore, currently no firm conclusion regarding the impact of the revised standards on the future capital requirements of the Group can be made. The revised standards are scheduled to come into effect from January 1, 2022, and will be phased in over five years. This proposal will be subject to consultation and impact assessments before it is implemented into EU law. The Basel Committee has also extended the implementation date of the revised minimum capital requirements for market risk, which was originally set to be implemented on January 1, 2019 to January 1, 2022. The European Commission launched a public consultation from October 2019 to January 2020, on the basis of which it will issue a legislative proposal in order to implement these rules within the European Union. Following the outbreak of COVID-19, the Basel Committee announced on March 27, 2020 the deferral of the implementation of the Basel III framework by one year to January 1, 2023 to increase operational capacity of banks and supervisors to respond to the immediate financial stability priorities resulting from the impact on the global banking system of the COVID-19 pandemic.

Additional Risk Diversification and Liquidity, Monetary Policy, Restrictions on Equity Investments and Reporting Requirements

Under the CRR II, 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 exposures (*risques*) to a single customer (and related entities) may not exceed 25% of the credit institution's Tier 1 capital and, with respect to exposures to certain financial institution, the higher of 25% of the credit institution's eligible capital and €150 million. Certain individual exposures may be subject to specific regulatory requirements. In addition, each G-SIB's exposure to other G-SIBs is limited to 15% of such G-SIB's Tier 1 capital (neither Crédit Mutuel Alliance Fédérale nor any of its constituent entities is currently a G-SIB but if in the future the Crédit Mutuel Alliance Fédérale were to become a G-SIB, such restrictions would apply to it).

The CRR II also introduced a liquidity requirement, pursuant to which institutions are 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 thirty (30) calendar days. This requirement is known as the liquidity coverage ratio ("**LCR**") and is now fully applicable following a phase-in period. In addition, in accordance with the recommendations of the Basel Committee, the CRR Revision introduced a binding net stable funding ratio ("**NSFR**") set at a minimum level of 100%, which indicates that an institution holds sufficient stable funding to meet its funding needs during a one-year period under both normal and stressed conditions. This requirement, which will be applicable on June 28, 2021, i.e. two years after the entry into force of the CRR Revision, aims at addressing the excessive reliance on short-term wholesale funding and reducing long-term funding risk. The Group'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" in such company. Further, the ECB 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.

Finally, the CRR II imposes disclosure obligations on credit institutions relating to risk management objectives and policies, governance arrangements, capital adequacy requirements and remuneration policies that have a material impact on the risk profile and leverage. In addition, the French Monetary and Financial Code imposes additional disclosure requirements to credit institutions, including disclosure relating to certain financial indicators, their activities in non-cooperative states or territories, and more generally, certain information on their overseas operations.

Examination

In addition to the resolution powers set out below, the principal means used by the relevant Supervisory Banking Authority to ensure compliance by large deposit banks with applicable regulations is the examination of the detailed periodic (monthly or quarterly) financial statements and other documents that these banks are required to submit to the relevant Supervisory Banking Authority. 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 relevant Supervisory Banking Authority 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 banks in the European Economic Area ("**EEA**") that are covered by their home country's guarantee system. Domestic customer deposits denominated in euros and currencies of the EEA are covered up to an amount of €100,000 and securities up to an aggregate value of €70,000, in each case per customer and per credit institution. The contribution of each credit institution is calculated on the basis of the aggregate deposits and risk exposure of such credit institution.

Additional Funding

The governor of the *Banque de France*, as chairman of the ACPR, after requesting the opinion of the ACPR, and, for significant banks, of the ECB, 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, unless they have agreed to be bound by an express undertaking to the ACPR, 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 relevant Supervisory Banking Authority 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. The variable component of the total compensation of employees whose activities may have a significant impact on the institution's risk exposure should reflect a sustainable and risk-adjusted performance 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 cap to two times their fixed salary. The variable compensation cap applies to compensation awarded for services or performance from 2014 onwards.

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 any offense 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.

Regulatory Responses to the COVID-19 Pandemic

In response to the outbreak of the COVID-19 pandemic, specific mitigation measures were announced and implemented to address the economic impacts of the pandemic on the European banking sector. Given that these and other European and national response measures continue to evolve in response to the spread of the virus, this discussion is presented as of the date of this Base Offering Memorandum and the situation may change, possibly significantly, at any time.

Supporting Measures

The ECB announced a number of measures to ensure that its directly supervised banks can continue to fulfil their role in funding the real economy as the economic effects of the COVID-19 pandemic become apparent.

In particular, the ECB announced on March 12, 2020 and April 30, 2020 the introduction of additional longer-term refinancing operations and the adoption of more favourable terms to existing longer-term refinancing operations and the adoption of more favourable terms to existing longer-term refinancing operations, together with the introduction of an additional €120 billion of net asset purchases to be distributed until the end of 2020.

Further, on March 18, 2020, the ECB decided to launch a new €750 billion pandemic emergency purchase program ("**PEPP**") of public and private sector securities to counter the serious effects of the COVID-19 outbreak and the escalating spread of the COVID-19 pandemic. The PEPP includes all asset categories eligible under the pre-existing asset purchase program and also expands the categories of eligible assets. The PEPP will last until the ECB's governing council determines the COVID-19 pandemic is over, but in any case not before the end of 2020. In addition, the ECB adopted on April 7, 2020 a package of temporary collateral easing measures linked to the duration of the PEPP in order to facilitate the availability of eligible collateral to participate in liquidity providing operations to encourage an increase in bank funding. On April 20, 2020, the *Banque de France* complemented such measures by, *inter alia*, enlarging the scope of eligible credit claims within its jurisdiction.

Finally, on April 22, 2020, the ECB implemented measures to mitigate the impact of possible rating downgrades on collateral availability.

At a national level, legislation and regulatory action have also been adopted in France in response to the COVID-19 pandemic. This includes, among other things, a €300 billion program of State guarantees for loans to French business and the suspension of certain taxes and social charges, as well as partial subsidies for businesses that pay employees who are unable to work on a full-time basis.

Capital relief measures

On March 12, 2020, the ECB announced (i) the possibility for banks and financial institutions to temporarily operate below the capital requirements set forth in the Pillar 2 guidance and to cover their Pillar 2 requirements partially with capital instruments other than CET1 (i.e. with lower ranking capital instruments, such as additional Tier 1 or Tier 2 instruments), thus bringing forward a measure in CRD V Directive that should have come into effect in January 2021, (ii) the possibility for individualized relief measures to be agreed to between banks and the ECB, such as rescheduling on-site inspections and extending deadlines for the implementation of remediation actions stemming from recent on-site inspections, and (iii) the possibility for banks to operate below the requirements set forth under the capital conservation buffer and under the liquidity coverage ratio rules.

In addition, Regulation (EU) 2020/873 of the European Parliament and of the Council amending the CRR II as regards certain adjustments in response to the COVID-19 pandemic, which entered into force on June 27, 2020 (except for one provision which will enter into force on June 28, 2021), purports to improve banks' capacity to lend and to absorb losses related to the COVID-19 pandemic and, *inter alia*, defers the application date for the leverage ratio buffer applicable to G-SIBs to January 1, 2023. In addition, on September 17, 2020, the Governing Council of the ECB decided that 'exceptional circumstances' justify leverage ratio relief and, accordingly, announced that euro area banks under its direct supervision (such as the Issuer) may exclude certain central bank exposures from the leverage ratio until June 27, 2021. On September 22, 2020, the ACPR extended this recommendation to banks under its supervision.

On July 23, 2020, the EBA published guidelines on the pragmatic 2020 SREP in light of the COVID-19 pandemic pursuant to which competent authorities have the option of applying an alternative specific process for 2020 (in lieu of the process provided for by the original SREP guidelines) which may be necessary in response to the COVID-19 pandemic.

At a national level, the *Banque de France* announced on March 13, 2020 in its response to the COVID-19 pandemic that it would propose a complete relaxation of the countercyclical buffer from 0.5% to 0% to address the emergency situation resulting from the outbreak. Further to this announcement, the HCSF decided on April 1, 2020 to lower the counter-cyclical buffer rate to 0% as from April 2, 2020, thereby enabling banks to use this buffer that had already been constituted to address the emergency situation arising from the COVID-19 pandemic. On July 1, 2020, the HCSF decided to maintain the countercyclical buffer rate à 0% until further notice.

Supervisory measures

In its statement on March 12, 2020, the EBA announced that it would postpone EU-wide stress tests to 2021 and recommended that competent authorities conduct supervisory activities in a pragmatic way and provide flexibility in some areas of required reporting in order to ensure that banks are able to prioritize operational continuity without affect the reporting of crucial financial information needed to monitor the financial and prudential situation of European banks. On April 9, 2020, the ACPR announced in turn that it will give institutions some leeway in particular in relation to the remittance dates of certain prudential and accounting reporting.

On March 27, 2020, the ECB issued a recommendation revising prior guidance on dividend distribution policies and requesting banks to refrain from dividend distributions and share buy-backs until at least October 1, 2020 (later extended to January 1, 2021) in light of the impacts of the COVID-19 pandemic. On March 30, 2020, the ACPR issued a similar recommendation for credit institutions under its direct supervision. In its statement dated March 31, 2020, the EBA also reiterated and expanded its call to institutions to refrain from the distribution of dividends or share buybacks for the purpose of remunerating shareholders. On May 27, 2020, the European Systemic Risk Board recommended that, at least until January 1, 2021, relevant authorities request financial institutions under their supervisory remit to refrain from making dividend distributions or ordinary shares buy-backs or creating an obligation to pay variable remuneration to a material risk taker which have the effect of reducing the quantity or quality of own funds at the EU group level (or at the individual level where the financial institution is part of an EU group), and, where appropriate, at the sub-consolidated or individual level. On July 27, 2020, the ECB adopted a recommendation to the effect that until January 1, 2021 no dividends be paid out and no irrevocable commitment to pay out dividends be undertaken by credit institutions subject to ECB supervision for the financial years 2019 and 2020 and that credit institutions refrain from making share buy-backs aimed at remunerating shareholders.

Resolution Measures

On May 15, 2014, the European Parliament and the Council of the European Union adopted Directive 2014/59/EU, establishing an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**"). The BRRD was implemented in France through a decree-law (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) dated August 20, 2015, ratified on December 9, 2016. On May 20, 2019, the European Parliament and the Council of the European Union adopted Directive (EU) 2019/879 amending the BRRD as regards the loss-absorbing and recapitalization capacity of credit institutions and investment firms and Directive 98/26/EC (the "**BRRD Revision**" and, together with BRRD, "**BRRD II**"), which will be implemented under French law no later than December 28, 2020.

This framework, which includes measures to prevent and resolve banking crises, is aimed at preserving financial stability, ensuring the continuity of critical functions of institutions whose failure would have a significant adverse effect on the financial system, protecting depositors and avoiding, or limiting to the extent possible, the need for extraordinary public financial support. To this end, European resolution authorities, including the SRB, have been given broad powers to take any necessary actions in connection with the resolution of all or part of a credit institution or the group to which it belongs.

Resolution

Under BRRD and BRRD II, the Relevant Resolution Authority (see "*—The Resolution Authority*" above) may commence resolution procedures in respect of an institution when the Relevant Resolution Authority determines that:

- the institution is failing or likely (on the basis of objective elements) to fail;
- there is no reasonable prospect that another action will prevent the failure within a reasonable time; and
- a resolution measure is required, and a liquidation procedure would fail, to achieve the objectives of the resolution as described above.

Failure of an institution means that it does not respect requirements for continuing authorization, it is unable to pay its debts or other liabilities when they fall due, it requires extraordinary public financial support (subject to limited exceptions), or the value of its liabilities exceeds the value of its assets.

After resolution procedures are commenced, the Relevant Resolution Authority may use one or more of several resolution tools with a view to recapitalizing or restoring the viability of the institution, as described below. Resolution tools are to be implemented so that shareholders bear losses first, then holders of capital instruments qualifying as additional Tier 1 and Tier 2 instruments, and thereafter creditors bear losses in accordance with the order of their claims in normal insolvency proceedings, subject to certain exceptions. French law also provides for certain safeguards when certain resolution tools and measures are implemented, including the "no creditor worse off" principle whereby creditors of the institution under resolution should not incur greater losses than they would have incurred had the institution been wound up under a liquidation proceeding.

Limitation on Enforcement

Article 68 of the BRRD, as transposed in France, provides that certain crisis prevention measures and crisis management measures, including the opening of a resolution procedure in respect of the Issuer, may not by themselves give rise to a contractual enforcement right against the Issuer or the right to modify the Issuer's obligations, so long as the Issuer continues to meet its payment obligations.

The BRRD Revision extends this requirement to the suspension of payment and delivery obligations decided by the Relevant Resolution Authority. Accordingly, if a resolution procedure is opened in respect of the Issuer, holders of the Notes will not have the right to take enforcement actions or to modify the terms of the Notes so long as the Issuer continues to meet its payment obligations. Such rights are in any event limited given the absence of events of default and the waiver of set-off rights in the terms and conditions of the Senior Non-Preferred Notes and any Senior Preferred Notes treated as MREL or TLAC eligible.

Write-Down and Conversion of Capital Instruments

Capital instruments may be written down or converted to equity or other instruments either in connection with (and prior to) the opening of a resolution procedure, or in certain other cases described below (without a resolution procedure). Capital instruments for these purposes include common equity Tier 1, additional Tier 1 and Tier 2 instruments.

The Relevant Resolution Authority must write down capital instruments, or convert them to equity or other instruments, if it determines that the conditions for the initiation of a resolution procedure have been satisfied, the viability of the issuing institution or its group depends on such write-down or conversion, or the issuing institution or its group requires extraordinary public support (subject to certain exceptions). The principal amount of capital instruments may also be written down or converted to equity or other instruments if (i) the issuing institution or the group to which it belongs is failing or likely to fail and the write-down or conversion is necessary to avoid such failure, (ii) the viability of the institution depends on the write-down or conversion (and there is no reasonable perspective that another measure, including a resolution measure, could avoid the failure of the issuing institution or its group in a reasonable time), or (iii) the institution or its group requires extraordinary public support (subject to certain exceptions). The failure of an issuing institution is determined in the manner described above. The failure of a group is considered to occur or be likely if the group breaches its consolidated capital ratios or if such a breach is likely to occur in the near term, based on objective evidence (such as the incurrence of substantial losses that are likely to deplete the group's own funds).

If one or more of these conditions is met, common equity Tier 1 instruments are first written down, transferred to creditors or, if the institution enters resolution and its net assets are positive, significantly diluted by the conversion of other capital instruments and eligible liabilities. Once this has occurred, other capital instruments (first additional Tier 1 instruments, then Tier 2 instruments) are either written down or converted to common equity Tier 1 instruments or other instruments (which are also subject to possible write-down).

The Bail-In Tool

Once a resolution procedure is initiated, the powers provided to the Relevant Resolution Authority include the "Bail-In Tool", meaning the power to write down bail-inable liabilities of a credit institution in resolution, or to convert them to equity. Bail-inable liabilities include all non-excluded liabilities, including subordinated debt instruments not qualifying as capital instruments, unsecured senior non-preferred debt instruments (such as the Senior Non-Preferred Notes) and unsecured senior preferred debt instruments (such as the Senior Preferred Notes). The Bail-In Tool may also be applied to any liabilities that are capital instruments and that remain outstanding at the time the Bail-In Tool is applied.

In the event that the Crédit Mutuel group is placed in resolution, the Relevant Resolution Authority could decide to apply the Bail-in Tool to the capital instruments and bail-inable liabilities of group entities (including the Issuer) in order to absorb losses, meaning fully or partially writing down the nominal value of these instruments or (except in the case of shares) converting them into equity.

Before the Relevant Resolution Authority may exercise the Bail-In Tool in respect of bail-inable liabilities, capital instruments must first be written down or converted to equity or other instruments, in the following order of priority: (i) common equity Tier 1 instruments are to be written down first, (ii) additional Tier 1 instruments are to be written down or converted into common equity Tier 1 instruments and (iii) Tier 2 capital instruments are to be written down or converted to common equity Tier 1 instruments. Once this has occurred, the Bail-In Tool may be used to write down or convert bail-inable liabilities as follows: (i) subordinated debt instruments other than capital instruments are to be written down or converted into common equity Tier 1 instruments in accordance with the hierarchy of claims in normal insolvency proceedings, and (ii) other bail-inable liabilities are to be written down or converted into common equity Tier 1 instruments, in accordance with the

hierarchy of claims in normal insolvency proceedings. In this regard, unsecured senior non-preferred debt instruments (such as the Senior Non-Preferred Notes) would be written down or converted to equity before any Senior Preferred Obligations (such as the Senior Preferred Notes) of the Issuer. Instruments of the same ranking are generally written down or converted into equity on a pro rata basis.

Other resolution measures

In addition to the Bail-In Tool, the Relevant Resolution Authority is provided with broad powers to implement other resolution measures with respect to failing institutions or, under certain circumstances, their groups, which may include (without limitation): the total or partial sale of the institution's business to a third party or a bridge institution, 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), discontinuing the listing and admission to trading of financial instruments, the dismissal and/or replacement of directors and/or managers or the appointment of a temporary administrator (*administrateur spécial*) and the issuance of new equity or own funds.

When using its powers, the Relevant Resolution Authority must take into account the situation of the concerned group or institution under resolution and potential consequences of its decisions in the concerned EEA Member States or in the UK.

Recovery and resolution plans

Each institution or group must prepare a recovery plan (*plan préventif de rétablissement*) that will be reviewed by the Supervisory Banking Authority. The Relevant Resolution Authority is in turn required to prepare a resolution plan (*plan préventif de résolution*) or a group resolution plan (*plan préventif de resolution de groupe*) 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 Supervisory Banking Authority must assess the recovery plan to determine whether the implementation of the arrangements proposed is reasonably likely to maintain or restore the viability and financial position of the institution or of the group, also review whether the plan could impede the resolution powers if a resolution is commenced, and, as necessary, can require modifications or request changes in an institution's organization.

- Resolution plans prepared by the Relevant Resolution Authority must provide for the resolution actions which the resolution authority may take where the institution meets the conditions for resolution and 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. Such plans must also be updated on a yearly basis (or immediately following a significant change in an institution's organization or business).

The Single Resolution Fund

The Single Resolution Mechanism Regulation provides for the establishment of a single resolution fund that may be used by the SRB to support a resolution plan (the "**Single Resolution Fund**"). The Single Resolution Fund has replaced national resolution funds implemented pursuant to the BRRD with respect to significant banks such as the Issuer. This Single Resolution Fund is financed by contributions raised from banks established in the Member States participating in the ECB Single Supervisory Mechanism. Contributions are calculated at least annually by the SRB after

consultation with the ECB and national authorities, on the basis of the *pro rata* amount of the bank's total liabilities (excluding own funds) less covered deposits with respect to the aggregate amount of liabilities (excluding own funds) less covered deposits of all banks authorized in all of the participating member states, subject to adjustments that are a function of risk factors. The Single Resolution Fund will be gradually built up during an eight-year period (2016-2023) and shall reach at least 1% of covered deposits by December 31, 2023. At June 30, 2019, the Single Resolution Fund had approximately €33 billion available.

MREL and TLAC

Under BRRD and BRRD II, to ensure that the Bail-in Tool will be effective if it is ever needed, institutions are required to maintain a minimum level of own funds and eligible liabilities, calculated as a percentage of their own funds and total liabilities, based on certain criteria including systemic importance, in order to absorb losses and to recapitalize the institution and restore the Group's minimum capital and leverage ratios thereafter. The percentage is determined for each institution by the Relevant Resolution Authority. This minimum level is known as the "minimum requirement for own funds and eligible liabilities" or "MREL" and is to be set in accordance with Articles 45 *et seq*. of BRRD II, Article 12 of the Single Resolution Mechanism Regulation and Commission Delegated Regulation (EU) 2016/1450 of May 23, 2016 (as amended from time to time) (the "**MREL requirements**"). In accordance with BRRD II, the deadline for institutions to comply with the MREL requirements will be January 1, 2024, unless the Resolution Authorities set a longer transitional period on the basis of criteria set forth in the BRRD Revision. In addition, the Resolution Authorities will determine intermediate target levels for MREL that credit institutions shall comply with at January 1, 2022, to ensure a linear build-up of capital and eligible liabilities towards the requirement. In this context, the SRB announced in a March 25, 2020 letter to the banks that it stands ready to adjust MREL targets in line with capital requirements to take into account COVID-19 relief measures.

The CRR Revision and the BRRD Revision provide a number of criteria in order for an instrument to be considered an eligible liability for purposes of the MREL requirements. In particular, such instruments may not provide for acceleration, and they must not provide for a right for their holders to exercise setoff rights.

In addition, for purposes of the MREL requirements applicable to banking groups other than G-SIBs, such as the Group, liabilities eligible for MREL generally are not required to be subordinated, except that the Relevant Resolution Authority may impose a subordination requirement including to the extent that the absence of subordination might give rise to a claim that the application of the Bail-in Tool to unsubordinated liabilities would violate the "no creditor worse off" principle.

The CRR Revision and the BRRD Revision include grandfathering clauses designed to ensure that instruments issued before the adoption of the CRR Revision and the BRRD Revision will count as eligible liabilities.

For purposes of the MREL requirements applicable to banking groups that are G-SIBs, the CRR Revision and the BRRD Revision require that they comply with Pillar 1 MREL requirements (the "**TLAC requirements**"), that must be at least equal to (i) 16% of total risk exposure (or RWAs) beginning January 1, 2019, and 18% of total risk exposure beginning January 1, 2022, and (ii) 6% of total exposure measure, *i.e.* the leverage ratio denominator, and 6.75% beginning January 1, 2022. G-SIBs may also be required to comply with additional MREL requirements as decided by the Relevant Resolution Authority, or Pillar 2 G-SIB MREL requirements.

The CRR II also allows liabilities that rank *pari passu* with certain TLAC excluded liabilities (such as the Senior Preferred Notes) under certain circumstances to count towards the minimum

TLAC requirements in an amount up to 2.5% of the total risk exposure until December 31, 2021 and up to 3.5% thereafter.

Neither Crédit Mutuel Alliance Fédérale nor any of its constituent entities is currently a G-SIB. Accordingly, the TLAC requirements are not applicable to the Group. However, the Group uses the TLAC requirements as a reference in managing its positions with respect to its own funds and liabilities.

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 Supplement 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 Supplement 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 Agency Agreement (as defined below) or in the applicable supplement or Pricing Supplement 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 Supplement.

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 Agency Agreement (as it may be updated or supplemented from time to time, the "**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**" and, together with the Fiscal Agent, the "**Fiscal and Principal Paying Agent**"), transfer agent ("**Transfer Agent**") and ("**Exchange Agent**") and Citigroup Global Markets Europe AG, as registrar (the "**Registrar**"). The Principal Paying Agent, any additional paying agent (each a "**Paying Agent**" and, together with the Fiscal and Principal Paying Agent, the "**Paying Agents**"), the Registrar, the Transfer Agent 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 Supplement (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 Agency Agreement. The Notes are, to the extent specified in the relevant Pricing Supplement, Fixed Rate Notes, Floating Rate Notes or any other types of Notes specified in the relevant Pricing Supplement, subject to all applicable laws and regulations, any other type of Notes specified in the relevant Pricing Supplement.

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 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 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 Agency Agreement.

ii) Transfers of Notes in certificated form

Subject to 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 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 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 Agency Agreement). Subject as provided above, the Registrar or Transfer Agent will, within three (3) Business Days of the request (or within twenty-one (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, Purchase, Substitution and Variation and Cancellation*), 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:

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

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

(4) 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 ninety (90) calendar 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.

vi) 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 Agency Agreement.

2. Status of the Notes

Notes may be either senior preferred notes ("**Senior Preferred Notes**") or senior non-preferred notes ("**Senior Non-Preferred Notes**"), as specified in the relevant Pricing Supplement.

a) Status of Senior Preferred Notes

Senior Preferred Notes will constitute direct, unconditional, unsecured and senior (*chirographaires*) obligations of the Issuer ranking as Senior Preferred Obligations and rank and will rank equally and rateably without any preference or priority among themselves and:

i) *pari passu* with all other direct, unconditional, unsecured and senior or unsubordinated obligations of the Issuer outstanding as of the date of entry into force of the law n°2016-1691 dated December 9, 2016 (the "**Law**") on December 11, 2016;

ii) *pari passu* with all other present or future Senior Preferred Obligations of the Issuer issued after the date of entry into force of the Law on December 11, 2016;

iii) junior to all present or future obligations of the Issuer benefiting from statutorily preferred exceptions; and

iv) senior to all present or future Senior Non-Preferred Obligations of the Issuer (including any Senior Non-Preferred Notes) and any obligations ranking *pari passu* or junior to Senior Non-Preferred Obligations of the Issuer.

"**Senior Non-Preferred Obligations**" means any senior obligations (including Senior Non-Preferred Notes) of, or other senior instruments issued by, the Issuer which fall or are expressed to fall within the category of obligations described in Articles L. 613-30-3–I-4° and R.613-28 of the French Monetary and Financial Code.

"**Senior Preferred Obligations**" means any senior obligations (including Senior Preferred Notes) of, or other senior instruments issued by, the Issuer, which fall or are expressed to fall within the category of obligations described in Article L. 613-30-3–I-3° of the French Monetary and Financial Code.

Subject to applicable law, in the event any judgment is rendered by any competent court declaring the judicial liquidation of the Issuer or if the Issuer is liquidated for any other reason, the rights of payment of the holders of Senior Preferred Notes shall be subject to the payment in full of all present or future creditors and holders of, or creditors in respect of, claims benefiting from statutory preferred exceptions ("**Statutory Preferred Creditors**") and, subject to such payment in full, the holders of Senior Preferred Notes shall be paid in priority to any present or future Senior Non-Preferred Obligations of the Issuer. In the event of incomplete payment of Statutory Preferred Creditors, the obligations of the Issuer in connection with the Senior Preferred Notes will be terminated. The holders of Senior Preferred Notes shall be responsible for taking all necessary steps for the orderly accomplishment of any such liquidation of the Issuer in relation to any claims they may have against the Issuer.

If and to the extent permitted by the applicable regulations or MREL or TLAC Requirements, the Issuer may treat the Senior Preferred Notes specified as MREL or TLAC eligible in the relevant Pricing Supplement, for regulatory purposes, as MREL or TLAC eligible under the MREL or TLAC Requirements.

b) Status of Senior Non-Preferred Notes

Senior Non-Preferred Notes (being those Notes identified as Senior Non-Preferred Notes in the relevant Pricing Supplement) will constitute direct, unconditional, unsecured and senior (*chirographaires*) obligations of the Issuer ranking as Senior Non-Preferred Obligations and rank and will rank equally and rateably without any preference or priority among themselves and:

i) *pari passu* with all other present or future Senior Non-Preferred Obligations of the Issuer;

ii) junior to all present or future Senior Preferred Obligations of the Issuer; and

iii) senior to all present or future subordinated obligations of the Issuer and any obligations ranking *pari passu* or junior to subordinated obligations of the Issuer.

Subject to applicable law, in the event any judgment is rendered by any competent court declaring the judicial liquidation of the Issuer or if the Issuer is liquidated for any other reason, the rights of payment of the holders of Senior Non-Preferred Notes will be subject to the payment in full of all present or future holders of Senior Preferred Obligations and holders of, or creditors in respect of, obligations expressed by their terms to rank in priority to the Senior Non-Preferred Notes and of those preferred by mandatory and/or overriding provisions of law/ Statutory Preferred Creditors (collectively, "**Senior Preferred Creditors**") and, subject to such payment in full, the holders of Senior Non-Preferred Notes will be paid in priority to any present or future subordinated obligations of the Issuer. In the event of incomplete payment of Senior Preferred Creditors, the obligations of the Issuer in connection with the Senior Non-Preferred Notes will be terminated.

It is the intention of the Issuer that the Senior Non-Preferred Notes shall be treated, for regulatory purposes, as MREL or TLAC eligible under the applicable regulations or MREL or TLAC Requirements.

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) (*Spread, Maximum/Minimum Rates of Interest, Installment Amounts and Redemption Amounts and Rounding*).

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 Period shall be determined in the manner specified in the relevant Pricing Supplement and, except as otherwise specified in the relevant Pricing Supplement, the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Pricing Supplement.

i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Pricing Supplement 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 Supplement;

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

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

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 - Benchmark Other than SOFR

(1) Where Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, and the relevant Benchmark is not SOFR, the Rate of Interest for each Interest Period will be either:

(a) The offered quotation; or

(b) The arithmetic mean of the offered quotation(s),

expressed as a percentage rate per annum, for the Benchmark which appears on the Relevant Screen Page (the "**Screen Page Reference Rate**") as at the Relevant Time on the Interest Determination Date in question plus or minus (as indicated in the relevant Pricing Supplement) the Spread (if any), all as determined by the Calculation Agent in accordance with Condition 3(c)(iv) (*Interest Rate Determination Provisions for Floating Rate Notes*).

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, only one 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.

(2) Screen Page Reference Rate Replacement Provisions

(a) if the Relevant Screen Page is not available or if sub paragraph (1)(a) applies and no such offered quotation appears on the Relevant Screen Page, or if sub paragraph (1)(b) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the Relevant Time, except as

provided in paragraph (d) below, and if the relevant Benchmark is based on an interbank lending rate, the Issuer shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Benchmark at the Relevant 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 Period shall be the arithmetic mean of such offered quotations plus or minus (as appropriate) the Spread (if any) as determined by the Calculation Agent in accordance with "—Condition 3(c)(iv) (*Interest Rate Determination Provisions for Floating Rate Notes*);

(b) if fewer than two Reference Banks are providing offered quotations, the interest rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at the Relevant 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 Benchmark by leading banks in the Relevant Inter-Bank Market plus or minus (as appropriate) the Spread (if any) in accordance with Condition 3(c)(iv) (*Interest Rate Determination Provisions for Floating Rate Notes*). If fewer than two of the Reference Banks provide the Calculation Agent with such rates offered to them, the rate of interest shall be the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Benchmark, 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 Benchmark, at which, at the Relevant 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 the Relevant Inter-Bank Market plus or minus (as appropriate) the Spread (if any) in accordance with Condition 3(c)(iv) (*Interest Rate Determination Provisions for Floating Rate Notes*);

(c) If the relevant Benchmark is not an interbank lending rate, or if the interest rate cannot be determined in accordance with the foregoing provisions of this paragraph, the interest rate shall be equal to the last Benchmark available on the Relevant Screen Page plus or minus (as appropriate) the Spread (if any) in accordance with Condition 3(c)(iv)(2) (*Spread and Spread Multiplier*), as determined by the Calculation Agent, except that if the Issuer determines that the absence of quotation is due to a Benchmark Transition Event, the Benchmark will be determined in accordance with paragraph (d) and Condition 3(c)(v) (*Benchmark Replacement Provisions*) below;

(d) Notwithstanding paragraphs (a)-(c) above, if the Issuer determines, at any time prior to, on or following any Interest Determination Date, that a Benchmark Transition Event and the related Benchmark Replacement Date have occurred, the Benchmark will be determined in accordance with the provisions set forth in Condition 3(c)(v) (*Benchmark Replacement Provisions*).

iii) Provisions Specific to SOFR as Benchmark – Screen Rate Determination of SOFR

Where Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined and SOFR is specified as the relevant Benchmark for one or more series of Notes ("**SOFR-based Floating Rate Notes**"), the Rate of Interest for each Interest Period will be equal to the relevant SOFR Benchmark, plus the relevant Spread (if any).

The SOFR Benchmark will be determined based on either SOFR Arithmetic Mean, SOFR Compound, SOFR Published Compound or SOFR Index Average, as follows (subject to the provisions of Condition 3(c)(v) (Benchmark Replacement Provisions) below):

(1) if SOFR Arithmetic Mean ("**SOFR Arithmetic Mean**") is specified as applicable in the relevant Pricing Supplement, the SOFR Benchmark for each Interest Period shall be the arithmetic mean of the SOFR rates for each day during the period, as calculated by the Calculation Agent, where, if applicable (as specified in the applicable Pricing Supplement), the SOFR rate on the Rate Cut-Off Date shall be used for the days in the period from and including the Rate Cut-Off Date to but excluding the Interest Payment Date;;

(2) if SOFR Compound ("**SOFR Compound**") is specified as applicable in the relevant Pricing Supplement, the SOFR Benchmark for each Interest Period shall be equal to the value of the SOFR rates for each day during the relevant Interest Period, Observation Period or Interest Accrual Period (as applicable depending on which of the formulas below is used to determine SOFR Compound)

(3) if SOFR Published Compound ("**SOFR Published Compound**") is specified as applicable in the relevant Pricing Supplement, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of the SOFR rate over the tenor that is specified in the relevant Pricing Supplement (30, 90 or 180 days or such other tenor that may be specified in the Pricing Supplement), as published by the NY Federal Reserve on the NY Federal Reserve's website at the SOFR Determination Time on the Rate Cut-Off Date; or

(4) if SOFR Index Average ("**SOFR Index Average**") is specified as applicable in the relevant Pricing Supplement, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of the SOFR rate over the time period that is specified in the relevant Pricing Supplement.

SOFR Compound shall be calculated in accordance with one of the formulas referenced below, as specified in the applicable Pricing Supplement:

SOFR Lookback Compound:

$$\left[\left(\prod_{i=1}^{d_0}\left(1+\frac{SOFR_{i-xUSBD}\times n_i}{360}\right)-1\right)\times\frac{360}{d}\right]$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards,

where:

"**d**" means the number of calendar days in the relevant Interest Period;

"**d_0**" for any Interest Period, means the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers from one to d_0, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

"**Lookback Days**" means the number of U.S. Government Securities Business Days specified in the applicable Pricing Supplement;

"$\mathbf{n_i}$" for any U.S. Government Securities Business Day "i" in the relevant Interest Period, means the number of calendar days from, and including, such U.S. Government Securities Business Day "i" up to, but excluding, the following U.S. Government Securities Business Day ("i+1"); and

"$\mathbf{SOFR_{i\text{-}xUSBD}}$" for any U.S. Government Securities Business Day "i" in the relevant Interest Period, is equal to SOFR in respect of the U.S. Government Securities Business Days falling a number of U.S. Government Securities Business Days prior to that day "i" equal to the number of Lookback Days.

SOFR Shift Compound

$$\left[\left(\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right)\times\frac{360}{d}\right]$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards,

where:

"**d**" means the number of calendar days in the relevant Observation Period;

"$\mathbf{d_0}$" for any Observation Period, means the number of U.S. Government Securities Business Days in the relevant Observation Period;

"**i**" means a series of whole numbers from one to d_0, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

"$\mathbf{n_i}$" for any U.S. Government Securities Business Day "i" in the relevant Observation Period, means the number of calendar days from, and including, such U.S. Government Securities Business Day "i" up to, but excluding, the following U.S. Government Securities Business Day ("i+1");

"**Observation Period**" means, in respect of each Interest Period, the period from, and including, the date that is a number of U.S. Government Securities Business Days equal to the Observation Shift Days preceding the first date in such Interest Period to, but excluding the date that is a number of U.S. Government Securities Business Days equal to the number of Observation Shift Days, preceding the Interest Payment Date for such Interest Period;

"**Observation Shift Days**" means the number of U.S. Government Securities Business Days specified in the applicable Pricing Supplement; and

"$\mathbf{SOFR_i}$" for any U.S. Government Securities Business Day "i" in the relevant Observation Period, is equal to SOFR in respect of that day "i".

SOFR Lockout Compound

$$\left[\left(\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right)\times\frac{360}{d}\right]$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards,

where:

"**d**" means the number of calendar days in the relevant Interest Accrual Period;

"**d_0**" for any Interest Accrual Period, means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

"**i**" is a series of whole numbers from one to d_0, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Accrual Period;

"**n_i**" for any U.S. Government Securities Business Day "i" in the relevant Interest Accrual Period, means the number of calendar days from, and including, such U.S. Government Securities Business Day "i" up to, but excluding, the following U.S. Government Securities Business Day;

"**$SOFR_i$**" for any U.S. Government Securities Business Day "i" in the relevant Interest Accrual Period, is equal to SOFR in respect of that day "i";

"**SOFR Rate Cut-Off Date**" the second U.S. Government Securities Business Day prior to the Interest Payment Date for the relevant Interest Accrual Period or such other date specified in the applicable Pricing Supplement; and

"**Interest Reset Date**" means each U.S. Government Securities Business Day in the relevant Interest Accrual Period; provided however that the SOFR in respect to each Interest Reset Date in the period from and including the SOFR Rate Cut-Off Date to, but excluding, the corresponding Interest Payment Date of an Interest Accrual Period, will be the SOFR with respect to the SOFR Rate Cut-Off Date for such Interest Accrual Period.

SOFR Index Average:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{start}}-1\right)x\left(\frac{360}{d_c}\right)$$

where:

"**SOFR Index"** means the SOFR Index in relation to any U.S. Government Securities Business Day as published by the NY Federal Reserve on the NY Federal Reserve's website at the SOFR Determination Time and appearing on the Relevant Screen Page or, if the SOFR Index does not appear on the Relevant Screen Page on such U.S. Government Securities Business Day, then as appearing on the NY Federal Reserve's website;

"**SOFR Index**$_{Start}$" means the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the applicable Supplement

preceding the first date of the relevant Interest Period (an "**Index Determination Date**");

"**SOFR Index**$_{End}$" means the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the applicable Supplement preceding the Interest Payment Date relating to such Interest Period (or in the final Interest Period, the Maturity Date); and

"**d_c**" means the number of calendar days from (and including) the SOFR Index$_{Start}$ to (but excluding) the SOFR Index$_{End}$

Subject to the provisions set forth below, if the SOFR Index is not published on any relevant Index Determination Date and a Benchmark Transition Event and related Benchmark Replacement Date have not occurred, the SOFR Index for such U.S. Government Securities Business Day shall be calculated, unless otherwise specified in the Relevant Supplement, using the below equation, where i = the first preceding calendar day and replacing "April 2, 2018" with the first preceding U.S. Government Securities Business Day for which the SOFR Index was published on the NY Federal Reserve's website;

$$SOFR\ Index = SOFR\ Index\_0 \times \left(\prod_{April\ 2,2018}^{i}\left(1+\frac{SOFR_i \times n_i}{360}\right)\right)$$

where:

SOFR Index_0 = SOFR Index as published in respect of the first preceding U.S. Government Securities Business Day for which the SOFR Index was published on the NY Federal Reserve's website;

$SOFR_i$ = SOFR with respect to such U.S. Government Securities Business Day; and

n_i = number of calendar days for which SOFRi applies (1 day for most Mondays-Thursdays, or 3 days for most Fridays, except in the case of holidays).

In connection with the determination of the rate of interest payable on SOFR Notes, the following definitions apply (in addition to those definitions that are specifically applicable to a calculation formula):

"**Bloomberg Screen SOFRRATE Page**" means the Bloomberg screen designated "SOFRRATE" or any successor page or service.

"**Interest Payment Date**" means, with respect to SOFR Notes, except as otherwise provided with respect to a SOFR Compounding formula, each date designated as such in the relevant Pricing Supplement.

"**Interest Period**" means each period from and including an Interest Payment Date (or the relevant Issue Date, in the case of the first Interest Period for a SOFR Note), to but excluding the immediately following Interest Payment Date (or the Maturity Date, in the case of the last Interest Period for a SOFR Note).

"**NY Federal Reserve's website**" means the website of the Federal Reserve Bank of New York (the "NY Federal Reserve"), currently at http://www.newyorkfed.org, or any successor website of the NY Federal Reserve or the website of any successor administrator of the Secured Overnight Financing Rate.

"**Spread**" means the spread (if any) as specified in the relevant Pricing Supplement.

"**Rate Cut-Off Date**" means the date that is a number of U.S. Government Securities Business Days prior to the end of each Interest Period, the Maturity Date or the Redemption Date, as applicable, as specified in the relevant Supplement.

"**Reuters Page USDSOFR=**" means the Reuters page designated "USDSOFR=" or any successor page or service.

"**SOFR**" means, with respect to any U.S. Government Securities Business Day, the rate determined by the Calculation Agent in accordance with the following provisions:

(a) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the NY Federal Reserve's website on the immediately following U.S. Government Securities Business Day at the SOFR Determination Time.

(b) if the rate specified in (1) above does not so appear, the Secured Overnight Financing Rate published on the NY Federal Reserve's website for the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the NY Federal Reserve's website.

"**SOFR Determination Time**" means, with respect to any U.S. Government Securities Business Day, 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day.

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (SIFMA) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

iv) Interest Rate Determination Provisions for Floating Rate Notes

(1) Except as described below or in the relevant Pricing Supplement, as the case may be, each Floating Rate Note will bear interest at the rate determined by reference to the applicable interest rate basis or bases (a) plus or minus the applicable Spread, if any, and/or (b) multiplied by the applicable Spread Multiplier, if any. Commencing on the first date on which interest is to reset after the original issue date, the rate at which interest on such Floating Rate Note shall be payable shall be reset as of each date provided therefor; provided, however, that the interest rate in effect for the period, if any, from and including the original issue date to but excluding the first reset date will be the initial Interest Rate. With respect to SOFR-based Floating Rate Notes, the provisions of this Condition 3(c)(iv) (*Interest Rate Determination Provisions for Floating Rate Notes*) shall not apply to the extent inconsistent with the provisions relating to SOFR-based Floating Rate Notes set forth above in section 3(c)(iii) (*Provisions Specific to SOFR as Benchmark – Screen Rate Determination of SOFR*).

(2) Spread and Spread Multiplier. In some cases, the interest rate basis or Bases for a Floating Rate Note may be adjusted by (a) the "Spread," which is the number of basis points to be added to or subtracted from the related interest rate basis or bases applicable to a Floating Rate Note as specified in the applicable Pricing Supplement,

as the case may be, and/or (b) the "Spread Multiplier," which is the percentage of the related interest rate basis or bases applicable to a Floating Rate Note by which the interest rate basis or bases will be multiplied to determine the applicable interest rate, as specified in the relevant Pricing Supplement.

v) Benchmark Replacement Provisions

If the Issuer determines that a Benchmark Transition Event and the related Benchmark Replacement Date have occurred at or prior to the relevant Reference Time in respect of any determination of the Benchmark on any day, the Issuer will deliver notice thereof to the Calculation Agent and as soon as reasonably practicable appoint an agent (the "**Replacement Rate Determination Agent**") to determine the Benchmark Replacement. Once the Benchmark Replacement is determined, it will replace the then-current Benchmark for all purposes relating to all affected Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

In connection with the determination of the Benchmark Replacement, the Replacement Rate Determination Agent will determine appropriate Benchmark Replacement Conforming Changes.

Any determination, decision or election that may be made by the Issuer or Replacement Rate Determination Agent (as the case may be) pursuant to these provisions, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of any event, circumstance or date and any decision to take or refrain from taking any action or election: (1) will be conclusive and binding absent any manifest error; (2) will be made in the sole discretion of the Issuer or the Replacement Rate Determination Agent (as the case may be); and (3) notwithstanding anything to the contrary in the terms and conditions of any affected Note, shall become effective without the consent from the holder of such Note or any other party.

In no event shall the Calculation Agent be responsible for determining any Benchmark Replacement or any Benchmark Replacement Conforming Changes. In connection with the foregoing, the Calculation Agent will be entitled to conclusively rely on any determinations made by the Issuer or the Replacement Rate Determination Agent and will have no liability for such actions taken at the direction of the Issuer or the Replacement Rate Determination Agent.

Notwithstanding the foregoing, if (i) the Replacement Rate Determination Agent is unable to or otherwise does not determine a Benchmark Replacement for any date on or following the relevant Benchmark Replacement Date or (ii) the Issuer determines that a Benchmark Replacement or any other amendment to the terms of the Notes necessary to implement such Benchmark Replacement (a) would result in a MREL or TLAC Disqualification Event or (b) could reasonably result in the Relevant Resolution Authority treating any future Interest Payment Date as the effective maturity of the Notes, rather than the relevant Maturity Date, no Benchmark Replacement will be adopted by the Replacement Rate Determination Agent, and the Benchmark Replacement will be equal to the last Benchmark available on the Relevant Screen Page as determined by the Calculation Agent, provided that if SOFR is the relevant Benchmark, the Benchmark Replacement will be SOFR determined as of the U.S. Government Securities Business Day immediately preceding the SOFR Benchmark Replacement Date.

If a Benchmark Replacement is designated, the determination of whether a subsequent Benchmark Transition Event and its Benchmark Replacement Date have occurred will be determined after substituting such prior Benchmark Replacement for the relevant Benchmark, and after application of all Benchmark Replacement Conforming Changes in connection with such substitution, and all relevant definitions shall be construed accordingly.

In connection with the Benchmark Replacement provisions above, the following definitions shall apply:

"**Benchmark**" means the benchmark specified in the applicable Pricing Supplement, provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the "Benchmark" means the applicable "Benchmark Replacement".

"**Benchmark Replacement**" means one or more of the alternatives, as set forth in order of priority, if any, in the Pricing Supplement (or if no such order is set forth, in the order of priority listed below), that can be determined by the Replacement Rate Determination Agent as of the Benchmark Replacement Date:

(1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;

(2) if the relevant Benchmark is LIBOR, the sum of: (a) SOFR Compound (on the basis of Lookback and two Lookback Days, unless otherwise specified in the relevant Pricing Supplement) and (b) the Benchmark Replacement Adjustment;

(3) if the relevant Benchmark is SOFR, the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or

(4) the sum of: (a) the alternate rate that has been selected by the Replacement Rate Determination Agent as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate securities at such time and (b) the Benchmark Replacement Adjustment.

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Replacement Rate Determination Agent as of the applicable Benchmark Replacement Date:

(1) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Spread Adjustment; or

(3) the spread adjustment (which may be a positive or negative value or zero) determined by the Replacement Rate Determination Agent giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definitions of "interest period", "interest reset period"; "interest reset dates" and analogous terms, timing and frequency of determining rates with respect to each interest period and making payments of interest, rounding of amounts or tenors, Day Count Fractions and other administrative matters) that the Replacement Rate Determination Agent decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Replacement Rate Determination Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Replacement Rate Determination Agent determines that no

market practice for use of the Benchmark Replacement exists, in such other manner as the Replacement Rate Determination Agent determines is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof, where applicable):

(1) in the case of clause (1) or (2) of the definition of Benchmark Transition Event, the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(2) in the case of clause (3) of the definition of Benchmark Transition Event, the date of the public statement or publication of information referenced therein; or

(3) in the case of clause (4) of the definition of Benchmark Transition Event, the date of such Benchmark Transition Event;

provided that, in the event of any public statements or publications of information as referenced in clauses (1) or (2) above, should such event or circumstance referred to in such a public statement or publication occur on a date falling later than three (3) months after the relevant public statement or publication, the Benchmark Transition Event shall be deemed to occur on the date falling three (3) months prior to such specified date (and not the date of the relevant public statement or publication).

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof, if relevant):

(1) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component, if relevant) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component, if relevant), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component, if relevant);

(2) a public statement or publication of information by the regulatory supervisor of the Benchmark (or such component, if relevant), the central bank for the currency of the Benchmark (or such component, if relevant), an insolvency official with jurisdiction over the administrator of the Benchmark (or such component, if relevant), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component, if relevant), or a court or an entity with similar insolvency or resolution authority over the administrator of the Benchmark (or such component, if relevant), which states that the administrator of the Benchmark (or such component, if relevant), has ceased or will cease to provide the Benchmark (or such component, if relevant), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component, if relevant);

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component, if relevant), announcing that

either the Benchmark (or such component, if relevant) (i) is no longer representative, (ii) has been or will be prohibited from being used or (iii) its use has been or will be subject to restrictions or adverse consequences, either generally or in respect of the relevant Notes; or

(4) the Benchmark is not published by its administrator (or a successor administrator) for five (5) consecutive Business Days, provided that if the Benchmark is SOFR, then SOFR (or such component) is not published by its administrator (or a successor administrator) for five (5) consecutive U.S. Government Securities Business Days;

"**Corresponding Tenor**" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark;

"**ISDA**" means the International Swaps and Derivatives Association, Inc. or any successor;

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by ISDA, as amended, supplemented or replaced from time to time;

"**ISDA Fallback Rate**" means the rate that would be effective upon the occurrence of a SOFR Index Cessation Event according to (and as defined in) the ISDA Definitions, where such rate may have been adjusted for an overnight tenor, but without giving effect to any additional spread adjustment to be applied according to such ISDA Definitions;

"**ISDA Spread Adjustment**" means the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that shall have been selected by ISDA as the spread adjustment that would apply to the ISDA Fallback Rate;

"**Reference Time**" with respect to any determination of the Benchmark means (1) if the Benchmark is LIBOR, 11:00 a.m. (London Time) on the day that is two London banking days preceding the date of such determination, (2) if the Benchmark is SOFR, the SOFR Determination Time and (3) if the Benchmark is not LIBOR or SOFR, the time determined by the Issuer or the Replacement Rate Determination Agent in accordance with the Benchmark Replacement Conforming Changes;

"**Relevant Governmental Body**" means, unless otherwise specified in the relevant Pricing Supplement, the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve System and/or the NY Federal Reserve or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or any successor;

"**Replacement Rate Determination Agent**" means the agent appointed by the Issuer in the event a Benchmark Transition Event and Benchmark Replacement Date occur. The Replacement Rate Determination Agent may be (i) a leading bank or a broker-dealer in the principal financial center of the Specified Currency as appointed by the Issuer, (ii) the Issuer or (iii) an affiliate of the Issuer; and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the applicable Benchmark Replacement Adjustment.

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

i) If any Spread is specified in the relevant Pricing Supplement (either generally, or in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, if the Spread is applicable generally, or the Rates of Interest for the specified Interest Accrual Period(s), if the Spread is applicable to one or more Interest Accrual

Periods, calculated by adding (if a positive number) the value of such Spread to the Relevant Interest Rate or subtracting the absolute value of such Spread (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 Supplement, then any Rate of Interest, Installment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be. Whether or not a Maximum or Minimum Rate of Interest is specified in the relevant Pricing Supplement, in no event shall the Rate of Interest (including any applicable Spread) be less than zero.

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). 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 Supplement, 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 Period comprises two or more Interest Accrual Periods, the Interest Amounts payable in respect of such Interest 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

Subject to Conditions 3(c)(ii) and 3(c)(iii) above, 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 12 (*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 (or listing agent as the case may be) as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification 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 Period Date is subject to adjustment pursuant to Condition 3(b) (*Business Day Convention*), 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 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.

With respect to SOFR-based Floating Rate Notes, the provisions of this Condition 3(f) shall not apply to the extent inconsistent with the provisions relating to SOFR-based Floating Rate Notes set forth above in Condition 3(c)(iii) above.

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 Supplement and for so long as any Note is outstanding (as defined in the 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 12 (*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 misconduct, gross negligence 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 other 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 gross negligence or willful misconduct.

4. Redemption, Purchase, Substitution and Variation and Cancellation

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(b) (Redemption for Taxation Reasons), 4(c) (*Redemption upon the occurrence of an MREL or TLAC Disqualification Event*), 4(d) (*Purchases*), 4(e) (*Redemption at the Option of the Issuer ("Issuer Call")*), 4(f) (*Redemption at the Option of the Noteholders ("Noteholder Put"*)) or 4(i) (*Cancellation*), each Note shall be finally redeemed on the Maturity Date specified in the relevant Pricing Supplement 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 Supplement) is extended pursuant to the Issuer's or any Noteholder's option in accordance with Condition 4(b) (Redemption for Taxation Reasons), 4(c) (*Redemption upon the occurrence of an MREL or TLAC Disqualification Event*), 4(d) (*Purchases*), 4(e) (*Redemption at the Option of the Issuer ("Issuer Call")*), 4(f) (*Redemption at the Option of the Noteholders ("Noteholder Put")*) or 4(i) (*Cancellation*), 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 Supplement. 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

If as a result of any change in, or in the official interpretation or administration of, any laws or regulations of a Tax Jurisdiction (as described in Condition 6(a)) or any other authority thereof or therein becoming effective on or after the Issue Date (or the Issue Date of any Notes with which the relevant Notes form a single Series) the Issuer would be required to pay additional amounts in respect of the interest in connection with the Notes of any Series (a "**Tax Event**") as provided in Condition 6 (*Taxation*), then the Issuer may, subject to the provisions of Condition 4(h), at its option on any Interest Payment Date, or if so specified in the relevant Pricing Supplement, at any time, subject to having given not more than forty-five (45) nor less than thirty (30) calendar days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 12 (*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 of interest could not have been avoided by reasonable measures available to the Issuer.

c) Redemption upon the occurrence of an MREL or TLAC Disqualification Event

With respect to Senior Non-Preferred Notes and Senior Preferred Notes specified to be MREL or TLAC eligible in the relevant Pricing Supplement, subject to Condition 4(h), upon the

occurrence of an MREL or TLAC Disqualification Event with respect to any such Series of Notes, the Issuer may, at its option at any time and having given no less than 30 nor more than forty-five (45) calendar days' prior notice to the Noteholders, in accordance with Condition 12 (*Notices*), which notice shall be irrevocable, redeem the outstanding Notes of such Series in whole, but not in part, at their Early Redemption Amount, together, if appropriate, with accrued interest to (but excluding) the date of redemption.

d) Purchases

The Issuer and any of its affiliates may, subject of Condition 4(h), at any time purchase Notes in the open market or otherwise at any price.

Unless otherwise specified in the relevant Pricing Supplement, Notes purchased by the Issuer pursuant to this Condition 4(d) may, subject to applicable law, be held or resold for the purpose of enhancing the liquidity of the Notes in accordance with Articles L.213-0-1 and D.213-0-1 of the French Monetary and Financial Code or as otherwise provided by applicable laws and regulations from time to time, or, at the option of the Issuer, surrendered to the Registrar for cancellation (subject to any requirements of French law).

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

If "**Issuer Call**" is specified in the relevant Pricing Supplement, the Issuer may, subject to the provisions of Condition 4(h) and to giving not less than fifteen (15) nor more than thirty (30) calendar days' irrevocable notice to the Noteholders of the relevant Series of Notes (or such other notice period as may be specified in the relevant Pricing Supplement) redeem all, or, if so provided, some of the Notes on the Optional Redemption Date(s) provided in the relevant Pricing Supplement. 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.

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 thirty (30) calendar 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 12 (*Notices*), not less than five (5) calendar 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 lowest 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 12 (*Notices*), at least five (5) calendar days prior to the Selection Date.

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

If a Noteholder Put is specified in the relevant Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 12 (*Notices*) not less than fifteen (15) nor more than thirty (30) calendar days' notice (or such other notice period as may be specified in the relevant Pricing Supplement), the Issuer will, upon the expiration of such notice, redeem, subject to and in accordance with the terms specified in the relevant Pricing Supplement, 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, 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 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 the Holder's instruction by DTC to the Paying Agent by electronic means, in a form acceptable to DTC from time to time.

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, if any 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*).

The holder of a Note may not exercise a Noteholder Put in respect of any Note that has been the subject of the exercise of any of the Issuer's redemption options pursuant to Condition 4(b), 4(c) or 4(e).

g) Substitution and Variation

In the event that (i) a Tax Event occurs or (ii) with respect to Senior Preferred Notes specified in the relevant Pricing Supplement to be MREL or TLAC eligible and Senior Non-Preferred Notes, in the event that an MREL or TLAC Disqualification Event or an Alignment Event occurs and is continuing in respect of a Series of such Notes, the Issuer may, subject to the provisions of Condition 4(h), having given no less than thirty (30) nor more than forty-five (45) calendar days' notice to the holders of such Series of Notes in accordance with Condition 12 (*Notices*), substitute all (but not some only) of the Notes of such Series or vary the terms of all (but not some only) of the Notes of such Series, without any requirement for the consent or approval of such holders, so that they become or remain Qualifying Notes. Such substitution or variation of such Notes shall be subject to the Relevant Regulator having given its prior written approval to such substitution or variation if so required at such time by the Relevant Rules.

For the purposes of this Condition:

An "**Alignment Event**" shall be deemed to have occurred if by reason of a change in the MREL or TLAC Requirements, an instrument of the Issuer with New Terms is permitted to be fully included in the eligible liabilities available to meet the MREL or TLAC Requirements (as defined by the then applicable regulations or MREL or TLAC Requirements criteria applicable to the MREL Group).

"**New Terms**" means, at any time, any terms and conditions of (i) with respect to the Senior Preferred Notes, an unsecured, senior preferred instrument within the meaning of Article L.613-30-3-I-3° of the French Monetary and Financial Code or (ii) with respect to Senior Non-Preferred Notes, an unsecured, senior non-preferred instrument within the meaning of Article L.613-30-3-I-4° and R.613-28 of the French Monetary and Financial Code, as applicable, issued by the Issuer that are different in any material respect from the terms and conditions of the relevant Notes at such time.

"**Qualifying Notes**" means the Qualifying Senior Non-Preferred Notes and the Qualifying Senior Preferred Notes.

"**Qualifying Senior Non-Preferred Notes**" means in respect of any Senior Non-Preferred Notes which are the subject of any substitution or variation pursuant to this Condition, securities issued by the Issuer that have terms not materially less favorable to the holders of such Senior Non-Preferred Notes than the terms thereof, as reasonably and in good faith determined by the Issuer and which (1) contain terms which comply with the then applicable MREL or TLAC Requirements (which, for the avoidance of doubt, may result in the relevant securities not including, or restricting for a period of time the application of, the MREL or TLAC Disqualification Event which is included in the Notes); (2) have the same currency of payment, maturity, dates for payment of interest, denomination, aggregate outstanding nominal amount as such Senior Non-Preferred Notes and carry the same rate of interest from time to time applying to the Senior Non-Preferred Notes prior to the relevant substitution or variation pursuant to this Condition 4(g); (3) rank senior to, or *pari passu* with, the ranking of such Senior Non-Preferred Notes prior to the substitution or variation; (4) are not immediately subject to an MREL or TLAC Disqualification Event or Tax Event; (5) have at least the same solicited published rating ascribed to them or expected to be ascribed to them as that of the relevant Senior Non-Preferred Notes, if the relevant Senior Non-Preferred Notes had a solicited published rating from a rating agency immediately prior to such substitution or variation and (6) if such Senior Non-Preferred Notes were listed or admitted to trading on a Regulated Market immediately prior to such substitution or variation, are listed or admitted to trading on a Regulated Market as selected by the Issuer.

"**Qualifying Senior Preferred Notes**" means in respect of any Senior Preferred Notes which are the subject of any substitution or variation pursuant to this Condition, securities issued by the Issuer that have terms not materially less favorable to the holders of such Senior Preferred Notes than the terms thereof, as reasonably and in good faith determined by the Issuer and which (1) contain terms which comply with the then applicable MREL or TLAC Requirements (which, for the avoidance of doubt, may result in the relevant securities not including, or restricting for a period of time the application of, the MREL or TLAC Disqualification Event which is included in the Notes); (2) have the same currency of payment, maturity, dates for payment of interest, denomination, aggregate outstanding nominal amount as such Senior Preferred Notes and carry the same rate of interest from time to time applying to the Senior Preferred Notes prior to the relevant substitution or variation pursuant to this Condition 4(g); (3) rank senior to, or *pari passu* with, the ranking of such Senior Preferred Notes prior to the substitution or variation; (4) are not immediately subject to an MREL or TLAC Disqualification Event or Tax Event; (5) have at least the same solicited published rating ascribed to them or expected to be ascribed to them as that of the relevant Senior Preferred Notes, if the relevant Senior Preferred Notes had a solicited published rating from a rating agency immediately prior to such substitution or variation and (6) if such Senior Preferred Notes were listed or admitted to trading on a Regulated Market immediately prior to such substitution or variation, are listed or admitted to trading on a Regulated Market as selected by the Issuer.

h) Conditions to redemption, purchase and substitution and variation at the option of the Issuer prior to the Maturity Date

Notes may only be redeemed, purchased substituted or varied pursuant to Condition 4(b), 4(c), 4(d), 4(e) or 4(g), as applicable and as the case may be, if the Relevant Regulator and/or the Relevant Resolution Authority have given their prior written approval to such redemption or purchase or cancellation (as applicable), if so required at such time by the Relevant Rules.

i) 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.

j) 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 relevant Pricing Supplement. 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 no 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 (or such other day as specified in the relevant Pricing Supplement for Notes denominated in a Specified Currency other than US dollars) (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 United States Internal Revenue Code of 1986, as amended (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 (*Taxation*)) 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 (as specified in the relevant Pricing Supplement) for the relevant payment of interest and, in the case of payments of principal, at least twelve (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 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 interest payable hereunder, the Issuer shall pay such additional amounts of interest as may be necessary in order that the holder of each Note, after such deduction or withholding, will receive the full amount of interest 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 of interest 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 thirty (30) calendar 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 thirty (30) calendar days;

iii) 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;

iv) 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; or

v) where such withholding or deduction is imposed pursuant to FATCA, or its present or future implementation into the French law.

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:

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

ii) 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 interest shall be deemed also to refer to any additional amounts which may be payable under this Condition 6.

7. Events of Default

a) Senior Preferred Notes

Unless the relevant Pricing Supplement specifies that the Senior Preferred Notes of a Series are MREL or TLAC eligible in which case no Events of Default (as defined herein) shall apply, in respect of a Series of Senior Preferred Notes, if any of the following events ("**Events of Default**") occurs and is continuing, the holder of any Senior Preferred 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 Senior Preferred Note is immediately repayable, whereupon the Early Redemption Amount of such Senior Preferred Note together with accrued interest to the date of payment shall become immediately due and payable:

i) if default is made in the payment of any principal or interest due on the Senior Preferred Notes or any of them on the due date and such default continues for a period of thirty (30) calendar 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 holder of Senior Preferred Notes); or

ii) if the Issuer fails to perform or observe any of its other obligations under the Senior Preferred 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 sixty (60) calendar 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 Senior Preferred Notes) specifying such default and requiring the same to be remedied; or

iii) 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

iv) 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 favor of an entity which

simultaneously assumes all or substantially all of the Issuer's liabilities including the Senior Preferred Notes or in connection with a merger or reorganization of the Issuer.

If the relevant Pricing Supplement specifies that the Senior Preferred Notes of a Series are MREL or TLAC eligible, there will be no Events of Default in respect of such Senior Preferred Notes and holders of such Notes will not be entitled to require the Senior Preferred Notes to be redeemed prior to their Maturity Date. Such Senior Preferred Notes will become immediately due and payable in the event that an order is made or an effective resolution is passed for the liquidation (*liquidation judiciaire or liquidation amiable*) of the Issuer or if the Issuer is liquidated for any other reason at their principal amount together with interest accrued thereon to the date of payment without any further formality.

b) Senior Non-Preferred Notes

Unless specified as applicable in the relevant Pricing Supplement, in which case Condition 7(a) will be deemed to apply mutatis mutandis to such Series of Senior Non-Preferred Notes, there are no Events of Default in respect of Senior Non-Preferred Notes and holders of such Notes shall not be entitled to require the Senior Non-Preferred Notes to be redeemed prior to their Maturity Date. Senior Non-Preferred Notes will become immediately due and payable in the event that an order is made or an effective resolution is passed for the liquidation (*liquidation judiciaire or liquidation amiable)* of the Issuer or if the Issuer is liquidated for any other reason at their principal amount together with interest accrued thereon to the date of payment without any further formality.

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. Waiver of Set-Off

Unless otherwise specified in the relevant Pricing Supplement, no holder of any Note may at any time exercise or claim any Waived Set-Off Rights against any right, claim, or liability the Issuer has or may have or acquire against such holder, directly or indirectly, howsoever arising (and, for the avoidance of doubt, including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any sort or any non-contractual obligations, in each case whether or not relating to such Notes) and each such holder shall be deemed to have waived all Waived Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities.

For the avoidance of doubt, nothing in this Condition is intended to provide or shall be construed as acknowledging any right of deduction, set-off, netting, compensation, retention or counterclaim or that any such right is or would be available to any holder of any Note but for this Condition.

For the purposes of this Condition, "**Waived Set-Off Rights**" means any and all rights of or claims of any holder of any Note for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any such Note.

10. 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.

11. 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 relevant Pricing Supplement) so as to form a single Series with the Notes; provided that such additional notes shall be issued under a separate CUSIP, ISIN or other identifying number as that of the original issue unless, for U.S. federal income tax purposes, such additional notes will be treated as part of the same issue, issued with no more than *de minimis* original issue discount or be part of a qualified reopening.

12. 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 12(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 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 (2) 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).

13. 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, except as a result of any modification contemplated in Condition 3(c)(v) (*Benchmark Replacement Provisions*);

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, except as a result of any modification contemplated in Condition 3(c)(v) (*Benchmark Replacement Provisions*);

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 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 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 thirty (30) calendar days and not more than sixty (60) calendar 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 thirty (30) calendar days and not more than sixty (60) calendar 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 twenty (20) calendar 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 (10) calendar days and not more than fifteen (15) calendar 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.

14. Agents

In acting under the 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 Agency Agreement. The 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.

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

The Notes and the Agency Agreement will be governed by, and construed in accordance with, the laws of the State of New York; provided, however, that Condition 2 (*Status of the Notes*) 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 28 Liberty Street, New York, New York 10005, 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.

16. Bail-In

a) Acknowledgment

Notwithstanding any other term of the Notes or any other agreement, arrangement or understanding between the Issuer and the Noteholders, by its acquisition of Notes, each Noteholder (which for the purposes of this Condition includes any current or future holder of a beneficial interest in such Notes) acknowledges, accepts, consents and agrees:

i) to be bound by the effect of the exercise of the Bail-in Power (as defined below) by the Relevant Resolution Authority (as defined below), which may include and result in any of the following, or some combination thereof:

(1) the reduction of all, or a portion, of the Amounts Due (as defined below) on a permanent basis;

(2) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the Noteholder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes, in which case the Noteholder agrees to accept in lieu of its rights under the Notes any such shares, other securities or other obligations of the Issuer or another person;

(3) the cancellation of the Notes, and/or;

(4) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

ii) that the terms of the Notes are subject to, and may be varied, if necessary, to give effect to, the exercise of the Bail-in Power by the Relevant Resolution Authority.

For purposes of this Condition, the "**Amounts Due**" means the outstanding nominal amount of the Notes, and any accrued and unpaid interest on the Notes.

b) Bail-in Power

For these purposes, "**Bail-in Power**" means any power existing from time to time under any laws, regulations, rules or requirements in effect in France, relating to the transposition of the BRRD, as amended from time to time (including by the BRRD Revision) or such other directive as may come in effect in the place thereof, including without limitation pursuant to the August 20, 2015 Decree Law, the Single Resolution Mechanism Regulation, or otherwise arising under French law, and in each case the instructions, rules and standards created thereunder, pursuant to which the obligations of a Regulated Entity (or an affiliate of such Regulated Entity) can be reduced (in part or in whole), canceled, suspended, transferred, varied or otherwise modified in any way, or securities of a Regulated Entity (or an affiliate of such Regulated Entity) can be converted into shares, other securities, or other obligations of such Regulated Entity or any other person, whether in connection with the implementation of a bail-in tool following placement in resolution or otherwise.

c) Payment of Interest and Other Outstanding Amounts Due

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Issuer unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations in effect in France and the European Union applicable to the Issuer or other members of its group.

d) No Event of Default

Neither a cancellation of the Notes, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Issuer, nor the exercise of any Bail-in Power by the Relevant Resolution Authority with respect to the Notes will be an Event of Default or otherwise constitute non-performance of a contractual obligation, or entitle the Noteholder to any remedies (including equitable remedies), which are hereby expressly waived.

e) Notice to Noteholders

Upon the exercise of any Bail-in Power by the Relevant Resolution Authority with respect to the Notes, the Issuer will make available a written notice to the Noteholders in accordance with Condition 12 (*Notices*) as soon as practicable regarding such exercise of the Bail-in Power. The Issuer will also deliver a copy of such notice to the Fiscal and Principal Paying Agent.

f) Duties of the Fiscal and Principal Paying Agent

Upon the exercise of any Bail-in Power by the Relevant Resolution Authority, (a) the Fiscal and Principal Paying Agent and any other Agent shall not be required to take any directions from Noteholders, and (b) the Agency Agreement shall impose no duties upon the Fiscal and Principal Paying Agent whatsoever, in each case with respect to the exercise of any Bail-in Power by the Relevant Resolution Authority.

g) Proration

If the Relevant Resolution Authority exercises the Bail-in Power with respect to less than the total Amounts Due, unless the Fiscal and Principal Paying Agent or any other Agent is otherwise instructed by the Issuer or the Relevant Resolution Authority, any cancellation, write-off or conversion made in respect of the relevant Series of Notes pursuant to the Bail-in Power will be made on a pro-rata basis.

h) Conditions Exhaustive

The matters set forth in this Condition shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any holder of a Note.

17. Definitions

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

"**ACPR**" means the *Autorité de contrôle prudentiel et de résolution.*

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

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

"**Alignment Event**" has the meaning attributed thereto in Condition 4(g) (*Substitution and Variation*).

"**Amounts Due**" has the meaning attributed thereto in Condition 16(a) (*Acknowledgement*).

"**August 20, 2015 Decree Law**" means French decree-law No. 2015-1024 dated August 20, 2015 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) (as amended from time to time).

"**Bail-In Power**" has the meaning attributed thereto in Condition 16(b) (*Bail-in Power*).

"**Benchmark**" has the meaning attributed thereto in 3(c)(v) (*Benchmark Replacement Provisions*).

"**Benchmark Regulation**" has the meaning set forth under the heading "Risk Factors—Risks relating to the relevant interest rate provisions of the Notes—Changes in the method by which a benchmark is determined may adversely affect the value of Floating Rate Notes".

"**Benchmark Replacement**" has the meaning attributed thereto in Condition 3(c)(v) (*Benchmark Replacement Provisions*).

"**Benchmark Replacement Adjustment**" has the meaning attributed thereto in Condition 3(c)(v) (*Benchmark Replacement Provisions*).

"**Benchmark Replacement Conforming Changes**" has the meaning attributed thereto in Condition 3(c)(v) (*Benchmark Replacement Provisions*).

"**Benchmark Replacement Date**" has the meaning attributed thereto in Condition 3(c)(v) (*Benchmark Replacement Provisions*).

"**Benchmark Transition Event**" has the meaning attributed thereto in Condition 3(c)(v) (*Benchmark Replacement Provisions*).

"**Bloomberg Screen SOFRRATE Page**" has the meaning attributed thereto in Condition 3(c)(iii) (*Provisions Specific to SOFR as Benchmark – Screen Rate Determination of SOFR*).

"**BRRD**" means Directive 2014/59/EU of the Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms as published in the Official Journal of the European Union on 12 June 2014.

"**BRRD II**" means the BRRD, as amended or replaced from time to time (including by the BRRD Revision) or, as the case may be, any implementation provision under French law.

"**BRRD Revision**" means Directive (EU) 2019/879 of the European Parliament and the Council of the European Union amending the BRRD as regards the loss-absorbing and recapitalization capacity of credit institutions and investment firms and amending Directive 98/26/EC.

"**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 Supplement.

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

"**Calculation Amount**" means an amount specified in the relevant Product and/or Pricing Supplement(s) 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).

"**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 Supplement in relation to a specific Series of Notes.

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

"**Code**" has the meaning attributed thereto in Condition 5(c) (*Payments*).

"**Corresponding Tenor**" has the meaning attributed thereto in Condition 3(c)(v) (*Benchmark Replacement Provisions*).

"**CRD IV Directive**" means Directive (2013/34/EU) of the European Parliament and of the Council on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms dated June 26, 2014 and published in the Official Journal of the European Union on June 27, 2013.

"**CRD IV Directive Revision**" means Directive (EU) 2019/878 of the European Parliament and of the Council of May 20, 2019 amending the CRD IV Directive as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures.

"**CRD V Directive**" means the CRD IV Directive, as amended or replaced from time to time (including by the CRD IV Directive Revision), or, as the case may be, any implementation provision under French law.

"**CRR**" means 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.

"**CRR II**" means the CRR Regulation, as amended or replaced from time to time (including by the CRR Regulation Revision).

"**CRR Revision**" means Regulation (EU) 2019/876 of the European Parliament and of the Council of May 20, 2019 amending the CRR Regulation as regards the leverage ratio, the net stable funding ratio, requirement for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and amending Regulation (EU) 648/2012.

"**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 Supplement, the actual number of calendar 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 calendar days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of calendar 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 Supplement:

a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of calendar days in the Calculation Period divided by the product of (x) the number of calendar 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 calendar days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of calendar days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of calendar days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of calendar 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 Supplement or, if none is so specified, the Interest Payment Date;

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

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

if "30/360," "360/360" or "Bond Basis" is specified in the relevant Pricing Supplement, the number of calendar 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;

"**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;

"**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

"**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 Supplement, the number of calendar 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:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**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;

"**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

"**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 Supplement, the number of calendar 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:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**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;

"**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

"**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.

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

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

"**Early Redemption Amount**" has the meaning attributed thereto in the relevant Pricing Supplement or, if no such meaning is specified in the relevant Pricing Supplement, 100% of the principal amount of the relevant Notes.

"**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 Agency Agreement.

"**FATCA**" means Sections 1471 through 1474 of the Code or any successor or amended version of these provisions, any agreement with the U.S. Treasury entered into with respect thereto, any U.S. Treasury regulation issued thereunder or any other official interpretations or guidance issued with respect thereto; any intergovernmental agreement entered into with respect thereto, and any law, regulation, or other official interpretation or guidance promulgated pursuant to such intergovernmental agreement.

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

"**Fixed Rate Notes**" means Notes identified as such in the relevant Pricing Supplement.

"**Floating Rate**" means the rate identified as such in the relevant Pricing Supplement.

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

"**Floating Rate Notes**" mean Notes identified as such in the relevant Pricing Supplement.

"**Floating Rate Option**" has the meaning attributed thereto in the relevant Pricing Supplement.

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

"**FSB**" shall mean the Financial Stability Board.

"**Global Notes**" has the meaning attributed thereto in Condition 1(a)(i) (*Form, Denomination and Title*).

"**Holders**" has the meaning attributed thereto in Condition 1(a)(iii) (*Form, Denomination and Title*).

"**Installment Amount**" means the amount identified as such in the relevant Pricing Supplement.

"**Interest Accrual Period**" means each period from, and including, an Interest Accrual Period End Date (or in the case of the first Interest Accrual Period, the Interest Commencement Date) to, but excluding, the next Interest Accrual Period End Date (or, in the case of the final Interest Accrual Period, the Maturity Date or, if the Issuer elects to redeem the notes prior to the Maturity Date, the Redemption Date);

"**Interest Accrual Period End Dates**" shall have the meaning specified in the relevant Pricing Supplement;

"**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 relevant Pricing Supplement):

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

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

"**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 Supplement.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Pricing Supplement or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling, (ii) the day falling two (2) Business Days in New York prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) with respect to SOFR, a date determined in the manner set forth in Condition 3(c)(iii) (*Provisions Specific to SOFR as Benchmark – Screen Rate Determination of SOFR*).

"Interest Payment Date" has the meaning attributed thereto in the relevant Pricing Supplement.

"**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) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

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

"**ISDA**" has the meaning attributed thereto in Condition 3(c)(v) (*Benchmark Replacement Provisions*).

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., or any successor thereto, as amended or supplemented from time to

time, or any successor definitional booklet for interest rate derivatives published from time to time, unless otherwise specified in the relevant Pricing Supplement.

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

"**ISDA Fallback Rate**" has the meaning attributed hereto in Condition 3(c)(v) (*Benchmark Replacement Provisions*).

"**ISDA Spread Adjustment**" has the meaning attributed thereto in Condition 3(c)(v) (*Benchmark Replacement Provisions*).

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

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

"**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).

"**Maturity Date**" means the date identified as such in the relevant Pricing Supplement.

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

"**MREL**" means the "minimum requirement for own funds and eligible liabilities" for banking institutions under the BRRD, as set in accordance with Article 45 of the BRRD (as transposed in Article L.613-44 of the French Monetary and Financial Code) and Commission Delegated Regulation (EU) 2016/1450 of May 23, 2016 (as may be amended from time to time), or any successor requirement under the applicable MREL or TLAC Requirements and/or the applicable Banking Regulation, and in particular the BRRD Revision (or, as the case may be, any provision of French Law implementing the BRRD Revision) and/or the CRR II Regulation.

"**MREL Group**" means the Crédit Mutuel Group, which consists of all of the affiliates to the central body of the Confédération Nationale du Crédit Mutuel, as provided in Article L.512-56 of the French Monetary and Financial Code.

"**MREL or TLAC Disqualification Event**" means that, by reason of a change in the MREL or TLAC Requirements, which change was not reasonably foreseeable by the Issuer at the Issue Date of a given Series of Notes other than Senior Preferred Notes that are not designated as MREL or TLAC eligible in the relevant Pricing Supplement, all or part of the aggregate outstanding nominal amount of such Series of Notes is excluded fully or partially from the eligible liabilities available to meet the MREL or TLAC Requirements (as defined by the then applicable regulations or MREL or TLAC criteria applicable to the MREL Group). For the avoidance of doubt, the exclusion of a Series of Notes from the eligible liabilities available to meet the MREL or TLAC Requirements (i) due to the remaining maturity of such Notes being less than any period prescribed thereunder and/or (ii) by reason of any quantitative limitation on the amount of liabilities that rank *pari passu* with unsubordinated liabilities that can count towards the MREL or TLAC Requirements, does not constitute an MREL or TLAC Disqualification Event.

"**MREL or TLAC Requirements**" means the minimum requirements for own funds and eligible liabilities and/or total loss-absorbing capacity requirements applicable to the MREL Group, as referred to in the BRRD and in the CRR, or any successor requirement under any laws and regulations implemented in French laws and regulations as the case may be, and/or, if applicable to the MREL Group.

"**New Terms**" has the meaning attributed thereto in Condition 4(g) (*Substitution and Variation*).

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

"**NY Federal Reserve**" has the meaning attributed thereto in Condition 3(c)(iii) (*Provisions Specific to SOFR as Benchmark – Screen Rate Determination of SOFR*).

"**NY Federal Reserve's website**" has the meaning attributed thereto in Condition 3(c)(iii) (*Provisions Specific to SOFR as Benchmark – Screen Rate Determination of SOFR*).

"**Noteholders**" has the meaning attributed thereto in Condition 1(a)(iii) (*Form, Denomination and Title*).

"**Noteholder Put**" has the meaning attributed thereto in Condition 4(f) (*Redemption at the Option of the Noteholders ("Noteholder Put")*).

"**Observation Period**" has the meaning attributed thereto in Condition 3(c)(iii) (*Provisions Specific to SOFR as Benchmark – Screen Rate Determination of SOFR*).

"**Optional Redemption Amount**" has the meaning attributed thereto in the relevant Pricing Supplement.

"**Optional Redemption Date**" means the date a Series of Notes is to be redeemed in accordance with Condition 4(e) (*Redemption at the Option of the Issuer ("Issuer Call")*) or 4(f) (*Redemption at the Option of the Noteholders ("Noteholder Put")*).

"**Observation Shift Days**" has the meaning attributed thereto in Condition 3(c)(iii) (*Provisions Specific to SOFR as Benchmark – Screen Rate Determination of SOFR*).

"**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 13 (*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) (*Business Day Convention*).

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

"**Prospectus Regulation**" means Regulation (EU) 2017/1129.

"**Put Notice**" has the meaning attributed thereto in Condition 4(f) (*Redemption at the Option of the Noteholders ("Noteholder Put")*).

"**Qualifying Notes,**" "**Qualifying Senior Non-Preferred Notes**" and "**Qualifying Senior Preferred Notes**" have the respective meanings attributed thereto in Condition 4(g) (*Substitution and Variation*).

"**Rate of Exchange**" has the meaning attributed thereto in the relevant Pricing Supplement.

"**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 Supplement.

"**Rate Cut-off Date**" has the meaning attributed thereto in Condition 3(c)(iii) (*Provisions Specific to SOFR as Benchmark – Screen Rate Determination of SOFR*).

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

"**Redeemed Notes**" has the meaning attributed thereto in Condition 4(e) (*Redemption at the Option of the Issuer ("Issuer Call")*).

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

"**Redemption Date**" shall mean, with respect to a Series of Notes that is subject to redemption prior to the Maturity Date, the date specified in the applicable notice of redemption.

"**Reference Banks**" means the institutions specified as such in the relevant Pricing Supplement 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).

"**Reference Time**" has the meaning attributed thereto in Condition 3(e) (*Benchmark Provisions*).

"**Register**" means the register maintained by the Registrar in accordance with the Agency Agreement (or such other Registrar as may be appointed under the Agency Agreement generally or in relation to a specific Series of Notes) and Condition 1(a)(ii) (Form, Denomination and Title).

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

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

"**Regulated Entity**" means any entity referred to in Section I of Article L.613-34 of the French Commercial Code (as amended from time to time, and in particular as modified by the August 20, 2015 Decree Law), which includes certain credit institutions, investment firms, and certain of their parent or holding companies established in France.

"**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 (7) calendar 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 Supplement with respect to a Series of Notes.

"**Relevant Governmental Body**" has the meaning attributed thereto in Condition 3(c)(iii) (*Provisions Specific to SOFR as Benchmark – Screen Rate Determination of SOFR*).

"**Relevant Inter-Bank Market**" means such inter-bank market as may be specified in the relevant Pricing Supplement or, if no such market is specified, the principal financial center in the jurisdiction of the relevant currency.

"**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 Regulator**" means the European Central Bank and any successor or replacement thereof, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer or the application of the Relevant Rules from time to time.

"**Relevant Resolution Authority**" means the ACPR, the SRB established pursuant to the SRM, and/or any other authority entitled to exercise or participate in the exercise of any Bail-in Power from time to time (including the Council of the European Union and the European Commission when acting pursuant to Article 18 of the Single Resolution Mechanism Regulation).

"**Relevant Rules**" means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy or to the maintenance of minimum amounts of eligible liabilities and own funds or total loss-absorbing capacity, in each case from time to time applicable to the Issuer and as applied by the Relevant Regulator and as amended from time to time, including the rules contained in or implementing the CRD IV Directive, the CRR and/or the BRRD (each, as amended from time to time);

"**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 Supplement 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 Supplement 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 Supplement.

"**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 Supplement or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

"**Replacement Rate Determination Agent**" has the meaning attributed thereto in Condition 3(c)(v) (*Benchmark Replacement Provisions*)

"**Reset Date**" has the meaning attributed thereto in Condition 3(c)(i) (*ISDA Determination for Floating Rate Notes*).

"**Reuters Page USDSOFR=**" has the meaning attributed thereto in Condition 3(c)(iii) (*Provisions Specific to SOFR as Benchmark – Screen Rate Determination of SOFR*).

"**Screen Rate Determination**" has the meaning attributed thereto in Condition 3(c)(ii) (*Screen Rate Determination for Floating Rate Notes-Benchmark Other than SOFR*).

"**Selection Date**" has the meaning attributed thereto in Condition 4(e) (*Redemption at the Option of the Issuer ("Issuer Call")*).

"**Senior Non-Preferred Notes**" has the meaning attributed thereto in Condition (2) (*Status of the Notes*).

""**Senior Non-Preferred Obligations**" has the meaning attributed thereto in Condition (2) (*Status of the Notes*).

"**Senior Preferred Creditors**" has the meaning attributed thereto in Condition (2) (*Status of the Notes*).

"**Senior Preferred Notes**" has the meaning attributed thereto in Condition (2) (*Status of the Notes*).

"**Senior Preferred Obligations**" has the meaning attributed thereto in Condition (2) (*Status of the Notes*).

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

"**Single Resolution Mechanism Regulation**" means Regulation (EU) No 806/2014 of the European Parliament and of the Council of July 15, 2014 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, as amended from time to time (including by Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 as regards the loss-absorbing and recapitalization capacity of credit institutions and investment firms) or such other regulation as may come in effect in the place thereof.

"**SOFR**" has the meaning attributed thereto in Condition 3(c)(iii) (*Provisions Specific to SOFR as Benchmark – Screen Rate Determination of SOFR*).

"**SOFR Arithmetic Mean**" has the meaning attributed thereto in Condition 3(c)(iii) (*Provisions Specific to SOFR as Benchmark – Screen Rate Determination of SOFR*).

"**SOFR-based Floating Rate Notes**" has the meaning attributed thereto in Condition 3(c)(iii) (*Provisions Specific to SOFR as Benchmark – Screen Rate Determination of SOFR*).

"**SOFR Benchmark**" means SOFR when specified in the applicable Pricing Supplement.

"**SOFR Compound**" has the meaning attributed thereto in Condition 3(c)(iii) (*Provisions Specific to SOFR as Benchmark – Screen Rate Determination of SOFR*).

"**SOFR Index Average**" has the meaning attributed thereto in Condition 3(c)(iii) (*Provisions Specific to SOFR as Benchmark – Screen Rate Determination of SOFR*).

"**SOFR Lockout Compound**" has the meaning attributed thereto in Condition 3(c)(iii) (*Provisions Specific to SOFR as Benchmark – Screen Rate Determination of SOFR*).

"**SOFR Lookback Compound**" has the meaning attributed thereto in Condition 3(c)(iii) (*Provisions Specific to SOFR as Benchmark – Screen Rate Determination of SOFR*).

"**SOFR Determination Time**" has the meaning attributed thereto in Condition 3(c)(iii) (*Provisions Specific to SOFR as Benchmark – Screen Rate Determination of SOFR*).

"**SOFR Published Compound**" has the meaning attributed thereto in Condition 3(c)(iii) (*Provisions Specific to SOFR as Benchmark – Screen Rate Determination of SOFR*).

"**SOFR Rate Cut-Off Date**" has the meaning attributed thereto in Condition 3(c)(iii) (*Provisions Specific to SOFR as Benchmark – Screen Rate Determination of SOFR*).

"**SOFR Shift Compound**" has the meaning attributed thereto in Condition 3(c)(iii) (*Provisions Specific to SOFR as Benchmark – Screen Rate Determination of SOFR*).

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

"**Specified Denomination**" has the meaning attributed thereto in the relevant Pricing Supplement. Unless otherwise specified in the Pricing Supplement, 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 Supplement or, if none is specified, a period of time equal to the relevant Interest Accrual Period, ignoring any adjustment pursuant to Condition 3(b) (*Business Day Convention*).

"**Spread**" means any amount specified as such in the relevant Pricing Supplement.

"**Spread Multiplier**" has the meaning attributed thereto in Condition 3(c)(iv) (*Interest Rate Determination Provisions for Floating Rate Notes*).

"**SRB**" means the Single Resolution Board.

"**SRM**" has the meaning attributed thereto in Condition 16(b) (*Bail-in Power*).

"**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.

"**Taxes**" has the meaning attributed thereto in Condition 6(a) (*Additional Amounts*).

"**Tax Event**" has the meaning attributed thereto in Condition 4(b) (*Redemption for Taxation Reasons*).

"**Tax Jurisdiction**" has the meaning attributed thereto in Condition 6(a) (*Additional Amounts*).

"**TLAC**" means the Total Loss Absorbing Capacity requirements applicable to global systemically important banks set out in the FSB TLAC Term Sheet dated November 9, 2015, as amended from time to time.

"**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.

"**Unadjusted Benchmark Replacement**" has the meaning attributed thereto in Condition 3(c)(v) (*Benchmark Replacement Provisions*).

BOOK-ENTRY PROCEDURES AND SETTLEMENT

Unless otherwise provided in the relevant Pricing Supplement, 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 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 SA/NV, as operator of Euroclear, and Clearstream Banking, S.A., 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 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 ninety (90) calendar 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 ninety (90) calendar 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 Supplement 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 relevant Pricing Supplement 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 intended as a basic 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 a 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.

The discussion below is of a general nature and is not intended to be exhaustive. It is based upon laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions in effect as of the date of this Base Offering Memorandum. Any changes or interpretations could affect the tax consequences to Noteholders, possibly on a retroactive basis (see "Risk Factors—Risks Relating to the Notes—Transactions in the Notes could be subject to the European financial transaction tax, if adopted."), and alter or modify the statements and conclusions set forth herein. Each prospective Noteholder is urged to consult its own tax advisor as to the particular tax consequences to such holder of the ownership of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor.

Taxation of Interest Income and Other Revenues

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 may be updated at any time and at least once a year. The provisions of the French *Code général des impôts* referring to Article 238-0 A of the same Code shall apply to States or territories added on this list as from the first day of the third month following the publication of the ministerial decree. A law published on October 24, 2018 no. 2018-898 (i) removed the specific exclusion of the Members States of the European Union (ii) expanded such a list to include states and jurisdictions on the blacklist published by the Council of the European Union as amended from time to time and (iii) as a consequence, expanded this withholding tax regime to certain states and jurisdictions included in the blacklist.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues will not be 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 established in such a Non-Cooperative State. The abovementioned law published on October 24, 2018 amending the Non-Cooperative State list as described above expands this regime to all the states and jurisdictions included in the blacklist published by the Council of the European Union as amended from time to time. Under certain conditions, any such non-deductible interest or other revenues may be recharacterized 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 (i) 28% for fiscal years opened on or after January 1, 2020, 26.5% for fiscal years opened on or after January 1, 2021 and 25% for fiscal years opened on or after January 1, 2022 for Noteholders who are non-French tax resident legal persons, (ii) 12.8% for Noteholders who are non-French tax resident individuals, in each case (x) unless payments are made in Non-Cooperative States (which include states and jurisdictions included in the blacklist published by the Council of the European Union as amended from time to time subject to certain limitations for the application of the withholding tax set

forth in Article 119 *bis* 2 of the French *Code général des impôts*) in which case the withholding tax rate would be equal to 75% and (y) subject to certain exceptions and 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*, nor the non-deductibility of the interest and other revenues set out under Article 238 A of the French *Code général des impôts*, to the extent the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, and therefore 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 dated February 11, 2014, §550 and 990, BOI-RPPM-RCM-30-10-20-40, dated December 20, 2019, §1 and 10 and, BOI-IR-DOMIC-10-20-20-60, dated December 20, 2019, §10), 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 Monetary and Financial Code 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 Monetary and Financial Code, 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 SA/NV and/or Clearstream Banking that is not located in a Non-Cooperative State will be subject neither to the withholding tax set out under Article 125 A III of the French *Code général des impôts* nor, to the extent the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts* that may be levied as a result of the non-deductibility provided under Article 238 A 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

Subject to provisions of applicable double tax treaties, as a matter of principles, under article 244 *bis* C of the French *Code général des impôts*, an individual who is not a resident of France for the purpose of French taxation within the meaning of Article 4 B of the French *Code général des impôts*, or a legal entity whose seat is located outside France, is generally 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 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.

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 beneficial owners of Notes 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 or arrangements treated as partnerships for U.S. federal income tax purposes and the partners therein, insurance companies, regulated investment companies, dealers in securities or currencies, traders in securities electing to mark to market, persons subject to the alternative minimum tax, U.S. expatriates, nonresident alien individuals present in the United States for more than one hundred eighty-two (182) calendar days in a taxable year, 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 Supplement.

This summary addresses only U.S. federal income tax consequences, and does not address consequences arising under state, local, or foreign tax laws or the Medicare tax on net investment income. This summary is based on the tax laws of the United States, including the United States 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. This summary addresses only Notes that are properly characterized as indebtedness for U.S. federal income tax purposes. Particular tax consequences relating to Notes having a term to maturity of more than 30 years will be discussed in the applicable supplement or Pricing Supplement.

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.

A U.S. Holder that uses the accrual method of accounting for tax purposes ("**accrual method holder**") generally is required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements (the "**book/tax conformity rule**"). The application of the book/tax conformity rule thus may require the accrual of income earlier than would be the case under the general tax rules described below, although it is entirely not clear to what types of income the book/tax conformity rule applies, or in some cases, how the rule is to be applied if applicable. However, proposed U.S. Treasury regulations generally would exclude, among other items, original issue discount and market discount (in either case, whether or not de minimis) from the applicability of this rule. Although such proposed regulations generally will not be effective until taxable years beginning after the date on which they are issued in final form, taxpayers generally are permitted to elect to rely on their provisions currently. Accrual method holders should consult their own tax advisors regarding the potential applicability of the book/tax conformity rule to their particular situation.

Payments of Interest and Additional Amounts

Payments of "qualified stated interest" (as defined below under "—Original Issue Discount") on a Note and Additional Amounts, if any, but excluding any pre-issuance accrued interest, 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 this kind 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. An accrual method holder 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 accrual method holder's taxable year), or, at the accrual method 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 (5) business days of the last day of the accrual period. An accrual method 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**"). An accrual method holder 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. Amounts attributable to pre-issuance accrued interest will generally not be includable in income, except to the extent of foreign currency gain or loss attributable to any changes in exchange rates during the period between the date the U.S. Holder acquired the Note and the first Interest Payment Date. 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 method 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 amount attributable to 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 of such sale, exchange or retirement. 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 method 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 method 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. The deduction of capital losses is subject to limitations.

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.

Substitution and Variation of the Notes

The terms of the Notes provide that, in certain circumstances, the Issuer may, in respect of any series of Senior Non-Preferred Notes and, if specified as applicable in the relevant Pricing Supplement, a Series of Senior Preferred Notes, substitute or vary the terms of such Notes. In such case, under certain circumstances, a U.S. Holder of such Notes may be required to recognize gain upon the deemed exchange of the old Notes for the new Notes equal to the difference, if any, between the (i) "issue price" of the new Notes and (ii) the Holder's adjusted tax basis in the old Notes. Under certain circumstances, a U.S. Holder of such Notes may be required to accrue OID on such Notes going forward. U.S. Holders should consult their tax advisors regarding the U.S. federal income tax consequences if there is a variation or substitution with respect to any Series of Notes.

Original Issue Discount

In general, if the Issuer issues Notes at a discount from their stated redemption price at maturity (as defined below), and the discount is equal to or more than the product of one-fourth of one percent (0.25 percent) of the stated redemption price at maturity of such Notes multiplied by the number of full years to their maturity (the "*de minimis* threshold"), such Notes will be "**Original Issue Discount Notes**." An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an "installment obligation") will be treated as an Original Issue Discount Note if the excess of the Note's stated redemption price at maturity over its issue price is equal to or greater than 0.25 percent of the Note's stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note's weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated

interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note's stated redemption price at maturity.

The difference between the issue price and the stated redemption price at maturity of such Notes will be the "original issue discount" ("**OID**"). The "issue price" of a Note will be the first price at which a substantial amount of the Series of Notes, of which such Note is a part, is sold to the public (*i.e.*, excluding sales of the Notes to underwriters, placement agents, wholesalers, or similar persons). The "stated redemption price at maturity" will include all payments under a Note other than payments of qualified stated interest. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments issued by the Issuer) at least annually during the entire term of the Note at a single fixed interest rate or, subject to certain conditions, based on one or more interest indices.

U.S. Holders of Original Issue Discount Notes generally will be subject to special tax accounting rules for obligations issued with OID. 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, regardless of whether the holder uses the cash or the accrual method of tax accounting, will be required to include in gross income, as ordinary income, the sum of the "daily portions" of OID on the Note for all calendar 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 its yield to maturity (appropriately adjusted to reflect the length of the accrual period) and (b) subtracting from that product the amount (if any) of qualified stated interest 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 the 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 the Note in all prior accrual periods. 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 the U.S. Holder for the 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 and Additional Amounts"), 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 that date is within five (5) 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 similar 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, the 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 applicable Treasury 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 qualifying as a "variable rate debt instrument" is an Original Issue Discount Note, for purposes of determining the amount of OID allocable to each accrual period under the rules above, the Note's "yield to maturity" and "qualified stated interest" will generally be determined as though the Note bore interest in all periods at a fixed rate determined at the time of issuance of the Note. Additional rules may apply if interest on a Floating Rate Note is based on more than one interest index, or if the index is a relatively new benchmark rate like SOFR. Additionally, under proposed U.S. Treasury regulations, Floating Rate Notes referencing an IBOR that are treated as having a qualified floating rate for purposes of the above will not fail to be so treated merely because the terms of the Notes provide for a replacement of the IBOR in the case of a Benchmark Transition Event. In particular, under the proposed regulations, the IBOR referencing rate and the replacement rate are treated as a single qualified rate. Taxpayers may rely on the proposed regulations until final regulations adopting the rules are published in the Federal Register. The Issuer intends to rely on these proposed regulations. Investors should consult their tax advisors regarding the consequences to them of the potential occurrence of a Benchmark Transition Event.

If a Floating Rate Note does not qualify as a "variable rate debt instrument," the 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 Notes that do not qualify as "variable rate debt instruments" will be provided in the applicable supplement or Pricing Supplement.

Certain of the Notes may be subject to special redemption, repayment or interest rate reset features, as indicated in the applicable supplement or Pricing Supplement. 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 Supplement 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.

If a Note provides for a scheduled Accrual Period that is longer than one year (for example, as a result of a long initial period on a Note with interest is generally paid on an annual basis), then stated interest on the Note will not qualify as "qualified stated interest" under the applicable Treasury Regulations. As a result, the Note would be an Original Issue Discount Note. In that event, among other things, cash-method U.S. Holders will be required to accrue stated interest on the Note under the rules for OID described above, and all U.S. Holders will be required to accrue OID that would otherwise fall under the *de minimis* threshold.

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 above under "—Original Issue Discount") 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 debt instruments 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 one-fourth of one percent (0.25 percent) 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 debt instruments with market discount 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 applicable Treasury 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.

Accrual method holders and certain cash-basis U.S. Holders 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.

Indexed Notes and Other Notes Providing for Contingent Payments.

The Contingent Payment Regulations, which govern the tax treatment of Contingent Debt Obligations, generally require accrual of interest income on a constant-yield basis in respect of such obligations at a yield determined at the time of their issuance, and may require adjustments to such accruals when any contingent payments are made. A detailed description of the tax considerations relevant to U.S. Holders of any Contingent Debt Obligations will be provided in the applicable supplement or Pricing Supplement.

Occurrence of a Benchmark Transition Event for Notes Linked to or Referencing a Benchmark or Screen Rate

If a Benchmark Transition Event occurs, the tax treatment of a U.S. Holder holding Notes linked to or referencing a benchmark or screen rate, including LIBOR and any other IBOR, will depend on whether a replacement of the original reference rate with an alternative reference rate is

treated as a "significant modification" that results in a deemed exchange of the existing Notes for "new" Notes. In general, for U.S. federal income tax purposes, a significant modification occurs if, based on all the facts and circumstances and taking into account all modifications of the debt instrument collectively, the legal rights or obligations that are altered and the degree to which they are altered are economically significant. A modification is generally any alteration, including any deletion or addition, in whole or in part, of a legal right or obligation of the issuer or a holder of a debt instrument. The applicable Treasury regulations provide, however, that alterations that occur as a result of the operation of the terms of the debt instrument are not considered modifications for U.S. federal income tax purposes.

The terms of the Notes generally provide for replacement of the original reference rate in case of a Benchmark Transition Event. U.S. Holders should consult their tax advisers concerning the U.S. federal income tax consequences to them of the replacement of the original reference rate upon occurrence of a Benchmark Transition Event.

Foreign Currency Notes and Reportable Transactions

A U.S. Holder 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 relating to a Foreign Currency Note 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 a Foreign Currency Note constitutes participation in a "reportable transaction" for purposes of these rules, a U.S. Holder will be required to disclose its investment to the IRS, currently on Form 8886. Prospective purchasers should consult their tax advisors regarding the application of these rules to the acquisition, ownership or disposition of Foreign Currency Notes.

Specified Foreign Financial Assets

Certain U.S. Holders that own "specified foreign financial assets" with an aggregate value in excess of $50,000 on the last day of the taxable year or $75,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which may include Notes issued in certificated form) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. Holders who fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. Prospective investors should consult their own tax advisors concerning the application of these rules to their investment in the Notes, including the application of the rules to their particular circumstances.

Information Reporting and Backup Withholding

Information returns will be filed with the IRS in connection with payments on the Notes made to, and the proceeds of dispositions of Notes effected by, certain U.S. taxpayers. In addition, certain U.S. taxpayers may be subject to backup withholding in respect of such amounts if they do not provide their taxpayer identification numbers to the person from whom they receive payments or are otherwise not entitled to receive payments free from backup withholding. Non-U.S. taxpayers may be required to comply with applicable certification procedures to establish that they are not U.S. taxpayers in order to avoid the application of such information reporting requirements and backup withholding. The amount of any backup withholding from a payment to a U.S. or non-U.S. taxpayer

will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS.

Foreign Account Tax Compliance Act

Pursuant to FATCA, subject to grandfathering rules, holders and beneficial owners of the Notes may be required to provide to a financial institution in the chain of payments on the Notes information and tax documentation regarding their identities, and in the case of a holder that is an entity, the identities of their direct and indirect owners, and this information may be reported to relevant tax authorities, including the IRS. Moreover, the Issuer, the Paying Agents, and other financial institutions through which payments are made, may be required to withhold U.S. tax at a 30% rate on "foreign passthru payments" (a term not yet defined) paid to an investor who does not provide information sufficient for the institution to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of the institution, or to an investor that is, or holds the Notes directly or indirectly through, a non-U.S. financial institution that is not in compliance with FATCA. However, under proposed U.S. Treasury regulations, such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, 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 the date on which final regulations defining foreign passthru payments are filed with the U.S. Treasury Department. Neither the Issuer or the Paying Agent will pay any additional amounts on account of any such withholding tax. These requirements may be modified by the adoption or implementation of an intergovernmental agreement between the United States and another country, including the intergovernmental agreement concerning FATCA signed by France and the United States. Holders should consult their own tax advisors on how FATCA may apply to payments in respect of Notes.

ERISA MATTERS

Unless otherwise provided in the relevant Pricing Supplement, 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 ("**Non-ERISA Arrangements**"), 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 relevant Pricing Supplement, 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 Non-ERISA Arrangement 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 ("**Similar Laws**") and is not purchasing or holding the Notes on behalf of or with "plan assets" of any Plan or Non-ERISA Arrangement 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 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.

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 Supplement.

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. LLC, HSBC Securities (USA) Inc., J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC and Wells Fargo Securities, 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 November 18, 2019. 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 relevant Pricing Supplement, 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 relevant Pricing Supplement, 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 relevant Pricing Supplement, 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 forty (40) calendar 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 forty (40) calendar 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 relevant Pricing Supplement 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 thirty (30) calendar days after the issue date of the relevant Tranche of Notes and sixty (60) calendar 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.

MiFID II product governance / target market

The relevant Pricing Supplement in respect of any Series of Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes of any such Series and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU, as amended ("**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to any Series of Notes about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Lead Dealer nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

PROHIBITION OF SALES TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA OR IN THE UNITED KINGDOM

The Notes described in this Base Offering Memorandum are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) a person that is not a qualified investor as defined in the Prospectus Regulation.

Consequently, no key information document required by PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been or will be prepared and therefore offering or selling the Notes and therefore offering and selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

The EEA selling restriction is in addition to any other selling restrictions set out below.

Notice to Prospective Investors in France

The Dealers have represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that they have only offered or sold and will only offer or sell, directly or indirectly, the Notes in France and they have only distributed or caused to be distributed and will only distribute or cause to be distributed in France, the Base Offering Memorandum, the relevant Pricing Supplement, or any other offering or marketing materials relating to the Notes, pursuant to the exemption under Article 1(4)(a) of the Prospectus Regulation and under Article L. 411-2 1° of the French Monetary and Financial Code, and that such offers, sales and distributions have been and will be made in France only to qualified investors as defined in Article

2(e) of the Prospectus Regulation and in Article L.411-2 1° of the French Monetary and Financial Code, as amended from time to time.

This Base Offering Memorandum, the relevant Pricing Supplement, as the case may be, or any other offering materials relating to the Notes have not been and will not be filed with the AMF for prior approval or submitted for clearance to the AMF and, more generally no prospectus (including any amendment, supplement or replacement thereto) has been prepared in connection with the offering of the Notes that has been approved by the AMF or by the competent authority of another member state of the EEA or in the UK and notified to the AMF or such other competent authority and to the Issuer;

If necessary, these selling restrictions will be supplemented in the relevant Pricing Supplement.

Notice to Prospective Investors in the Republic of Italy

The offering of any Notes will not be registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Base Offering Memorandum or of any other document relating to any Notes be distributed in Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations.

Each Dealer selling Notes under the Program will be required to represent and agree that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes or distribute any copy of this Base Offering Memorandum or any other document relating to the Notes in Italy except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree no. 58 of 24 February 1998 (the "**Financial Services Act"**) and Article 34-*ter*, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 (the "**Issuers Regulation**"), all as amended from time to time; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Issuers Regulation.

In any event, any offer, sale or delivery of the Notes or distribution of copies of this Base Offering Memorandum or any other document relating to the Notes in Italy under paragraphs (a) or (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the "**Banking Act**") and CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time;

(ii) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time; and

(iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB or the Bank of Italy or other competent authority.

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:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended (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

(a) 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.

Notice to Prospective Investors in Canada

No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of any Notes, the Notes have not been, and will not be, qualified for sale under the securities laws of Canada or any province or territory thereof and no securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this document or the merits of the Notes and any representation to the contrary is an offence.

Each Dealer has represented, warranted and agreed that it has not offered, sold or distributed and will not offer, sell or distribute any Notes, directly or indirectly, in Canada or to or for the benefit of any resident of Canada, other than in compliance with applicable securities laws and, without limiting the generality of the foregoing,

(a) any offer, sale or distribution of the Notes in Canada has and will be made only to only to purchasers that are "accredited investors" (as such term is defined in section 1.1 of National Instrument 45-106 *Prospectus Exemptions* ("**NI 45-106**") or, in Ontario, as such term is defined in section 73.3(1) of the *Securities Act* (Ontario)), that are also a "permitted clients" (as such term is defined in section 1.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*), that are purchasing as principal, or are deemed to be purchasing as principal in accordance with applicable Canadian securities laws, and that are not a person created or used solely to purchase or hold the Notes as an "accredited investor" as described in paragraph (m) of the definition of "accredited investor" in section 1.1 of NI 45-106;

(b) it is either (I) appropriately registered under applicable Canadian securities laws in each relevant province or territory to sell and deliver the Notes, (II) such sale and delivery will be made through an affiliate of it that is so registered if the affiliate is registered in a category that permits such sale and has agreed to make such sale and delivery in compliance with the representations, warranties and agreements set out herein, or (III) it is relying on an exemption from the dealer registration requirements under applicable Canadian securities laws and has complied with the requirements of that exemption; and

(c) it has not and will not distribute or deliver this document, or any other offering material in connection with any offering of the Notes, in or to a resident of Canada excpet in compliance with applicable Canadian securities laws.

Canadian investors are advised any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus and dealer registration requirements of applicable Canadian securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages, if this Base Offering Memorandum or any applicable

supplement (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Canadian investors are advised that this document has been prepared in reliance on section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("**NI 33-105**") and the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the offering of Notes.

Notice to Prospective Investors in Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the "**Australian Corporations Act**") in relation to the Program or any Notes has been, or will be, lodged with the Australian Securities and Investment Commission ("**ASIC**"). 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, any 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 alternate 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 any applicable laws, regulations and directives in Australia; and

(iv) such action does not require any document to be lodged with ASIC.

In addition, each Dealer has agreed that it will comply with the directive issued by the Assistant Treasurer of the Commonwealth of Australia dated 23 September, 1996 as contained in Banking (Exemption) Order No. 82 which requires all offers and transfers to be in parcels of not less than A$500,000 in aggregate principal amount. Banking (Exemption) Order No. 82 does not apply to transfers which occur outside 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 (Winding Up and Miscellaneous Provisions) 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 (Cap. 571) of Hong Kong 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 Act of Japan (Act n° 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Notice to Prospective Investors in Singapore

Each Dealer has acknowledged that this Base Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified and amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person pursuant (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, 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 Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) 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 of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

b) where no consideration is or will be given for the transfer;

c) where the transfer is by operation of law; or

d) as specified in Section 276(7) of the SFA.

Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, the Issuer has determined, and hereby notifies all relevant persons (as defined in section 309A(1) of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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 relevant Pricing Supplement. 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 United States 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 may require delivery of any documents or other evidence that the Issuer, in its discretion, deems 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 UNITED STATES 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 TRANSFER 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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