



## CAISSE NATIONALE DES CAISSES D'ÉPARGNE ET DE PRÉVOYANCE

### Issue of EUR 850,000,000 Deeply Subordinated Fixed to Floating Rate Notes

The Euro ("EUR") 850,000,000 Deeply Subordinated Fixed to Floating Rate Notes (the "Notes") of Caisse Nationale des Caisses d'Épargne et de Prévoyance (the "Issuer" or "CNCEP") will bear interest at 6.117 per cent. per annum payable annually in arrear on or about 30 October in each year commencing on or about 30 October 2008 until on or about 30 October 2017 (included) and thereafter at Euribor 3 months + 2.37 per cent. per annum payable quarterly in arrear on or about 30 January, 30 April, 30 July and 30 October in each year commencing on or about 30 January 2018, as more fully described herein.

For so long as the compulsory interest provisions do not apply, the Issuer may elect not to pay interest on the Notes, in particular with a view to allowing the Issuer to ensure the continuity of its activities without weakening its financial structure.

A Interest and the Principal Amount of the Notes may be reduced following a Supervisory Event, on a semi-annual basis (see Condition 5.1 (*Loss Absorption*)).

The Notes may be redeemed (in whole but not in part) on 30 October 2017 and on any Interest Payment Date (as defined in Condition 4 (*Interest and Interest Suspension*)) thereafter, at the option of the Issuer. The Issuer will also have the right to redeem the Notes (in whole but not in part) for certain tax and regulatory reasons.

Application has been made to the Luxembourg *Commission de Surveillance du Secteur Financier* (the "CSSF"), which is the Luxembourg competent authority for the purpose of Directive 2003/71/EC (the "Prospectus Directive"), for its approval of this Prospectus. Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market (the "EU-regulated market of the Luxembourg Stock Exchange") and to be listed on the official list of the Luxembourg Stock Exchange.

The Notes are expected to be assigned a rating of AA- by Fitch Ratings, A1 by Moody's Investors Services, Inc. and A+ by Standard & Poor's Ratings Services. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency.

**See "Risk Factors" beginning on page 18 for certain information relevant to an investment in the Notes.**

The Notes will, upon issue on or about 30 October 2007, be entered in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in Condition 2 (*Form, Denominations and Title*)), Clearstream Banking, *société anonyme* ("Clearstream, Luxembourg") and Euroclear Bank S.A./N.V. ("Euroclear").

The Notes will be issued in denominations of EUR 50,000 and will at all times be represented in book entry form (*dématérialisés*) in compliance with article L.211-4 of the French *Code monétaire et financier* in the books of the Account Holders.

#### Joint Lead Managers

MERRILL LYNCH INTERNATIONAL

NATIXIS

#### Co-Lead Managers

BARCLAYS CAPITAL

CITI

HSBC

The date of this Prospectus is 26 October 2007.

**This Prospectus comprises a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC (the "Prospectus Directive") in respect of, and for the purpose of giving information with regard to Caisse Nationale des Caisses d'Epargne et de Prévoyance (the "Issuer" or "CNCE" or "CNCEP"), the Issuer and its subsidiaries (the "CNCE Group") and the Groupe Caisse d'Epargne (the "Group") which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.**

**This Prospectus is to be read in conjunction with any documents and/or information which is incorporated herein by reference in accordance with Article 28 of the Commission Regulation (EC) no. 809/2004.**

**No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Managers (as defined in the Summary below). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Group since the date hereof or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or that any other information supplied in connection with the issue or sale of the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.**

**The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act ("Regulation S")). For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "Subscription and Sale".**

**This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Managers to subscribe for, or purchase, any Notes.**

**The Managers have not separately verified the information contained in this Prospectus. None of the Managers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer and the Managers that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Managers undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Managers.**

**In this Prospectus, unless otherwise specified, references to a "Member State" are references to a Member State of the European Economic Area, references to "U.S.\$", "U.S. dollars" or "dollars" are to United States dollars and references to "EUR" or "euro" are to the single 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.**

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

## CONTENTS

|   | <b>Page</b> |
|---|-------------|
| DOCUMENTS INCORPORATED BY REFERENCE .....   | 4           |
| PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS .....   | 10          |
| SUMMARY .....   | 11          |
| RISK FACTORS.....   | 18          |
| TERMS AND CONDITIONS OF THE NOTES .....   | 25          |
| INFORMATION RELATING TO SOLVENCY RATIOS AND ISSUES OF SECURITIES<br>QUALIFYING AS TIER 1 AND TIER 2 CAPITAL ..... | 43          |
| INFORMATION ABOUT THE ISSUER .....  | 50          |
| ORGANISATIONAL STRUCTURE OF THE GROUPE CAISSE D'EPARGNE.....  | 58          |
| RECENT DEVELOPMENTS .....   | 66          |
| REASONS OF THE OFFER AND USE OF PROCEEDS.....   | 68          |
| TAXATION.....   | 69          |
| SUBSCRIPTION AND SALE.....  | 71          |
| GENERAL INFORMATION.....  | 74          |

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents all of which are incorporated by reference in the Prospectus and which have been previously published with the Prospectus and that have been filed with the *Commission de surveillance du secteur financier* in Luxembourg and shall be incorporated in, and form part of, this Prospectus:

- (1) The Base Prospectus of the Issuer dated 30 July 2007 in relation to the €30,000,000,000 Euro Medium Term Note Programme of the Issuer incorporating by reference the Reference Document<sup>1</sup> of the Issuer for the financial year ended 31 December 2006 (the “**Reference Document 2006**”), excluding the section entitled "Statement by the Person responsible for the *document de référence*" on page 413 and the Reference Document<sup>1</sup> of the Issuer for the financial year ended 31 December 2005 (the “**Reference Document 2005**”), excluding the section entitled "Statement by the Person responsible for the *Document de Référence*" on page 239;
- (2) The First Supplement dated 18 September 2007 to the Base Prospectus dated 30 July 2007 in relation to the €30,000,000,000 Euro Medium Term Note Programme of the Issuer incorporating (1) a press release dated 30 August 2007 relating to the interim results of the Caisses d'Épargne for the first half of 2007, and a press release relating to the interim results of the Issuer for the first half of 2007 published on 12 September and (2) an update of the section of the Base Prospectus dated 30 July 2007 in relation to the €30,000,000,000 Euro Medium Term Note Programme of the Issuer under the heading "Recent Developments".
- (3) The Second Supplement dated 16 October 2007 to the Base Prospectus dated 30 July 2007 in relation to the €30,000,000,000 Euro Medium Term Note Programme of the Issuer incorporating (1) by reference in the Base Prospectus the *Actualisation du Document de Référence*, in French, which has been filed with the French *Autorité des Marchés Financiers* ("AMF") on 28 September 2007 under the number D.07-0371-A01, containing the interim consolidated financial statements of the Issuer and the interim consolidated financial statements of Groupe Caisse d'Épargne as at 30 June 2007, with the exception of the statement by the person responsible for the *Document de Référence* and the updates ("*Attestation du Responsable du Document de Référence et de ses actualisations*") and (2) an update of the section of the Base Prospectus under the heading "Recent Developments" by the insertion of a press release dated 21 September 2007.

All documents incorporated by reference in this Prospectus may be obtained, upon request and free of charge, at the offices of each Paying Agent set out at the end of this Prospectus during normal business hours so long as any of the Notes are outstanding.

Such documents shall be incorporated in and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained without charge from the head office of the Issuer, the Issuer's website ([www.groupe.caisse-epargne.com](http://www.groupe.caisse-epargne.com)) and the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

Any information not listed in the following cross-reference lists but included in the documents incorporated by reference in this Prospectus is given for information purposes only.

---

<sup>1</sup> The Reference Document is a free translation in English from the original, which was prepared in French.

**(1) Cross-reference list in respect of the financial information for the years ended 31 December 2005 and 2006 in respect of CNCE Group**

| <b>Regulation – Annex XI in respect of CNCE Group</b>  |  | <b>Base Prospectus 2007</b> | <b>Reference Document 2005</b> | <b>Reference Document 2006</b> |
|--|--|-----------------------------|--------------------------------|--------------------------------|
| <b>11. Financial information concerning the issuer’s assets and liabilities, financial position and profits and losses</b> | <u>11.1 Historical Financial Information</u>   |                             |                                |                                |
|  | Audited historical financial information   | page 22                     | pages 40 to 42                 | pages 74 to 76                 |
|  | Audit reports  | page 22                     | page 78                        | pages 158 to 159               |
|  | Balance sheet  | page 22                     | page 40                        | page 74 to 75                  |
|  | Profit and loss account  | page 22                     | page 42                        | page 76                        |
|  | Cash flow statements   |                             | page 76-77                     | page 72                        |
|  | Accounting policies  | page 22                     | pages 47 to 53                 | pages 90 to 103                |
|  | Explanatory notes  | page 22                     | pages 43 to 77                 | pages 82 to 157                |
|  | <u>11.2 Financial Statements</u>   |                             |                                |                                |
|  | Consolidated financial statements  | page 23                     | pages 40 to 42                 | pages 74 to 76                 |
|  | <u>11.3 Auditing of historical annual financial information</u>  |                             |                                |                                |
|  | 11.3.1   |                             |                                |                                |
|  | Statement indicating that the historical financial information has been audited  | page 23                     | pages 78 to 79                 | pages 158 to 159               |
|  | Refusal, qualifications or disclaimers of the audit reports, as the case may be, and reasons for such refusal, qualifications or disclaimers | page 23                     | Not Applicable                 | Not Applicable                 |
|  | 11.3.2 Other information included audited by the auditors  | page 23                     | Not Applicable                 | Not Applicable                 |

| <b>Regulation – Annex XI in respect of CNCE Group</b> |   | <b>Base Prospectus 2007</b> | <b>Reference Document 2005</b> | <b>Reference Document 2006</b> |
|---|---|-----------------------------|--------------------------------|--------------------------------|
|   | 11.3.3 If financial data included is not extracted from the issuer’s audited financial statements, source of the data and indication that the date is unaudited | page 23                     | Not Applicable                 | Not Applicable                 |

**(1) Cross-reference list in respect of the financial information for the years ended 31 December 2005 and 2006 in respect of the Group**

| <b>Regulation – Annex XI in respect of the Groupe<br/>Caisse d’Epargne</b>   |   | <b>Base<br/>Prospectus<br/>2007</b> | <b>Reference<br/>Document<br/>2005</b> | <b>Reference<br/>Document<br/>2006</b> |
|--|---|-------------------------------------|--|--|
| <b>11. Financial<br/>information<br/>concerning the issuer’s<br/>assets and liabilities,<br/>financial position and<br/>profits and losses</b> | <u>11.1 Historical Financial<br/>Information</u>  |                                     |  |  |
|  | Audited historical<br>financial information   | page 23                             | pages 114 to<br>116                    | pages 206 to<br>208                    |
|  | Audit reports   | page 23                             | page 156                               | pages 292 to<br>293                    |
|  | Balance sheet   | page 23                             | page 114                               | pages 206 to<br>207                    |
|  | Profit and loss account   | page 23                             | page 116                               | page 208                               |
|  | Cash flow statements  |                                     | page 155                               | page 200                               |
|  | Accounting policies   | page 23                             | pages 122 to<br>128                    | pages 224 to<br>237                    |
|  | Explanatory notes   | page 23                             | pages 117 to<br>155                    | pages 214 to<br>291                    |
|  | <u>11.2 Financial<br/>Statements</u>  |                                     |  |  |
|  | Consolidated financial<br>statements  | page 23                             | pages 114 to<br>116                    | pages 206 to<br>208                    |
|  | <u>11.3 Auditing of<br/>historical annual<br/>financial information</u>   |                                     |  |  |
|  | 11.3.1  |                                     |  |  |
|  | Statement indicating that<br>the historical financial<br>information has been<br>audited  | page 24                             | pages 156 to<br>157                    | pages 292 to<br>293                    |
|  | Refusal, qualifications or<br>disclaimers of the audit<br>reports, as the case may<br>be, and reasons for such<br>refusal, qualifications or<br>disclaimers | page 24                             | Not Applicable                         | Not<br>Applicable                      |
|  | 11.3.2 Other information<br>included audited by the<br>auditors   | page 24                             | Not Applicable                         | Not<br>Applicable                      |

| <b>Regulation – Annex XI in respect of the Groupe<br/>Caisse d’Epargne</b> |   | <b>Base<br/>Prospectus<br/>2007</b> | <b>Reference<br/>Document<br/>2005</b> | <b>Reference<br/>Document<br/>2006</b> |
|--|---|-------------------------------------|--|--|
|  | 11.3.3 If financial data included is not extracted from the issuer’s audited financial statements, source of the data and indication that the date is unaudited | page 24                             | Not Applicable                         | Not Applicable                         |

**(2) The First Supplement incorporated by reference in this Prospectus is given for information purposes only.**

**(3) Cross-reference list for the six-months ended 30 June 2007 in respect of the Groupe CNCE and the Group**

|   |   |   |
|---|---|---|
| <b>Regulation – Annex XI in respect of Groupe CNCE</b>  | <b>Second Supplement<br/>September 2007</b> | <i>Actualisation du Document de Référence</i> |
| <b>Rapport financier du Groupe Caisse Nationale des Caisses d'Epargne<br/>Au 30 Juin 2007</b> |   |   |
| Rapport de gestion  | page 2                                      | page 88                                       |
| Bilan consolidé   | page 2                                      | page 102                                      |
| Compte de résultat consolidé  | page 2                                      | page 101                                      |
| Tableau de variation des capitaux propres   | page 2                                      | page 104                                      |
| Tableau des flux de trésorerie  | page 2                                      | page 105                                      |
| Composition de la trésorerie et des équivalents de trésorerie                                 | page 2                                      | page 106                                      |
| Notes annexes aux comptes semestriels du Groupe Caisse Nationale des Caisses d'Epargne        | page 2                                      | page 107                                      |
| Rapport des commissaires aux comptes sur les comptes consolidés                               | page 2                                      | page 133                                      |
| Informations sur les comptes individuels de la Caisse Nationale des Caisses d'Epargne         | page 2                                      | page 134                                      |
| <b>Regulation – Annex XI in respect of the Group</b>  |   | <i>Actualisation du Document de Référence</i> |
| <b>Rapport financier du Groupe Caisse d'Epargne<br/>Au 30 Juin 2007</b>                       |   |   |
| Rapport de gestion  | page 2                                      | page 16                                       |
| Bilan consolidé   | page 2                                      | page 42                                       |
| Compte de résultat consolidé  | page 2                                      | page 41                                       |
| Tableau de variation des capitaux propres   | page 2                                      | page 44                                       |
| Tableau des flux de trésorerie  | page 2                                      | page 45                                       |
| Composition de la trésorerie et des équivalents de trésorerie                                 | page 2                                      | page 46                                       |
| Notes annexes aux comptes semestriels du Groupe Caisse d'Epargne                              | page 2                                      | page 47                                       |
| Rapport des commissaires aux comptes sur les comptes consolidés                               | page 2                                      | page 77                                       |
| Gestion des risques   | page 2                                      | page 5  |

**PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE  
PROSPECTUS**

To the best knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import. The Issuer accepts responsibility accordingly.

**Caisse Nationale des Caisses d'Epargne et de Prévoyance**

5 rue Masseran

75007 Paris

France

Duly represented by:

Roland Charbonnel

Director Liquidity and Capital Management

## SUMMARY

*This summary must be read as an introduction to this Prospectus. Any decision by any investor to invest in the Notes should be based on a consideration of this Prospectus as a whole. The Issuer may have civil liability in respect of this summary, but only if it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in a European Economic Area State (an “**EEA State**”), the plaintiff may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.*

*Words and expressions defined in “Terms and Conditions of the Notes” below shall have the same meanings in this summary.*

### I. The Notes

|  |  |
|--|--|
| <b>Issuer:</b>   | Caisse Nationale des Caisses d'Epargne et de Prévoyance  |
| <b>Description:</b>  | EUR 850,000,000 Deeply Subordinated Fixed to Floating Rate Notes (the “ <b>Notes</b> ”)  |
| <b>Joint Lead Managers:</b>  | Merrill Lynch International<br>Natixis   |
| <b>Co-Lead Managers:</b>   | Barclays Bank PLC<br>Citigroup Global Markets Limited<br>HSBC Bank plc   |
| <b>Amount:</b>   | EUR 850,000,000  |
| <b>Issue Price:</b>  | 100 per cent.  |
| <b>Fiscal Agent, Principal Paying Agent and Calculation Agent:</b> | Deutsche Bank AG, London Branch  |
| <b>Luxembourg Paying Agent:</b>                                    | Deutsche Bank Luxembourg S.A.  |
| <b>Paris Paying Agent:</b>   | Deutsche Bank AG, Paris Branch   |
| <b>Luxembourg Listing Agent:</b>                                   | Deutsche Bank Luxembourg S.A.  |
| <b>Method of Issue:</b>  | The Notes will be issued on a syndicated basis.  |
| <b>Maturity:</b>   | The Notes are undated securities in respect of which there is no fixed redemption or maturity date.  |
| <b>Currency:</b>   | EUR  |
| <b>Denomination:</b>   | The Notes will be issued in denominations of EUR 50,000.   |
| <b>Status of the Notes:</b>  | The Notes are deeply subordinated notes ( <i>obligations</i> ) of the Issuer issued pursuant to the provisions of article L. 228-97 of the French <i>Code de commerce</i> , as amended by law n° 2003-706 on financial security dated 1 August 2003. |

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

**Use of Proceeds:**

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

**Negative Pledge:**

There is no negative pledge in respect of the Notes.

**Event of Default:**

The events of default in respect of the Notes are limited to liquidation, as set out in Condition 9 (*Event of Default*).

**Principal Amount of the Notes/Loss Absorption/Reinstatement:**

The principal amount of the Notes may be reduced following a Supervisory Event, on a semi-annual basis.

The principal amount of the Notes will be reinstated following a Return to Financial Health of the Issuer.

**Supervisory Event:**

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

clause (i) would apply in the near term.

**End of Supervisory Event:**

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

**Return to Financial Health:**

Return to Financial Health means a positive Consolidated Net Income recorded for at least two consecutive fiscal years following the End of Supervisory Event.

**Optional Redemption/  
Redemption:**

**Early**

The Notes may be redeemed (in whole but not in part) at the Original Principal Amount together with any amounts outstanding thereon, including Accrued Interest, on 30 October 2017 and on any Interest Payment Date thereafter, at the option of the Issuer.

The Issuer will also have the right to redeem the Notes (in whole but not in part) at the Original Principal Amount together with any amounts outstanding thereon, including Accrued Interest, for certain tax and regulatory reasons.

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

**Taxation:**

The Notes constituting *obligations* and being denominated in Euro are deemed to be issued outside the Republic of France for the purposes of Article 131 *quater* of the French tax code. Consequently, interest and other revenues with respect to the Notes will benefit from the exemption from deduction of the withholding tax set out under Article 125 A III of the French tax code. Accordingly, such payments will not give the right to any tax credit from any French source.

**Interest:**

The Notes will bear interest at 6.117 per cent. per annum payable annually in arrear on or about 30 October in each year commencing on or about 30 October 2008 until on or about 30 October 2017 (included) and thereafter at Euribor 3 months + 2.37 per cent. per annum payable quarterly in arrear on or about 30 January, 30 April, 30 July and 30 October in each year commencing on or about 30 January 2018, as more fully

described in the Terms and Conditions of the Notes.

Payment of interest will be compulsory on any Compulsory Interest Payment Date in the manner specified in the Terms and Conditions of the Notes.

For so long as the compulsory interest provisions do not apply, the Issuer may pay interest on any Optional Interest Payment Date in accordance with Condition 4.4 (*Interest Payable*).

The Issuer may elect not to pay interest on any Optional Interest Payment Date in particular with a view to allowing the Issuer to ensure the continuity of its activities without weakening its financial structure.

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

The modalities and basis of calculation and accrual of interest payable on any Optional Interest Payment Date are specified in Condition 4 (*Interest and Interest Suspension*).

**Representation of Noteholders:**

Noteholders will form a *masse* governed by the provisions of the French *Code de commerce*, subject to certain exceptions, in defense of their common interests.

**Selling Restrictions:**

The Notes have not been and will not be registered under the U.S. Securities Act and are being offered and sold only outside the United States in accordance with Regulation S thereunder. Moreover, the Notes have not been and will not be registered in any country or jurisdiction in order to permit a public offering and related selling restrictions therefore apply in various jurisdictions.

**Form of Notes:**

The Notes will, upon issue on 30 October 2007, be entered in the books of Euroclear France which shall credit the accounts of the Account Holders, Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**").

The Notes will be issued in bearer dematerialised form (*au porteur*) and will at all times be represented in book entry form in compliance with Article L.211-4 of the French *Code monétaire et financier*.

**Governing Law:**

French law

## II. Key information about the Issuer

### A. Key information about the Issuer

**Legal name:** Caisse Nationale des Caisses d'Epargne et de Prévoyance

**Registered office:** 5 rue Masseran – 75007 Paris – France

**Head office for business purposes:** 50 avenue Pierre Mendès-France – 75013 Paris – France

**Legal form, management and supervisory bodies:** The Issuer is organised as a *société anonyme* (corporation) governed by a Management Board and a Supervisory Board and subject to the laws and regulations in force and in particular the provisions of the French *Code de commerce* with respect to commercial companies and the provisions of the French *Code monétaire et financier* with regard to credit institutions, notably Articles L. 512-85 to L. 512-104, and the implementing decrees taken in this respect as well as by the Issuer's bylaws. The Issuer is a credit institution and is officially approved as a bank. On this basis, it performs both in France and other countries the prerogatives granted to banks by the French *Code monétaire et financier*, and provides the investment services provided for in Articles L. 321-1 and L. 321-2 of the above-mentioned Code, to all French or non-French clients, and in particular the Caisses d'Epargne.

**Share capital:** The issuer's share capital is €6,217,647,131.50 divided into 407,714,566 fully paid-up shares with a par value of €15.25 each. The Caisses d'Epargne wholly own the share capital and voting rights of the Issuer. The Issuer's shares are not listed on any stock exchange.

**Organisational structure:** The Issuer has three main roles and responsibilities within the Groupe Caisse d'Epargne:

- As the central institution of the Group, it represents the credit institutions affiliated to it in dealings with the supervisory authorities and, within this framework, makes sure that the legal and regulatory provisions specific to these institutions are applied. It takes all necessary steps to preserve the cohesion of the network and generally supervises the proper management of the affiliated entities. It defines the products and services distributed to customers, and coordinates the commercial policy. It promotes the Group's common interests in terms of human resources, and approves the appointment of senior management staff.
- The CNCE carries out activities related to its status as head of the Group. It owns and manages its equity interests in the subsidiaries. It also defines the Group's strategy and development policy.
- As the banker of the Group, the CNCE is responsible, in particular, for the centralised management of any surplus funds held by the regional savings banks and for proceeding with any financial transaction useful for the development and refinancing of the network. It also offers services of a banking nature to Group entities.

## B. Key information concerning selected financial data of the CNCE Group as at June 30, 2007

### Earning trends (in billions of euros)

|                                       | Pro forma 2004<br>French GAAP | 2005 | 2006 | 2006/2005 | 30 June<br>2007 |
|---------------------------------------|-------------------------------|------|------|-----------|-----------------|
| Net banking income                    | 4                             | 4.4  | 5.4  | 23%       | 2.7             |
| Gross operating income                | 0.8                           | 0.9  | 1.2  | 34%       | 0.9             |
| Income before tax                     | 1.2                           | 1.5  | 4.3  | 195%      | 1.2             |
| Net Income (after minority interests) | 0.9                           | 1.1  | 3.3  | 192%      | 1.0             |
| Consolidated equity *                 | 11.5                          | 13.2 | 10.6 | -20%      | 11.4            |

\*including Reserve for General Banking Risks in 2004, and including other comprehensive income (OCI) in 2005 and 2006

## III. Risk factors

### A. Risk factors relating to the Issuer

There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes.

#### Key information concerning risk factors of the Issuer

The risks are mainly interest rate risk, liquidity risk and market risks. As the central institution of the Groupe Caisse d'Epargne, CNCE is in charge of the risk management of the Group taken as a whole and of the management of its own risks, in the course of its own activities.

### B. Risk factors relating to the Notes

An investment in the Notes involves certain risks which are material for the purpose of assessing the risks associated with Notes. While all of these risk factors are contingencies which may or may not occur, potential investors should be aware that the risks involved in investing in the Notes may lead to volatility and/or a decrease in the market value of the Notes to a level that falls short of the expectations (financial or otherwise) of an investor making an investment in the Notes.

In addition, there are certain other factors that are material for the purpose of assessing the risks related to the Notes, including the following:

- (i) The Notes are deeply subordinated obligations, which are the most junior ranking debt instruments of the Issuer; in the event of liquidation, the Issuer's obligations under the Notes rank in priority only to any payments to holders of its equity securities;
- (ii) The Notes are being issued for capital adequacy regulatory purposes and it is the Issuer's intention that they qualify as Tier 1 capital for itself, although no representation is given that this is or will remain the case during the life of the Notes;
- (iii) A Interest and Accrued Interest may be forfeited and A Interest may be reduced (in whole or in part) following a Supervisory Event, on a semi-annual basis;
- (iv) The Principal Amount of the Notes may be reduced following a Supervisory Event, on a semi-annual basis;
- (v) The holders of the Notes may receive less than the nominal amount of the Notes and may incur a loss of their entire investment;
- (vi) For so long as the compulsory interest provisions do not apply, the Issuer may elect not to pay interest on the Notes, in particular with a view to allowing the Issuer to ensure the continuity of its activities without weakening its financial structure;

- (vii) There is no restriction on the amount of debt that the Issuer may issue or guarantee;
- (viii) Any loss absorption will be implemented on a semi-annual basis and as a result, the modalities of loss absorption for the Noteholders may be different from those applicable to the holders of previously issued deeply subordinated obligations where loss absorption is implemented on an annual basis;
- (ix) The Notes are undated securities in respect of which there is no fixed redemption or maturity date; with certain exceptions, the Issuer is under no obligation to redeem the Notes at any time;
- (x) The Notes may be redeemed at the option of the Issuer under certain circumstances and there can be no assurance that, at the relevant time, Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Notes;
- (xi) There is currently no existing market for the Notes, and there can be no assurance that any market will develop for the Notes; and
- (xii) A Noteholder's effective yield on the Notes may be diminished by the tax applicable to that Noteholder in investing in the Notes.

However, each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

*These risk factors are more detailed in the section "Risk factors" of this Prospectus.*

## RISK FACTORS

*The following is a summary of certain aspects of the offering of the Notes of which prospective investors should be aware. Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this Prospectus, including in particular the following risk factors detailed below (which the Issuer believes represents or may represent the risk factors known to it which may affect the Issuer's ability to fulfil its obligations under the Notes and that are material to the Notes in order to assess the market risks associated with the Notes). This summary is not intended to be exhaustive and prospective investors should make their own independent evaluations of all risk factors and should also read the detailed information set out elsewhere in this Prospectus.*

### Risks relating to the Issuer

#### **Organisation of Risk Management: Overview of the main risk exposures**

Groupe Caisse d'Epargne's business involves exposure to the following main risks:

- credit or counterparty risks;
- liquidity, interest rate and currency risks, arising primarily from retail banking operations;
- capital market risks;
- operational risks;
- legal risks;
- compliance risks.

As the network's central institution, the CNCE is responsible for establishing a consistent risk management processes across the entire organization, in particular by:

- setting exposure limits for each Group entity or for all significant counterparties representing exposures in excess of the entity-level limit. These limits are decided by a number of special committees and formally set down in writing;
- monitoring entities' compliance with these limits and tracking any overruns;
- approving and implementing the internal methods and tools used to rate and compute all types of risk throughout the Group;
- defining risk control, processing and oversight structures and procedures to be applied by all entities, and monitoring their application on an ongoing basis.

Most of these functions are performed by Group Risk Management.

Group Risk Management reports to the CNCE Management Board in compliance with regulatory principles, in particular CRBF regulation 97-02 (as amended). The department has set up a Risk Management function spanning all Group entities and based on common organisational structure, as well as common risk analysis, tracking and control procedures.

The Risk Management function comprises Group Risk Management and the risk management units of the Group (Caisses d'Epargne and subsidiaries).

Over the year, the various departments within Group Risk Management were actively involved in one or more of the following three projects:

- preparing GCE's risk management framework for approval under Basel II, including a preliminary audit by the French Banking Commission (*Commission bancaire*) of the asset classes within the Investment Banking division in the last quarter of 2006.

- continuing to bring the risk control, monitoring and management procedures applied by the Risk Management function into line with regulatory standards in accordance with the planned timeframe.
- setting up NATIXIS structures and devising a convergence plan in connection with risk control and monitoring procedures, together with NATIXIS and BFBP.

Work on these three major projects that began in 2006 will continue in 2007.

The procedures and data figures for 2006 are described in the section "Risk Management" of the *Document de Référence* which is incorporated by reference herein.

**The terms of distribution of Livret A savings accounts by the Caisses d'Epargne and La Banque Postale are the subject of European and French legal proceedings. If the claims are successful, the Caisses d'Epargne's revenues could be affected.**

As part of its retail banking activities, the Groupe Caisse d'Epargne is one of two groups in France that offer to depositors a form of regulated savings account, known as the Livret A (the other group is La Banque Postale, owned by the French postal service). Developed by the French State to help fund public housing, the Livret A offers depositors a fixed rate of interest that is tax-free. This public interest function of the Caisses d'Epargne is compensated through a mechanism equivalent to a distribution commission, set by the French State. In 2006, the Groupe Caisse d'Epargne recorded €643 million in net banking income for its distribution of the Livret A.

In June 7, 2006, the European Commission opened an inquiry to determine if the special rights granted to the Caisses d'Epargne, La Banque Postale and Crédit Mutuel (which distributes the Livret bleu, another regulated savings account) violated European laws with respect to the right to free exercise of a trade and the freedom to provide services. In addition, in March 2006, a group of banks, consisting of BNP Paribas, the Groupe Banques Populaires, the Fédération Nationale du Crédit Agricole, Société Générale and ING Direct, filed a complaint with the Administrative Tribunal of Paris in order to overturn the administrative decisions of the Minister of the Economy, Finance and Industry rejecting their requests to be authorised to distribute the Livret A. These banking groups and Crédit Agricole S.A. have also filed a complaint before the *Conseil d'Etat*. Through these legal actions, the banks are seeking to obtain permission to distribute the Livret A in the future. In May 2007, the European Commission required the French authorities to modify the relevant laws and regulations within the next nine months because they violate the European laws. The Government of the French Republic filed an appeal against this decision with the Court of First Instance of the European Communities on July 23, 2007 and an appeal in this respect was also filed by the Caisses d'Epargne with the same Court on July 30, 2007.

An extension of the right to distribute the Livret A to other banking groups could have an adverse effect on the net banking income of the Caisses d'Epargne. Even if the Caisses d'Epargne were to change their commercial policies, such a measure could slightly affect negatively their results.

**AMF notices relating to the issue and marketing of subordinated redeemable securities by Groupe Caisse d'Epargne.**

Following the investigation opened on 10 September 2004 by the French financial markets supervisory authority (*Autorité des Marchés Financiers* or **AMF**) with regard to the terms and conditions of issue by the CNCE and marketing by Caisses d'Epargne of subordinated redeemable securities (*titres subordonnés remboursables* or **TSR**) as from June 2002, on 11 September 2006, the AMF issued letters of complaint to the CNCE, on the one hand, and to ten Caisses d'Epargne, on the other. In its letters to the ten Caisses d'Epargne, the AMF accuses the Caisses d'Epargne of: (i) having procured the subscription of subordinated redeemable securities issued by the CNCE on the primary market whereas clients could have purchased such securities or substantially identical securities under better conditions on the secondary market, and (ii) of having marketed these

securities in violation of a number of regulatory requirements, in particular those regarding the duty to provide subscribers with information and appropriate advice. In its letter to the CNCE, the AMF indicates that the CNCE may be accused of committing two types of violation: (i) in connection with the preparation and implementation of the system for issuing, listing, and placing the securities, the CNCE provided the public with information that was inaccurate in part (subscription dates and acquisitions by the Caisses d'Epargne), and (ii) the CNCE is alleged to have failed to perform its duties to oversee the Caisses d'Epargne and to protect savings (reference was made to the complaints lodged against the Caisses d'Epargne). The CNCE and the Caisses d'Epargne analyzed these complaints and submitted their observations by 1 December 2006. The *rapporteur* appointed by the AMF's Sanctions Commission will review these defense observations and draw up a report in respect of which the parties may submit further observations. Lastly, the Commission will deliberate within the scope of a right-to-reply procedure with a view to deciding whether or not the matters giving rise to the complaints constitute violations and, if necessary, it will impose pecuniary sanctions.

### **Loan insurance**

The French consumer association UFC – Que Choisir has criticized insurers and banks on the subject of loan insurance policies taken out by their customers when subscribing for mortgages.

This consumer association has issued a writ against CNP, CNCE and the Caisses d'Epargne to obtain the retrocession to the customers of the compensation to be received in respect of these policies.

Groupe Caisse d'Epargne complies fully with regulations concerning the collective insurance policies that it takes out with insurers and especially with France's market leader, CNP. By negotiating a collective price for this insurance coverage, the Bank ensures its own customers benefit if they choose this type of policy.

Concerning the nature of the compensation received by the Bank for distributing these policies, contrary to what may have been mentioned, the Bank's compensation does not today represent a share of the ensuing profits, but a commission paid to it by the insurer. This commission is consistent with the practice followed for all the insurance products distributed by Groupe Caisse d'Epargne. It compensates the Bank for carrying out a certain number of tasks on behalf of the insurer – distributing the policy, managing it throughout its life span and undertaking procedures in the event of claims – and reflects the fact that the Bank is the only party possessing relations with the subscribing customer.

Groupe Caisse d'Epargne will take the necessary steps to present its position concerning this matter and is surprised by the extent of the attacks to which it is subject. The main French banks (\*) and the French Banking Federation, having been informed of the declarations made by the Chairman and employees of UFC – Que Choisir in various media, think that some of these declarations are defamatory. Consequently they decided to take the judiciary steps appropriate to the seriousness of these facts.

(\*) BNP Paribas, CNCE and the Caisses d'Epargne, Crédit Agricole S.A., Groupe Banque Populaire, Groupe CIC and Société Générale.

### **Risks relating to the Notes**

#### ***Independent Review and Advice***

Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A prospective investor may not rely on the Issuer or the Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

### ***Potential Conflicts of Interest***

The Issuer may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Potential conflicts of interest may arise between the Calculation Agent and the Noteholders, including with respect to certain discretionary determinations and judgements that the Calculation Agent may make pursuant to the terms and conditions of the Notes that may influence the amount receivable under the Notes.

### ***Legality of Purchase***

Neither the Issuer, the Managers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

### ***Modification, Waivers and Substitution***

The conditions of the Notes contain provisions for calling General Meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant General Meeting and Noteholders who voted in a manner contrary to the majority.

### ***Taxation***

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

### ***EU Savings Directive***

On 3 June 2003, the European Council of Economic and Finance Ministers adopted a directive 2003/48/CE regarding the taxation of savings income in the form of interest payments (the "**Directive**"). The Directive requires Member States, subject to a number of conditions being met, to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State, except that, for a transitional period, Belgium, Luxembourg and Austria will instead withhold an amount on interest payments unless the relevant beneficial owner of such payment elects otherwise.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

### ***Change of Law***

The terms and conditions of the Notes are based on French law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of this Prospectus.

### ***No Active Secondary/Trading Market for the Notes***

The Notes will be new securities which may not be widely distributed and for which there may be no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the Luxembourg Stock Exchange has been made, there is no assurance that an active trading market will develop.

### ***Currency Risk***

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

### ***Credit Ratings may not Reflect all Risks***

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

### ***Market Value of the Notes***

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

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes. The price at which a Noteholder will be able to sell the Notes may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

### ***Fixed Rate***

The Notes bearing interest at a fixed rate until on or about 30 October 2017, investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

### ***Floating Rate***

Unless previously redeemed, the Notes will bear interest at a floating rate as from on or about 30 October 2017. The floating rate then applicable to the Notes will comprise (i) a reference rate and (ii) a margin to be added to such base rate. The relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment of the reference rate (every three months) which itself will change in accordance with general market conditions. Accordingly, the market value of the Notes may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate.

### ***Fixed to Floating Rate***

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

### ***Risk Associated with the Financial Condition of the Issuer***

The Issuer's obligations under the Notes are deeply subordinated obligations of the Issuer which are the most junior ranking debt instruments of the Issuer, subordinated to and ranking behind the claims of all other unsubordinated and ordinarily subordinated creditors of the Issuer, lenders in relation to *prêts participatifs* granted to the Issuer and holders of *titres participatifs* issued by the Issuer. The Issuer's obligations under the Notes rank in priority only to the share capital and any other equity securities of the Issuer.

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

### ***Securities Qualifying as Tier 1 Capital***

The Notes are being issued for capital adequacy regulatory purposes and it is the Issuer's intention that they qualify as Tier 1 capital for itself, although no representation is given that this is or will remain the case during the life of the Notes. Such qualification depends upon a number of conditions being satisfied and which are reflected in the terms and conditions of the Notes. One of these relates to the ability of the Notes and the proceeds of their issue to be available to absorb any losses of the Issuer. Accordingly, in certain circumstances and/or upon the occurrence of certain events, payments of interest under the Notes may be restricted and, in certain cases, forfeited and the amount of interest and principal may be reduced, on a semi-annual basis, as described below.

### ***Restrictions on Payment***

- Interest

For so long as the compulsory interest provisions do not apply, the Issuer may elect not to pay interest on the Notes, in particular with a view to allowing the Issuer to ensure the continuity of its activities without weakening its financial structure.

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

Payment of interest will automatically be suspended upon the occurrence of a Supervisory Event, unless such interest is compulsorily due (as set out in Condition 4.4 (*Interest Payable*)).

In accordance with Condition 5.1 (*Loss Absorption*), A Interest (as defined in Condition 1 (*Definitions*)) may be reduced, as required, on one or more occasions, following a Supervisory Event, on a semi-annual basis.

- Principal Amount

In accordance with Condition 5.1 (*Loss Absorption*), the principal amount of the Notes may be reduced, as required, on one or more occasions, following a Supervisory Event, on a semi-annual basis.

### ***No Limitation on Issuing Debt***

There is no restriction on the amount of debt which the Issuer may issue. The Issuer and its affiliates may incur additional indebtedness, including indebtedness that ranks senior in priority of payment to the Notes.

If the Issuer's financial condition were to deteriorate, the holders of the Notes could suffer direct and materially adverse consequences, including suspension of interest, the reduction of the principal amount of the Notes and, if the Issuer were liquidated (whether voluntarily or involuntarily), loss by holders of the Notes of their entire investment.

### ***Semi-Annual Loss Absorption***

The loss absorption related to the Notes, if applicable, will be implemented on a semi-annual basis. The Issuer has issued other deeply subordinated obligations where the loss absorption is implemented on an annual basis.

As a result, the modalities of loss absorption for the holders of the Notes may be different from those applicable to the holders of previously issued deeply subordinated obligations where the loss absorption is implemented on an annual basis.

### ***Undated Securities***

The Notes are undated securities in respect of which there is no fixed redemption or maturity date. The Issuer is under no obligation to redeem the Notes at any time (except as provided in Condition 6.2(b)(ii) for certain taxation reasons).

The holders of the Notes have no right to require redemption, except if a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason.

### ***Redemption Risk***

The Notes may be redeemed in whole (but not in part), at the option of the Issuer, (i) on 30 October 2017 or on any Interest Payment Date thereafter, (ii) at any time for certain tax reasons and (iii) at any time upon the occurrence of certain regulatory events.

The Issuer may be required to redeem the Notes (in whole but not in part) for certain tax reasons.

In each case early redemption of the Notes is subject to the prior approval of the SGCB.

There can be no assurance that, at the relevant time, holders of the Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Notes.

## TERMS AND CONDITIONS OF THE NOTES

The issue outside the Republic of France of the Euro ("EUR") 850,000,000 Deeply Subordinated Fixed to Floating Rate Notes (the "Notes") was decided on 16 October 2007 by Mr Julien Carmona, Member of the *Directoire* of Caisse Nationale des Caisses d'Epargne et de Prévoyance (the "Issuer"), acting pursuant to resolutions of the *Directoire* of the Issuer dated 12 March 2007 and 11 June 2007. The Notes are issued with the benefit of a fiscal agency agreement (the "Fiscal Agency Agreement") dated 30 October 2007 between the Issuer and Deutsche Bank AG, London Branch as fiscal agent and principal paying agent (the "Fiscal Agent", which expression shall, where the context so admits, include any successor for the time being of the Fiscal Agent), as calculation agent (the "Calculation Agent", which expression shall, where the context so admits, include any successor for the time being of the Calculation Agent), Deutsche Bank Luxembourg S.A as Luxembourg paying agent (the "Luxembourg Paying Agent", which expression shall, where the context so admits, include any successor for the time being of the Luxembourg Paying Agent) and Deutsche Bank AG, Paris Branch as Paris paying agent (the "Paris Paying Agent", which expression shall, where the context so admits, include any successor for the time being of the Paris Paying Agent). Reference below to the "Agents" shall be to the Fiscal Agent, the Luxembourg Paying Agent, the Paris Paying Agent and/or the Calculation Agent, as the case may be. Copies of the Fiscal Agency Agreement are available for inspection at the specified offices of the Agents. References below to "Conditions" are, unless the context otherwise requires, to the numbered paragraphs below.

### 1 DEFINITIONS

For the purposes of these Conditions:

"**A Interest**" has the meaning set forth in Condition 4.4 (*Interest Payable*).

"**Actual/360**" means, in respect of any period, the actual number of days in the relevant period divided by 360.

"**Actual/Actual - ICMA**" means,

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

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

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

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

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

- (i) declared or paid a dividend (whether in cash, shares or any other form), or more generally made a payment of any nature, on any classes of shares, on other equity securities issued by the Issuer or on other deeply subordinated notes or any other securities which rank *pari passu* with the Notes, in each cases to the extent categorised as Tier 1 Capital, unless such payment on other deeply subordinated notes or other securities which rank *pari passu* with the Notes was required to be made as a result of a dividend or other payment having been made on any classes of shares or on other equity securities issued by the Issuer; or
- (ii) redeemed, either by cancellation or by means of *amortissement* (as defined in Article L.225-198 of the French *Code de commerce*), repurchased or otherwise acquired any shares, whatever classes of shares, if any, they belong to, or any other equity securities issued by the Issuer, by any means,

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

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

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

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

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

**"First Call Date"** means 30 October 2017.

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

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

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

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

**"Floating Rate Interest Amount"** means the amount of interest, if any, payable in respect of the Notes in accordance with Condition 4.3 (*Floating Interest Rate*).

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

**"Floating Rate Interest Period"** means the period beginning on (and including) 30 October 2017 (First Call Date) and ending on (but excluding) the first Floating Rate Interest Payment Date and each successive period beginning on (and including) a Floating Rate Interest Payment Date and ending on (but excluding) the next succeeding Floating Rate Interest Payment Date.

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

**"Interest Amount"** means the Fixed Rate Interest Amount and the Floating Rate Interest Amount.

**"Interest Payment Date"** means the Fixed Rate Interest Payment Dates and the Floating Rate Interest Payment Dates.

**"Interest Period"** means the Fixed Rate Interest Periods and the Floating Rate Interest Periods.

**"Interest Rate"** means the Fixed Interest Rate and the Floating Interest Rate.

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

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

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

**"Noteholders"** means the holders of the Notes.

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

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

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

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

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

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

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

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

**"TARGET Business Day"** means a day on which the TARGET System is operating.

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

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

## 2 FORM, DENOMINATIONS AND TITLE

The Notes are issued in dematerialised bearer form (*au porteur*) in denominations of EUR 50,000. Title to the Notes will be evidenced in accordance with article L.211-4 of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France S.A. ("**Euroclear France**") which shall credit the accounts of the Account Holders. For the purpose of these Conditions, "**Account Holder**" shall mean any authorised financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"). The Notes have been accepted for clearance through Euroclear France under the ISIN Code FR0010535971 and the common code 032713211.

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

## 3 STATUS OF THE NOTES AND SUBORDINATION

The Notes are deeply subordinated notes (constituting *obligations*) issued pursuant to the provisions of article L.228-97 of the French *Code de commerce* as amended in particular by law n°2003-706 on financial security dated 1 August 2003.

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

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

The rights of the Noteholders in the event of the judicial liquidation (*liquidation judiciaire*) of the Issuer will be calculated on the basis of the Principal Amount of the Notes together with Accrued Interest (subject to Condition 5.1 (*Loss Absorption*)) and any other outstanding payments under the Notes.

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

If the Original Principal Amount has been reduced in the context of one or more loss absorption(s) pursuant to Condition 5.1 (*Loss Absorption*), the rights of the Noteholders are calculated on the basis of the Original Principal Amount, to the extent that all other creditors of the Issuer (including unsubordinated creditors of the Issuer, holders of ordinarily subordinated notes issued by the Issuer,

lenders in relation to *prêts participatifs* granted to the Issuer and holders of *titres participatifs* issued by the Issuer) have been or will be fully reimbursed, as ascertained by the liquidator.

## 4 INTEREST AND INTEREST SUSPENSION

### 4.1 General

The Notes bear interest on their Principal Amount from (and including) 30 October 2007 (the "**Issue Date**") at 6.117 per cent. per annum (the "**Fixed Interest Rate**") payable annually in arrear on or about 30 October in each year (each a "**Fixed Rate Interest Payment Date**") commencing on or about 30 October 2008 until on or about 30 October 2017 (included) and thereafter at the floating interest rate as determined by the Calculation Agent in accordance with Condition 4.3 (*Floating Interest Rate*) below (the "**Floating Interest Rate**") payable quarterly in arrear on or about 30 January, 30 April, 30 July and 30 October in each year (each a "**Floating Rate Interest Payment Date**") commencing on or about 30 January 2018; *provided, however, that*, if (i) any Fixed Rate Interest Payment Date would otherwise fall on a date which is not a TARGET Business Day, it will be postponed to the next TARGET Business Day and (ii) any Floating Rate Interest Payment Date would otherwise fall on a date which is not a TARGET Business Day, it will be postponed to the next TARGET Business Day unless it would thereby fall into the next calendar month, in which case it will be brought forward to the preceding TARGET Business Day:

For the avoidance of doubt:

- (i) until 30 October 2017 (included), Interest Amounts will not be adjusted if an Interest Payment Date is not a TARGET Business Day;
- (ii) after 30 October 2017 (excluded), Interest Amounts will be adjusted if an Interest Payment Date is not a TARGET Business Day.

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

### 4.2 Fixed Interest Rate

- 4.2.1 The amount of interest (the "**Fixed Rate Interest Amount**") payable on each Fixed Rate Interest Payment Date will be the product of the then Principal Amount of such Note and the Fixed Interest Rate, multiplied by the Actual/Actual – ICMA day count fraction and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).
- 4.2.2 If interest is required to be calculated in respect of a Fixed Rate Interest Period where the then Principal Amount of a Note is less than its Original Principal Amount for a portion thereof, it shall be calculated by the Calculation Agent by applying the Fixed Interest Rate to the then Principal Amount of such Note and multiplying such product by the Actual/Actual – ICMA day count fraction for each relevant portion of the Interest Period, adding the results for all such portions and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards). The Calculation Agent will cause such Fixed Rate Interest Amount to be notified to the Issuer, the Fiscal Agent and the Luxembourg Stock Exchange and will cause the

publication thereof in accordance with Condition 11 (*Notices*) as soon as possible after its calculation but in no event later than the fourth TARGET Business Day thereafter.

### 4.3 Floating Interest Rate

4.3.1 The Notes bear interest at the Floating Interest Rate from and including 30 October 2017, payable on each Floating Rate Interest Payment Date. The Floating Interest Rate for each Floating Rate Interest Period will be determined by the Calculation Agent on the following basis:

- (a) the Calculation Agent will determine the rate for deposits in Euro for a period equal to the relevant Floating Rate Interest Period (three-month Euribor) which appears on the display page designated 248 on the Telerate Service (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying comparable rates) as of 11:00 a.m., (Brussels time), on the second TARGET Business Day before the first day of the relevant Floating Rate Interest Period (the "**Floating Rate Interest Determination Date**"); and
- (b) if such rate does not appear on the relevant screen page, the Calculation Agent will:
  - (A) request the principal Euro-zone office of each of four major banks in the Euro-zone interbank market to provide a quotation of the rate at which deposits in Euro are offered by it at approximately 11.00 a.m. (Brussels time) on the Floating Rate Interest Determination Date to prime banks in the Euro-zone interbank market for a period equal to the relevant Floating Rate Interest Period and in an amount that is representative for a single transaction in that market at that time; and
  - (B) determine the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005 being rounded upwards) of such quotations; and
- (c) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean (rounded, if necessary, as aforesaid) of the rates quoted by major banks in the Euro-zone, selected by the Calculation Agent, at approximately 11.00 a.m. (Brussels time) on the first day of the relevant Floating Rate Interest Period for loans in Euro to leading European banks for a period equal to the relevant Floating Rate Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Floating Interest Rate for such Floating Rate Interest Period shall be the sum of 2.37 per cent. per annum and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Floating Rate Interest Period, the Floating Interest Rate applicable to the Notes during such Floating Rate Interest Period will be the sum of 2.37 per cent. per annum and the rate or (as the case may be) arithmetic mean last determined in relation to the Notes in respect of a preceding Floating Rate Interest Period.

4.3.2 Determination of Floating Interest Rate and calculation of Floating Rate Interest Amount by the Calculation Agent

The Calculation Agent will, as soon as practicable after 11.00 a.m. (Brussels Time) on each Floating Rate Interest Calculation Date in relation to each Floating Rate Interest Period, calculate the Floating Rate Interest Amount payable in respect of each Note for such Floating Rate Interest Period. The Floating Rate Interest Amount will be calculated by applying the Floating Rate Interest Rate for such Floating Rate Interest Period to the Principal Amount of such Note as determined, if the Principal Amount of the Notes is less than the Original Principal Amount for a portion of such Floating Rate Interest Period, from time to time within such Floating Rate Interest Period, multiplying the product by the Actual/360 day count fraction for each relevant portion of such Interest Period, adding the results for all such portions and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

4.3.3 Publication of Floating Interest Rate and Floating Rate Interest Amount

The Calculation Agent will cause the Floating Interest Rate and the Floating Interest Amount for each Floating Rate Interest Period and the relevant Floating Rate Interest Payment Date to be notified to the Issuer, the Fiscal Agent and the Luxembourg Stock Exchange and any other stock exchange on which the Notes are for the time being listed and the Calculation Agent will cause publication thereof in accordance with Condition 11 (*Notices*) as soon as possible after their calculation but in no event later than the fourth TARGET Business Day thereafter and no later than the first day of the Floating Interest Period. The Floating Rate Interest Payment Date so published may subsequently be amended (or appropriate arrangements made by way of adjustment).

#### 4.4 Interest Payable

4.4.1 On Optional Interest Payment Dates

(i) Payment of Interest on Optional Interest Payment Dates

The Issuer may pay interest on any Optional Interest Payment Date. The Issuer may elect not to pay interest on any Optional Interest Payment Date in particular with a view to allowing the Issuer to ensure the continuity of its activities without weakening its financial structure. Interest with respect to any Interest Period shall accrue on the Principal Amount, on the basis of the number of days elapsed during the relevant Interest Period, in accordance with Conditions 4.2.2 and 4.3.2.

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

(ii) Occurrence of a Supervisory Event

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

- Interest with respect to the period between the preceding Interest Payment Date and the Supervisory Event shall accrue on the Principal Amount of the Notes, on the basis of the number of days elapsed between such preceding Interest Payment Date and such Supervisory Event (the "**A Interest**"). However, the payment of such A Interest shall automatically be suspended. In addition, the amount of A Interest may be reduced to absorb losses pursuant

to Condition 5.1 (*Loss Absorption*). A Interest may be payable in accordance with the provisions of paragraph (iii) below.

- No Interest shall accrue nor be payable by the Issuer with respect to any Interest Period during the period starting on the date of the Supervisory Event and ending on the date of the End of Supervisory Event.

(iii) After End of Supervisory Event

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

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

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

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

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

4.4.2 On Compulsory Interest Payment Dates

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

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

Interest payable on any Compulsory Interest Payment Date will be calculated on the basis of the then Principal Amount, in accordance with Conditions 4.2.2 and 4.3.2.

## **5 LOSS ABSORPTION AND RETURN TO FINANCIAL HEALTH**

### **5.1 Loss Absorption**

In the event that the occurrence of the Supervisory Event requires, in the opinion of the SGCB, a strengthening of the regulatory capital of the Issuer, the management board of the Issuer will convene an extraordinary shareholders' meeting during the 3 months following the occurrence of the Supervisory Event in order to propose a share capital increase or any other measure to remedy the Supervisory Event.

If the share capital increase or any other proposed measures are not accepted by the extraordinary shareholders' meeting of the Issuer, or if the share capital increase adopted by such extraordinary shareholders' meeting is insufficiently subscribed to remedy the Supervisory Event in full, or if the

Supervisory Event remains on the last day of the relevant Interim Period during which the Supervisory Event has occurred, the management board of the Issuer will implement within ten days following the last day of the relevant Interim Period a reduction of the amount of A Interest, and if necessary of the Principal Amount of the Notes so as to enable the Issuer to continue its activities.

A loss absorption pursuant to this Condition will firstly be implemented by a partial or full reduction in the amount of A Interest. If the total reduction of A Interest is not sufficient for the purposes of such loss absorption, a further loss absorption will be implemented by partially or fully reducing the Principal Amount. Such reductions will be recorded as a profit in the Issuer's financial consolidated accounts (whether audited annual or unaudited semi-annual).

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

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

Such reductions will be made without prejudice to the rights of the Noteholders under Condition 5.2 (*Return to Financial Health*) below and to the rights of the Noteholders to obtain the payment of amounts due under the Notes in accordance with the provisions of the Terms and Conditions. For the avoidance of doubt, no provision of the Terms and Conditions shall affect the rights of the Noteholders to obtain the payment of amounts due under the Notes in accordance with the provisions of the Terms and Conditions.

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

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

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

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

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

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

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

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

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

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

## **5.2 Return to Financial Health**

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

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

Any Reinstatement shall be recorded by the Issuer in its consolidated accounts as a loss of an amount corresponding to the increase of the Reinstatement.

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

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

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

- (i) any declaration or payment of a dividend (whether in cash, shares or any other form), or more generally any payment of any nature, by the Issuer, on any classes of shares, on other equity securities issued by the Issuer or on other deeply subordinated notes or any other securities which rank *pari passu* with the Notes, unless such payment on other deeply subordinated notes or other securities which rank *pari passu* with the Notes was required to be made as a result of a dividend or other payment having been made on any classes of shares or on other equity securities issued by the Issuer; or
- (ii) any redemption, either by cancellation or by means of *amortissement* (as defined in Article L.225-198 of the French *Code de commerce*), repurchase or acquisition of any

shares, whatever classes of shares, if any, they belong to, or of any other equity securities issued by the Issuer, by any means; or

- (iii) any optional redemption by the Issuer of (1) the Notes, in accordance with Condition 6.2(a) (*General Call Option*) or 6.2(b) (*Redemption for Taxation Reasons or Regulatory Reasons*), or (2) any other deeply subordinated notes or other securities which rank *pari passu* with the Notes, in accordance with their terms.

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

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

## **6 REDEMPTION AND PURCHASE**

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

### **6.1 No Final Redemption**

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

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

#### **(a) General Call Option**

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

#### **(b) Redemption for Taxation Reasons or Regulatory Reasons**

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

- (ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8 (*Taxation*) below, then the Issuer shall forthwith give notice of such fact to the Principal Paying Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11 (*Notices*) and, subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes then outstanding at their Original Principal Amount together with any amounts outstanding thereon including Accrued Interest on the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 days after giving notice to the Principal Paying Agent as aforesaid.
- (iii) If, by reason of any change in French law, any change in the official application or interpretation of such law, or any other change in the tax treatment of the Notes, becoming effective after the Issue Date, interest payment under the Notes is no longer tax-deductible by the Issuer for French corporate income tax (*impôt sur les bénéfices des sociétés*) purposes, the Issuer may, at its option, on any Interest Payment Date, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11 (*Notices*), and subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes at their Original Principal Amount together with any amounts outstanding thereon including Accrued Interest, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible for French corporate income tax (*impôt sur les bénéfices des sociétés*) purposes.
- (iv) If, by reason of any change in French law, any change in the official application or interpretation of such law, becoming effective after the Issue Date, the proceeds of the Notes cease to qualify as Tier 1 Capital, the Issuer may, at its option, on any Interest Payment Date, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11 (*Notices*), and subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes at their Original Principal Amount together with amounts outstanding thereon including Accrued Interest, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest date on which the proceeds of the Notes could qualify as Tier 1 Capital.

### 6.3 Purchases

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

#### **6.4 Cancellation**

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

### **7 PAYMENTS AND CALCULATIONS**

#### **7.1 Method of Payment**

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

Payments in respect of principal and interest on the Notes will, in all cases, be made subject to any fiscal or other laws and regulations or orders of courts of competent jurisdiction applicable in respect of such payments but without prejudice to the provisions of Condition 8 (*Taxation*). No commission or expenses shall be charged by the Issuer, the Principal Paying Agent or any Paying Agent to the Noteholders in respect of such payments.

#### **7.2 Payments on Business Days**

If the due date for payment of any amount of principal or interest in respect of any Note is not a Business Day (as defined below), payment shall not be made of the amount due and credit or transfer instructions shall not be given in respect thereof until the next following Business Day, unless it would thereby fall into the next calendar month, in which case it will be brought forward to the preceding Business Day, and the Noteholder shall only be entitled to any interest or other sums in respect of any postponed payment in accordance with Condition 4.1 (*General*).

For the purposes of this Condition, "**Business Day**" means any day which is a TARGET Business Day.

#### **7.3 Fiscal Agent, Paying Agents and Calculation Agent**

The name and specified office of the initial Fiscal Agent, the name and specified office of the other initial Paying Agent and the name and specified office of the initial Calculation Agent are as follows:

##### **FISCAL AGENT, PRINCIPAL PAYING AGENT AND CALCULATION AGENT**

Deutsche Bank AG, London Branch  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

##### **LUXEMBOURG PAYING AGENT**

Deutsche Bank Luxembourg S.A.  
2, boulevard Konrad Adenauer  
L-1115 Luxembourg  
Luxembourg

PARIS PAYING AGENT  
Deutsche Bank AG, Paris Branch  
2, avenue Friedland  
75008 Paris  
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Paying Agent(s), Calculation Agent and/or appoint a substitute Fiscal Agent, Paying Agent, Calculation Agent and additional or other Paying Agents or approve any change in the office through which the Fiscal Agent, the Calculation Agent or any Paying Agent acts, provided that there will at all times be (i) a Fiscal Agent having a specified office in a European city, (ii) so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that Exchange so require, a Paying Agent having a specified office in Luxembourg (which may be the Fiscal Agent), and (iii) so long as any Note is outstanding, a Calculation Agent having a specified office in a European city. If the Calculation Agent is unable or unwilling to continue to act as such or if the Calculation Agent fails to make any calculations in relation to the Notes, the Issuer shall appoint some other leading European bank engaged in the Euro inter-bank market (acting through its principal Paris or Luxembourg office) to act in its place, subject to having given notice to the Noteholders in accordance with Condition 11 (*Notices*) not more than 45 nor less than 30 days prior to such appointment. The Calculation Agent may not resign its duties without a successor having been so appointed. Any notice of a change in Fiscal Agent, Paying Agent, Calculation Agent or their specified office shall be given to Noteholders as specified in Condition 11 (*Notices*).

#### **7.4 Certificates to be final**

All certificates, communications, opinion, determinations, calculation, quotations and decisions given, expressed, made or obtained for the purpose of the provisions of these Conditions whether by the Calculation Agent or the relevant banks in the Euro-zone interbank market (or any of them) shall (in the absence of wilful default or manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agents, the Principal Paying Agent and all the Noteholders. No Noteholder shall (in the absence as aforesaid) be entitled to proceed against the Calculation Agent in connection with the exercise or non-exercise by them of their powers, duties and discretions.

## **8 TAXATION**

### **8.1 Withholding Tax Exemption**

The Notes constituting *obligations* under French law and being denominated in Euro and accordingly deemed to be issued outside France for taxation purposes, payments of interest and other revenues made by the Issuer in respect of the Notes benefit under present law (as interpreted in the *Instruction* of the *Direction Générale des Impôts* 5 I-11-98 dated 30 September 1998) from the exemption provided for in Article 131 *quater* of the French tax code from the withholding tax set out under Article 125 A III of the French tax code. Accordingly, such payments do not give the right to any tax credit from any French source.

### **8.2 Additional Amounts**

If French law should require that payments of principal or interest in respect of any Note be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders of such amounts as would have been received by them had no

such withholding or deduction been required; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Note:

- (a) to, or to a third party on behalf of, a Noteholder who is subject to such taxes, duties, assessments or other governmental charges in respect of such Note by reason of his having some present or former connection with the Republic of France other than the mere holding of such Note; or
- (b) more than 30 days after the Relevant Date (as defined below), except to the extent that the holder thereof would have been entitled to such additional amounts on the last day of such period of 30 days; or
- (c) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusion of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

For this purpose, the "**Relevant Date**" in relation to any Note means whichever is the later of (A) the date on which the payment in respect of such Note first becomes due and payable, and (B) if the full amount of the moneys payable on such date in respect of such Note has not been received by the Principal Paying Agent on or prior to such date, the date on which notice is given in accordance with Condition 11 (*Notices*) to Noteholders that such moneys have been so received.

References in these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition 8 (*Taxation*).

## 9 EVENT OF DEFAULT

If any judgment shall be issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason then the Notes shall become immediately due and payable, in accordance with Condition 3 (*Status of the Notes and Subordination*).

## 10 REPRESENTATION OF THE NOTEHOLDERS

The holders of the Notes will be grouped for the defence of their common interest in a masse (the "**Masse**").

The Masse will be governed by the provisions of the French *Code de Commerce* (with the exception of the provisions of articles L. 228-48, L. 228-59, L. 228-65 II, R.228-63, R.228-67 and R.228-69 subject to the following provisions.

### 10.1 Legal Personality

The Masse will be a separate legal entity and will be acting in part through one representative (hereinafter called "**Representative**") and in part through a general assembly of the Noteholders.

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

### 10.2 Representative

The office of Representative may be conferred on a Person of any nationality. However, the following Persons may not be chosen as Representative:

- (a) the Issuer, the members of its Executive Board (*directoire*), its Supervisory Board (*Conseil de Surveillance*), its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their ascendants, descendants and spouse; or
- (b) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors, Executive Board (*directoire*) or Supervisory Board (*Conseil de Surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouse; or
- (c) companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
- (d) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The following person is designated as Representative of the Masse:

Aziza Breteau  
5 rue Jean Dolffus  
75018 Paris

The following person is designated as Alternative Representative of the Masse:

Frederic Louvard  
9 rue Mollien  
92100 Boulogne

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by the Alternative Representative and all references to the "Representative" will be deemed to be references to the "Alternative Representative". The Alternative Representative shall have the same powers as the Representative.

In the event of death, incompatibility, resignation or revocation of the Alternative Representative, a replacement representative will be elected by a meeting of the general assembly of the Noteholders.

The Representative will not be entitled to any remuneration.

All interested parties will at all times have the right to obtain the name and address of the Representative and the Alternative Representative at the head office of the Issuer and at the offices of any of the Paying Agents.

### **10.3 Powers of the Representative**

The Representative shall, in the absence of any decision to the contrary of the general assembly of Noteholders, have the power to take all acts of management to defend the common interests of the Noteholders. All legal proceedings against the Noteholders or initiated by them, must be brought against the Representative or by it.

The Representative may not interfere in the management of the affairs of the Issuer.

### **10.4 General Assemblies of Noteholders**

General assemblies of the Noteholders may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth

of outstanding Notes may address to the Issuer and the Representative a demand for convocation of the general assembly. If such general assembly has not been convened within two months from such demand, such Noteholders may commission one of themselves to petition a Court sitting in the jurisdiction of the Court of Appeal of Paris to appoint an agent (*mandataire*) who will call the meeting.

Notice of the date, hour, place, agenda of any general assembly will be published as provided under Condition 11 (*Notices*).

Each Noteholder has the right to participate in general assemblies in person or by proxy. Each Note carries the right to one vote.

### **10.5 Powers of General Assemblies**

A general assembly is empowered to deliberate on the dismissal or replacement of the Representative and the Alternative Representative, and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act as plaintiff or defendant.

A general assembly may further deliberate on any proposal relating to the modification of the Terms and Conditions of the Notes including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that a general assembly may not increase amounts payable by Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert the Notes into shares, and that no amendment to the status of the Notes may be approved until the consent of the SGCB has been obtained in relation to such amendment.

Meetings of a general assembly may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by the Noteholders attending such meeting or represented thereat. In accordance with article R.228-71 of the French *Code de Commerce*, the right of each Noteholder to participate in general assemblies will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the third business day in Paris preceding the date set for the meeting of the relevant general assembly.

Decisions of the general assemblies must be published in accordance with the provisions set forth in Condition 11 (*Notices*).

### **10.6 Information to the Noteholders**

Each Noteholder or representative thereof will have the right, during the 15 day period preceding the holding of each general assembly, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the general assembly, which will be available for inspection at the principal office of the Issuer, at the specified offices of the Paying Agents and at any other place specified in the notice of the general assembly given in accordance with Condition 11 (*Notices*).

### **10.7 Expenses**

The Issuer will pay all expenses incurred in the operation of the Masse, including expenses relating to the calling and holding of general assemblies, and more generally all administrative expenses resolved upon by a general assembly of the Noteholders, it being expressly stipulated that no expenses may be imputed against interest payable on the Notes.

## **11 NOTICES**

Any notice to the Noteholders will be valid if delivered to the Noteholders through Euroclear France, Euroclear or Clearstream, Luxembourg, for so long as the Notes are cleared through such clearing systems and so long as the Notes are listed on the regulated market of the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Any such notice shall be deemed to have been given on the date of such delivery or, if delivered more than once or on different dates, on the first date on which such delivery is made.

## **12 PRESCRIPTION**

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

## **13 FURTHER ISSUES**

The Issuer may from time to time, subject to the prior written approval of the SGCB but without the consent of the Noteholders, issue further notes to be assimilated (*assimilées*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated (*assimilées*) notes will for the defence of their common interests be grouped in a single Masse having legal personality.

## **14 GOVERNING LAW AND JURISDICTION**

The Notes are governed by, and shall be construed in accordance with, the laws of the Republic of France.

In relation to any legal action or proceeding arising out of or in connection with the Notes, the Issuer irrevocably submits to the jurisdiction of the competent courts in Paris.

## **INFORMATION RELATING TO SOLVENCY RATIOS AND ISSUES OF SECURITIES QUALIFYING AS TIER 1 AND TIER 2 CAPITAL**

### **European Solvency Ratio Equivalent ("ESR Equivalent")**

The Issuer's ESR Equivalent (equal to 8% of the CAD Coverage Ratio as defined below) as of June 30<sup>th</sup> 2007 was 9.64%, including a Tier 1 Ratio Equivalent (equal to 8% of the Tier 1 Coverage Ratio as defined below) of 8.92%.

### **Capital adequacy**

In 1988, the Basle Committee on Banking Regulations and Supervisory Practices (the "**Basle Committee**"), consisting of representatives of the central banks and supervisory authorities from the "Group of ten countries" (comprised today of Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Spain, Sweden, the UK and the US) and from Luxembourg and Switzerland, recommended the adoption of a set of standards for risk-weighting and minimum desired levels of regulatory capital. Under these recommendations, international credit institutions must maintain capital equal to a minimum of 8% of their total credit risks (also known as the Cooke ratio), 4% of which must be Tier 1 capital. In 1989, the Council of the European Community adopted two regulatory directives that set the framework of capital adequacy with respect to credit risks (also known as the European solvency ratio or ESR) within the European Community.

Two significant amendments have since been made to the standards previously introduced: first, at European level, by the "European Capital Adequacy Directive", and second, at the international level, by the Basle Committee's adoption of revised BIS (Bank for International Settlements) standards.

### ***The European Capital Adequacy Directive***

#### **General features**

In 1993, the Capital Adequacy Directive applying to investment firms and credit institutions extended the scope of application of the European capital adequacy regulations to include market risks.

In France, these directives have been implemented through a series of regulations successively adopted by the *Comité de la Réglementation Bancaire et Financière* (collectively referred to as the "**CAD Regulations**").

Since 1 January 1996, under CAD Regulations, French banks have been subject to capital adequacy requirements with respect to their trading activities that are supplemental to those in force in respect of their commercial banking activities.

In addition to credit risk, the CAD Regulations specify standards for investment entities' trading activities designed to reflect interest rate risk, market risk and settlement risk. The CAD Regulations also require banks to maintain additional capital measured by reference to the foreign exchange risk of all their activities, including commercial banking and trading. Under the CAD Regulations, a French bank's capital adequacy ratio ("**CAD Coverage Ratio**") is calculated by dividing the total available capital (including capital classified as Tier 1 and Tier 2 and certain other items) by the amount of capital required in respect of the different types of risk to which it is exposed, each type of risk being evaluated on the basis of specific weightings whose rates are fixed according to a predetermined scale. In compliance with CAD Regulations, the CAD Coverage Ratio must be at least equal to 100%.

At 30 June 2007, the Issuer's CAD Coverage Ratio and ESR Equivalent stood at 120% and 9.64% respectively (compared with 119% and 9.54% respectively at 31 December 2006).

## CNCE Group / CAD Coverage Ratio

| (in millions of euros)   | 30/06/2007   | 31/12/2006   | 30/06/2006   |
|--|--------------|--------------|--------------|
| <b>RISKS</b>   |              |              |              |
| <b>Credit risk</b>   |              |              |              |
| Total weighted risks   | 98,929       | 94,894       | 85,800       |
| <b>Capital requirement for credit risk</b>                           | <b>7,914</b> | <b>7,591</b> | <b>6,864</b> |
| <b>Market risks</b>  |              |              |              |
| <b>Capital requirements calculated using the standard method</b>     |              |              |              |
| Capital requirement for interest rate risk                           | 464          | 308          | 631          |
| • Specific risk  | 301          | 260          | 577          |
| • General market risk  | 163          | 48           | 54           |
| Capital requirement for equity position risk                         | 28           | 19           | 31           |
| • Specific risk  | 6            | 5            | 2            |
| • General market risk  | 11           | 1            | 3            |
| • Residual risk on option positions (gamma and vega risks)           | 3            | 2            | 7            |
| • “Simplified method”  | 3            | -            | 1            |
| • “algorithms on options”  | -            | 4            | 18           |
| • Residual risk on arbitrage strategies (spot / forward)             | 5            | 7            | -            |
| Capital requirement for counterparty settlement risk                 | 15           | 32           | 57           |
| Capital requirement for foreign exchange risk                        | 17           | 51           | -            |
| Capital requirement for commodities risk                             | 7            | -            | -            |
| Total capital requirements / standard method                         | 531          | 410          | 719          |
| Capital requirements calculated using an internal model <sup>1</sup> | 61           | 53           | 176          |
| <b>Total capital requirements for market risks</b>                   | <b>592</b>   | <b>463</b>   | <b>895</b>   |
| <b>Total capital requirements (credit risk + market risks)</b>       | <b>8,506</b> | <b>8,054</b> | <b>7,759</b> |
| <b>AVAILABLE CAPITAL</b>   |              |              |              |
| Tier 1   | 9,488        | 8,980        | 13,593       |
| Tier 2   | 6,076        | 5,897        | 5,878        |
| Tier 3   | -            | -            | -            |

| (in millions of euros)  | 30/06/2007    | 31/12/2006   | 30/06/2006    |
|---|---------------|--------------|---------------|
| Deductions  | - 5,316       | - 5,274      | - 5,184       |
| <b>Total available capital</b>  | <b>10,248</b> | <b>9,603</b> | <b>14,287</b> |
| <b>RATIOS</b>   |               |              |               |
| CAD Coverage Ratio (Total available capital / Total capital requirements) | 120%          | 119%         | 184%          |
| <b>ESR Equivalent (8% x CAD Coverage Ratio)</b>                           | <b>9.64%</b>  | <b>9.54%</b> | <b>14.73%</b> |
| Tier 1 Coverage Ratio (Tier 1 / Total capital requirements)               | 112%          | 111%         | 175%          |
| <b>Tier 1 Ratio Equivalent (8% x Tier 1 Coverage Ratio)</b>               | <b>8.92%</b>  | <b>8.92%</b> | <b>14.01%</b> |

<sup>1</sup> Figures of IXIS Corporate & Investment Bank consolidated on a proportional basis, IXIS Corporate & Investment Bank being the only consolidated entity using an internal model approved by SGCB to calculate its capital requirements for market risks.

### ***The International Solvency Ratio***

#### **General features**

In 1996, the Basle Committee significantly amended the BIS standards to provide a specific capital cushion for market risks in addition to banks' credit risks. This amendment defines market risks as (i) the risks pertaining to interest rate-related instruments and equity positions in a bank's trading book; and (ii) foreign exchange risks and commodities risks held on the bank's books. As amended in 1996 and refined in September 1997 by the Basle Committee, the revised BIS standards continue to require a capital ratio with respect to credit risks. In addition, they require a credit institution to quantify its market risks in figures equivalent to credit risks and to maintain a capital ratio of 8% with respect to the sum of its credit and market risks. The French Banking Commission regularly issues opinions regarding the application and calculation of the International Solvency Ratio (*Notices Méthodologiques*). Nevertheless, the International Solvency Ratio has no regulatory force.

The Issuer has never calculated its International Solvency Ratio since it is not required by the French Banking Commission for banks with limited international operations such as CNCE.

It is generally believed however that the CAD Coverage Ratio or its ESR equivalent enable a correct and full appreciation of a French bank's credit risks as well as market risks. It is also generally believed that the ESR equivalent of the CAD Coverage Ratio is very close to what would be the International Solvency Ratio.

#### **Planned reform of BIS standards**

Since 1998, the Basle Committee had been studying a reform of its recommendations with regard to the international bank solvency ratios. This reform is going to replace the previous agreement by a new one based on a more qualitative approach to the measurement of risk exposure. In the final Basle II Accord released on 26 June 2004, the Basle Committee proposes to assess credit risk on the basis of one of the following two methods: the "standard" method relying on a weighting matrix depending on external ratings of counterparties, distinguished between governments, banks, public bodies and business enterprises; or the second, "alternative", method relying on banks' internal scoring methods (IRBF internal rating based - foundation or IRBA internal rating based - advanced), which are required to take into account the probability of default, risk exposure and loan recovery rates. In addition, the new ratio will cover banks' operational risks, i.e. risks of malfunction and legal risks. The reform also stresses the

role of internal capital adequacy control procedures and the disclosure obligations regarding structure and allocation of capital as well as risk exposure.

The European Directive known as CRD (capital requirements directive) is more precisely the directive of the European Parliament and Council on capital adequacy of investment firms and credit institutions. It is based on the Basle II Accord and was adopted on 14 June 2006.

The CRD was transposed into French law on 20 February 2007.

For banks applying IRBF method, introduction was initially planned for 31 December 2006. The CRD European directive allows the banks to delay by one year the IRBF implementation.

For banks applying IRBA method, introduction is planned for 31 December 2007, after 2 years (2006 and 2007) with calculation of both ratios.

In order to identify and to implement the necessary steps to comply with the New Basle Accord, Groupe Caisse d'Epargne had put in place in November 2002 a dedicated Project Management Team.

The main objectives of the Group's Project were:

- To make sure that the Group qualifies for the Foundation Internal Ratings Based Approach – only probability of default is assessed with internal method ; loss given default and exposure at default given by regulatory authority) to calculate its capital requirements for credit risk
- To prepare a future transition to the Advanced Internal Ratings Based Approach – internal assessment of probability of default, loss given default and exposure at default);
- To implement the method selected to calculate the Group's capital requirements for operational risk, which is the Standard Approach, while starting to collect the historical data necessary to opt for a more advanced method later on.

This Project has far reaching consequences and many entities within the Group are deeply involved in the Project: CNCE as well as the Caisses d'Epargne themselves obviously, but also subsidiaries and the Group IT platforms. At CNCE level, this project is managed by the Group Risk Management Division in collaboration with other divisions such as Finance and IT

The Group Risk Management Division is headed by Mr Antoine Frachot, who reports to Mr. Julien Carmona, Member of the Management Board of CNCE. Its main purpose is to coordinate all sub-Projects at various levels: CNCE, Group IT platforms, Caisses d'Epargne and subsidiaries.

So far, the retail portfolio of the Caisse d'Epargne has been audited by the French Commission bancaire during the first half of 2007. As the Group has heterogeneous and decentralized IT systems and is currently involved in a significant IT project (which aims at a single IT platform by 2010), the Group has decided to start calculating its regulatory ratio under Internal Rating Based Approach no sooner than in 2009, with the agreement of the French Commission bancaire.

The total available capital of CNCE Group can be detailed as follows:

| (M€)  | 30/06/2007    | 31/12/2006   | 30/06/2006    |
|---|---------------|--------------|---------------|
| Capital and consolidated retained earnings    | 9,765         | 9,100        | 12,592        |
| Hybrid tier 1 capital                         | 2,371         | 2,245        | 2,848         |
| Minority interests                            | 798           | 346          | 446           |
| Deductions of goodwill                        | 2,880         | 2,199        | 2,020         |
| Others deductions                             | 566           | 512          | 273           |
| <b>Tier 1</b>                                 | <b>9,488</b>  | <b>8,980</b> | <b>13,593</b> |
| Subordinated debt                             | 5,742         | 5,524        | 5,518         |
| Others  | 334           | 373          | 360           |
| <b>Tier 2</b>                                 | <b>6,076</b>  | <b>5,897</b> | <b>5,878</b>  |
| Deductions of holdings in credit institutions | 5,223         | 5,175        | 5,139         |
| Others deductions                             | 93            | 99           | 45            |
| <b>Total deductions</b>                       | <b>5,316</b>  | <b>5,274</b> | <b>5,184</b>  |
| <b>Total available capital</b>                | <b>10,248</b> | <b>9,603</b> | <b>14,287</b> |

The Hybrid tier 1 component of the total available Tier 1 capital of CNCE Group as at 30 June 2007 can be detailed as follows:

| Issuer                 | Issue date | Maturity date                                | Interest rate | Amount outstanding (M€) | Amount eligible as tier 1 (M€) |
|------------------------|------------|--|---------------|-------------------------|--------------------------------|
| CNCE                   | 11/2003    | Perpetual, possible Early redemption 07/2014 | 5.43%         | 800                     | 0                              |
| CNCE                   | 10/2004    | Perpetual, possible Early redemption 07/2015 | 4.625%        | 700                     | 542                            |
| CNCE                   | 10/2004    | Perpetual                                    | CMS 10 ans    | 80                      | 80                             |
| CNCE                   | 11/2004    | Perpetual, possible Early redemption 11/2014 | Eur3M + 71bp  | 390                     | 390                            |
| CNCE                   | 02/2006    | Perpetual                                    | 4.75%         | 350                     | 350                            |
| CNCE                   | 06/2006    | Perpetual                                    | E6M+120bp     | 150                     | 150                            |
| CNCE                   | 06/2007    | Perpetual                                    | E3M+125bp     | 104.5                   | 104.5                          |
| GRUPE NATIXIS (34.43%) |            |  |               | 396                     | 396                            |

|              |  |  |  |                |                |
|--------------|--|--|--|----------------|----------------|
| <b>TOTAL</b> |  |  |  | <b>2,970.5</b> | <b>2,012.5</b> |
|--------------|--|--|--|----------------|----------------|

| <b>Issuer</b> | <b>Issue date</b> | <b>Maturity date</b> | <b>Interest rate</b> | <b>Amount outstanding (M\$)</b> | <b>Amount eligible as tier 1 (M€)</b> |
|---------------|-------------------|----------------------|----------------------|---------------------------------|---------------------------------------|
| CNCE          | 07/2004           | Perpetual            | LIBOR USD 3M+53.5bp  | 200                             | 143.5                                 |
| CNCE          | 01/2006           | Perpetual            | 6.75%                | 300                             | 215                                   |
| <b>TOTAL</b>  |                   |                      |                      | <b>200</b>                      | <b>358.5</b>                          |

The tier 2 component of the total available capital of CNCE Group as at 30 June 2007 can be detailed as follows:

| <b>Issuer</b>                    | <b>Issue date</b> | <b>Maturity date</b>                 | <b>Interest rate</b> | <b>Amount outstanding (M€)</b> | <b>Amount declared as potential tier 2 (M€)</b> | <b>Amount not eligible as tier 2 (M€)</b> | <b>Tier 2 amount (M€)</b> |
|----------------------------------|-------------------|--------------------------------------|----------------------|--------------------------------|---|---|---------------------------|
| <b>Dated subordinated debt</b>   |                   |                                      |                      |                                |   |   |                           |
| CNCE                             | 12/1998           | 12/2010                              | 5.000%               | 91                             | 91  |   |                           |
| CNCE                             | 11/1999           | 11/2011                              | 5.600%               | 746                            | 63  |   |                           |
| CNCE                             | 07/2002           | 07/2014                              | 5.200%               | 455                            | 419   |   |                           |
| CNCE                             | 09/2002           | 07/2014                              | 5.200%               | 395                            | 370   |   |                           |
| CNCE                             | 02/2003           | 02/2015                              | 4.500%               | 418                            | 415   |   |                           |
| CNCE                             | 07/2003           | 07/2015                              | 4.100%               | 450                            | 320   |   |                           |
| CNCE                             | 12/2003           | 12/2015                              | 4.800%               | 147                            | 47  |   |                           |
| CNCE                             | 02/2004           | 02/2016                              | 4.600%               | 308                            | 278   |   |                           |
| CNCE                             | 07/2004           | 07/2016                              | 4.800%               | 481                            | 481   |   |                           |
| CNCE                             | 10/2004           | 10/2016                              | 4.500%               | 498                            | 498   |   |                           |
| CNCE                             | 12/2004           | 12/2016                              | 4.200%               | 252                            | 252   |   |                           |
| CNCE                             | 02/2005           | 02/2017                              | 4.000%               | 497                            | 497   |   |                           |
| CNCE                             | 07/2005           | 07/2017                              | 3.600%               | 211                            | 201   |   |                           |
| CNCE                             | 09/2005           | 09/2017                              | 3.500%               | 203                            | 203   |   |                           |
| GROUPE CFF                       |                   |                                      |                      | 189                            | 189   |   |                           |
| GROUPE NATIXIS (34.43%)          |                   |                                      |                      | 2,314                          | 2,314   |   |                           |
|                                  | <b>Sub-total</b>  |                                      |                      | <b>7,654</b>                   | <b>6,637</b>                                    |   |                           |
| <b>Undated subordinated debt</b> |                   |                                      |                      |                                |   |   |                           |
| BDAF                             |                   |                                      |                      | 7                              | 7   |   |                           |
| CNCE                             | 11/2003           | Perpetual, possible Early redemption | 5.43%                | 800                            | 800   |   |                           |

| <b>Issuer</b>                 | <b>Issue date</b> | <b>Maturity date</b>                               | <b>Interest rate</b> | <b>Amount outstanding (M€)</b> | <b>Amount declared as potential tier 2 (M€)</b> | <b>Amount not eligible as tier 2 (M€)</b> | <b>Tier 2 amount (M€)</b> |
|-------------------------------|-------------------|--|----------------------|--------------------------------|---|---|---------------------------|
|                               |                   | 07/2014  |                      |                                |   |   |                           |
| CNCE                          | 10/2004           | Perpetual,<br>possible Early redemption<br>07/2015 | 4.625%               | 700                            | 158   |   |                           |
| GROUPE<br>NATIXIS<br>(34.43%) |                   |  |                      | 33                             | 33  |   |                           |
|                               | <b>Sub-total</b>  |  |                      | <b>1,540</b>                   | <b>998</b>                                      |   |                           |
| <b>TOTAL</b>                  |                   |  |                      | <b>9,194</b>                   | <b>7,635</b>                                    | <b>- 1,893</b>                            | <b>5,742</b>              |

## INFORMATION ABOUT THE ISSUER

### 1. General Presentation of the Issuer

**Company name:** The Issuer's corporate name is Caisse Nationale des Caisses d'Épargne et de Prévoyance, abbreviated to CNCEP. The Issuer's trade name is Caisse Nationale des Caisses d'Épargne, abbreviated to CNCE.

**Registration number:** 383 680 220 with the Paris Trade and Companies Registry, APE (business activity) code 652 C. The Issuer was registered on 26 November 1991.

#### Date of incorporation and term of the Issuer

The term of the Issuer is set at 99 years and it shall consequently expire on 26 November 2090 except in the event of earlier dissolution or extension.

#### Legal form of the Issuer

The Issuer is organised as a *société anonyme* (corporation) governed by a Management Board and a Supervisory Board and subject to the laws and regulations in force and in particular the provisions of the French *Code de commerce* with respect to commercial companies and the provisions of the French *Code monétaire et financier* with regard to credit institutions, notably Articles L.512-85 to L.512-104, and the implementing decrees taken in this respect as well as by the Issuer's bylaws. The Issuer is a credit institution and is officially approved as a bank. On this basis, it performs both in France and other countries the prerogatives granted to banks by the French *Code monétaire et financier*, and provides the investment services provided for in Articles L.321-1 and L.321-2 of the above-mentioned Code, to all French or non-French clients, and in particular the Caisses d'Épargne.

The Caisse Nationale des Caisses d'Épargne et de Prévoyance was granted approval as a bank by the *Comité des établissements de crédit et des entreprises d'investissement* (Committee of credit institutions and investment companies of the *Banque de France*) on October 27, 1999 when it was still called the Caisse Centrale des Caisses d'Épargne et de Prévoyance.

Pursuant to Article 29 of Law no. 99-532 of June 25, 1999, during the Special Shareholders' Meeting and the Management Board meeting convened on September 29, 1999, the CNCE (previously known as the Caisse Centrale des Caisses d'Épargne et de Prévoyance) took over from the Centre National des Caisses d'Épargne et de Prévoyance as the central company of Groupe Caisse d'Épargne as provided for by Articles L.511-30, L.511-31 and L.511-32 of the French *Code monétaire et financier*.

The Issuer is governed by the laws of France.

Registered office: 5, rue Masseran – 75007 Paris, France

Head office for business purposes: 50, avenue Pierre-Mendès-France – 75201 Paris Cedex 13 – France

Telephone: 33 (0)1 58 40 41 42

Internet: [www.groupe.caisse-epargne.com](http://www.groupe.caisse-epargne.com)

### 2. CNCE: Management and supervisory boards and executive management

#### 2.1. Members of the Management Board

Charles MILHAUD Chairman of the Management Board

Nicolas MERINDOL Chief Executive Officer, Member of the Management Board

|                |  |
|----------------|--|
| Guy COTRET     | Member of the Management Board, Group Executive Director, responsible for human resources, IT and banking operations |
| Alain LACROIX  | Member of the Management Board, Group Executive Director, responsible for corporate development                      |
| Julien CARMONA | Member of the Management Board, Group Executive Director, responsible for finance and risk management                |

The members of the Management Board have tenure of six years. Their terms of office will expire on 31 December 2009.

Business address of Management Board members: 50, avenue Pierre-Mendès-France – 75201 Paris Cedex 13.

To the Issuer's knowledge, there are no family links between Management Board members.

## **2.2. Members of the Supervisory Board as at the date hereof**

The terms of office of the members of the Supervisory Board, covering a period of six years, will expire on the date of the Shareholders' Meeting to be held in 2009 to approve the financial statements for fiscal year 2008.

|   | <b>Date of appointment</b> | <b>Main duties</b>   |
|---|----------------------------|--|
| <b>Chairman of the Supervisory Board:</b>   |                            |  |
| <b>Jacques Mouton</b>   | 15 December 2003           | Chairman of the Steering and Supervisory Board of the Caisse d'Epargne Aquitaine Nord      |
| Business address: 61, rue du Château-d'Eau - 33076 Bordeaux cedex                       |                            |  |
| <b>Vice-Chairman of the Supervisory Board:</b>  |                            |  |
| <b>Bernard Comolet</b>  | 15 December 2003           | Chairman of the Management Board of the Caisse d'Epargne Ile-de-France Paris               |
| Business address: 19, rue du Louvre-BP 94 - 75021 Paris Cedex 1                         |                            |  |
| <b>Members of the Supervisory Board</b>   |                            |  |
| <b>Catherine Amin-Garde</b>   | 16 November 2006           | Chairman of the Steering and Supervisory Board of the Caisse d'Epargne Loire Drôme Ardèche |
| Business address: 17 rue des Frères Ponchardier – 42012 Saint-Etienne Cedex 2           |                            |  |
| <b>Jean-Marc Carceles</b>   | 7 March 2007               | Chairman of the Management Board of the Caisse d'Epargne de Languedoc-Roussillon           |
| Business address: 254, rue Michel Teule – B.P. 7330 – 34184 Montpellier Cedex 04        |                            |  |
| <b>Dominique Courtin</b>  | 21 October 2004            | Chairman of the Steering and Supervisory Board of the Caisse d'Epargne de Bretagne         |
| Business address: 4, rue du Chêne-Germain - 35510 Cesson-Sévigné                        |                            |  |
| <b>Bruno Dugelay</b>  | 7 March 2007               | Chairman of the Steering and Supervisory Board of the Caisse d'Epargne Côte d'Azur         |
| Business address: L'Arenas. 455, Promenade des Anglais – B.P. 3297 – 06205 Nice Cedex 3 |                            |  |
| <b>Marcel Duvant</b>  | 15 December 2003           | Chairman of the Steering and Supervisory Board of the Caisse d'Epargne des Pays du Hainaut |

Business address: 31, avenue Georges-Clemenceau - BP 249 - 59306 Valenciennes Cedex

**Yves Hubert** 15 December 2003 Chairman of the Steering and Supervisory Board of the Caisse d'Epargne de Picardie

Business address: 2, boulevard Jules-Verne - BP 727 - 80007 Amiens Cedex

**Alain Lemaire** 15 December 2003 Chairman of the Management Board of the Caisse d'Epargne de Provence-Alpes-Corse

Business address: Place Estrangin-Pastré – BP 108 - 13254 Marseille Cedex 6

**Jean Levallois** 15 December 2003 Chairman of the Steering and Supervisory Board of the Caisse d'Epargne de Basse-Normandie

Business address: 7, rue Colonel-Rémy – BP 5007 - 14052 Caen Cedex

**Alain Maire** 16 November 2006 Chairman of the Management Board of the Caisse d'Epargne Bourgogne Franche-Comté

Business address: 1, Rond-Point de la Nation – BP 23088 – 21088 Dijon Cedex

**Benoît Mercier** 5 July 2007 Chairman of the Management Board of the Caisse d'Epargne de Champagne - Ardennes

Business address: 12-14, rue Carnot – 51722 Reims Cedex

**Bernard Monier** 7 March 2007 Chairman of the Management Board of the Caisse d'Epargne d'Auvergne et du Limousin

Business address: 63 rue Montlosier – 63961 Clermont-Ferrand Cedex 9

**Jean-François Paillissé** 7 March 2007 Chairman of the Management Board of the Caisse d'Epargne du Val de France – Orléanais

Business address: 12, rue de Maison rouge – 45140 Saint Jean de la Ruelle

**Bernard Sirol** 15 December 2003 Chairman of the Steering and Supervisory Board of the Caisse d'Epargne de Midi-Pyrénées

Business address: 42, rue du Languedoc – BP 629 - 31002 Toulouse

**Yves Toublanc** 16 November 2006 Chairman of the Steering and Supervisory Board of the Caisse d'Epargne des Alpes

Business address: 10, rue Hébert – BP 225 – 38043 Grenoble Cedex 9

**Members of the Supervisory Board representing the employees of the Caisses d'Epargne network:**

**Serge Huber** 1 January 2003

Business address: 2 bis, rue Denis-Papin - 37300 Joué-lès-Tours

**Jacques Moreau** 15 May 2000

Business address: 7, rue Mornay - 75004 Paris

**Non-voting members of the Supervisory Board:**

**Joël Bourdin** 15 December 2003 Chairman of the Steering and Supervisory Board of the Caisse d'Epargne de Haute-Normandie, Senator

**Jean-Marc Espalioux** 15 December 2003 Chairman and Chief Executive Officer, Financière Agache Investissement

**Henri Proglia** 15 December 2003 Chairman and Chief Executive Officer, Veolia Environnement

|   |                     |   |
|---|---------------------|---|
| <b>NATIXIS</b>  | 17 November<br>2006 | Represented by Anthony ORSATELLI, Member of the Management Board of NATIXIS |
| <b>Fédération Nationale<br/>des Caisses d'Epargne</b> | 17 November<br>2006 | Represented by Mrs Nicole MOREAU, Chairman of the Management Board          |

**Government representative:** Antoine Mérieux

#### **Representatives of the Works Council on the Supervisory Board**

Patrick Mellul

Jean-Luc Debarre

Abdel Babaci

Philippe Malizia

To the best of the Company's knowledge, there are no family links between Supervisory Board members.

#### **Members of the Supervisory Board's special committees:**

**Audit Committee:** Alain Lemaire (Chairman), Bernard Comolet, Dominique Courtin, Marcel Duvant, Jean-François Paillissé and Yves Toublanc.

**Remuneration & Selection Committee:** Jacques Mouton (Chairman), Bruno Dugelay, Yves Hubert, Jean Levallois and Bernard Sirol.

Independent member: Henri Proglia.

**Strategy & Development Committee:** Yves Hubert (Chairman), Catherine Amin-Garde, Jean-Marc Carceles, Alain Maire, Bernard Monier and Jacques Mouton.

### **2.3 Management and Supervisory Boards**

To the best of the Company's knowledge, over the last five years, none of the members of the Management Board or Supervisory Board has been:

- convicted of fraud;
- associated with any bankruptcy, receivership or liquidation;
- incriminated or subject to any official public sanction pronounced by statutory or regulatory authorities;
- barred by a court from acting as a member of a management or supervisory board or a board of directors of an issuer or from being involved in managing or conducting its business affairs.

As of the date of this document, no member of the Management Board or the Supervisory Board has a service agreement with the CNCE or any of its subsidiaries providing for any benefits to be granted to them. There is no conflict of interest between the duties of the members of the Management Board and the Supervisory Board with regard to the issuer and their private interests or other obligations.

To the best of the Company's knowledge, no arrangements or agreements have been entered into with the main shareholders, clients, suppliers or any other parties pursuant to which a member of the Management Board or Supervisory Board may have been selected as a member of any management or supervisory boards or of any board of directors or as a member of the executive management.

The Company acts, and its Management and Supervisory Boards operate, within the framework of corporate governance practices in force in France.

### **3. Corporate Governance of the Issuer**

#### **3.1 Functioning of the Management Board**

The Management Board is composed of a maximum of five individual members who may be up to 68 years of age and need not be shareholders. Members of the Management Board may perform other offices subject to compliance with the laws and regulations in force. A member of the Management Board may only perform similar duties with a Caisse d'Épargne et de Prévoyance with the authorization of the Supervisory Board. Membership of the Management Board is open to every Company employee, and the removal from his/her corporate office shall not lead to termination of his/her employment contract.

The members of the Management Board are appointed for a term of six years by the Supervisory Board which appoints one of the Management Board members as Chairman.

The Management Board is vested with the broadest powers to act in all circumstances in the name of the Company, within the scope of the corporate purpose and subject to the powers attributed by law to the Supervisory Board or to Shareholders' Meetings.

In particular, in accordance with the provisions of Article 20 of the bylaws:

- it performs the responsibilities of the central institution of a network as provided for by law;
- it exercises all the banking, financial, administrative and technical powers;
- it appoints non-voting members to the Boards of the Caisses d'Épargne et de Prévoyance and affiliated entities;
- it proposes to the Supervisory Board to grant approval or withdraw approval of the members of the Management Boards of the Caisses d'Épargne et de Prévoyance, as well as the executive directors of affiliated entities;
- it proposes to the Supervisory Board the dismissal of all the members of the Management Board of a Caisse d'Épargne et de Prévoyance and appoints the provisional commission exercising the powers of the Management Board that has been removed from office;
- it decides, in the event of an emergency, on the suspension as a protective measure of one or more members of the Management Board of a Caisse d'Épargne et de Prévoyance or executive directors of affiliated entities;
- it issues regulatory injunctions with regard to the Caisses d'Épargne et de Prévoyance and affiliated entities.

Section IV of the Company's bylaws contains provisions relating to the management and control of the company.

#### **3.2 Functioning of the Supervisory Board**

Under Article 28 of the bylaws, Supervisory Board meetings are called by the Chairman. They are held as often as the interest of the Company require, and at least four times a year to hear the report of the Management Board. In accordance with Article L.225-38 of the French *Code de commerce*, the Statutory Auditors were invited to the Supervisory Board meetings which discussed the annual and interim parent company and consolidated financial statements.

The CNCE Supervisory Board met thirteen times between 1 January and 31 December 2006.

In addition to issues routinely discussed (business activities, approval of executive directors of affiliated entities, quarterly Management Board reports), the main issues dealt with at Supervisory Board meetings in 2006 were as follows:

- presentation of the parent company and consolidated financial statements for the year ended 31 December 2005;
- presentation of the interim financial statements of the CNCE and the Group for 2006;
- the Champion project: review and approval of the link-up between Groupe Caisse d'Épargne and the Banque Populaire group for the purpose of creating the jointly-owned subsidiary, NATIXIS;
- the New Deal project: review and approval of the conditions under which Caisse des Dépôts et Consignations will withdraw from the capital of the CNCE following the decision by the CNCE and the Banque Populaire group to create the jointly-owned subsidiary, NATIXIS. CDC and the CNCE entered into two framework agreements setting out (i) the conditions under which CDC Holding Finance will withdraw from the capital of the CNCE and (ii) the future basis of their partnership in various sectors of activity;
- approval of the 2007 budget;
- review and adaptation of the strategic plan;
- various transactions involving alliances or acquisitions;
- various restructuring operations throughout Groupe Caisse d'Épargne;
- Commercial Banking action plan 2006.

Depending on the nature of the files submitted, the Supervisory Board discussed matters and made decisions in the light of the report or reports of the Chairmen of the relevant Supervisory Board committees.

### **3.3 Functioning of committees set up by the Supervisory board**

The membership and rules of functioning of the Audit Committee, the Remuneration & Selection Committee and the Strategy & Development Committee are specified in the Issuer's bylaws.

The Combined Shareholders' Meeting of 17 November 2006 amended the Company's bylaws to require that each committee be composed of between five and seven members. The amendment is effective from 29 January 2007.

A committee may only validly deliberate if at least half of its members are present. Each committee issues an opinion at a majority of the members present.

**The Audit Committee** met fourteen times in 2006.

The Audit Committee assists the Supervisory Board in its role of checking and reviewing the financial statements and the Management Board's report on the Company's business.

In this respect, it monitors the quality of the information provided to shareholders, and more generally fulfils the responsibilities stipulated in regulation 2001-01 issued by the *Comité de la réglementation bancaire et financière* (French Banking and Financial Services Regulatory Committee – CRBF) on 26 June 2001 relating to internal control within credit institutions and investment companies, which amended CRBF regulation 97-02 issued on 21 February 1997.

**The Remuneration & Selection Committee** met nine times in 2006.

It is responsible for submitting recommendations to the Supervisory Board regarding the forms of compensation granted to the members of the Management Board of the CNCE. It verifies the nature

and implementation of the criteria drawn up by the Management Board of the CNCE governing the appointment and renewal of the senior management personnel of the companies affiliated to the CNCE, and submits these managers to the approval of the Supervisory Board.

**The Strategy & Development Committee** met seven times in 2006. It prepares decisions taken by the Company's Supervisory Board on the following areas: setting of strategic objectives and growth priorities for the CNCE, the Caisses d'Epargne and their subsidiaries, preparation and revision of the strategic plan and of proposals relating to acquisitions or alliances. The Strategy and Development Committee must be kept informed on a regular basis of progress on acquisitions and alliances. Moreover, it receives biannual progress reports concerning the achievement of the targets set out in the strategic plan.

#### **4. Major shareholders of the Issuer**

As at the date of this document, the share capital of the Issuer amounts to €6,217,647,131.50 divided into 407,714,566 fully paid-up shares with a par value of €15.25 each.

The Caisses d'Epargne wholly own the share capital and voting rights of the Issuer.

Shareholders holding more than 5% of voting rights:

Caisse d'Epargne et de Prévoyance Ile de France Paris: 9.29%

Caisse d'Epargne et de Prévoyance Provence-Alpes Corse: 7.70%

Caisse d'Epargne et de Prévoyance Bourgogne Franche-Comté: 5.23%

Caisse d'Epargne et de Prévoyance de Rhône-Alpes: 8.20%

#### **5. Corporate purpose of the Issuer**

The corporate purpose is defined in Article 2 of the bylaws. The task of the Company is to facilitate and promote the business activities and the development of the Caisses d'Epargne and the whole of Groupe Caisse d'Epargne.

#### **6. Publicly accessible documents**

The documents relating to the CNCE (bylaws, historical financial information for each of the two fiscal years prior to the publication of this document) are partly included in the *document de référence* and may be consulted at administrative headquarters.

The *document de référence* and its supplement (*actualisation du document de référence*) (in French) are available on the website of the *Autorité des marchés financiers* ([www.amf-france.org](http://www.amf-france.org)) and on the website [www.groupe.caisse-epargne.com](http://www.groupe.caisse-epargne.com).

#### **7. Statutory Auditors of the Issuer**

Principal Statutory Auditors:

|                        |                               |
|------------------------|-------------------------------|
| Mazars & Guérard       | PricewaterhouseCoopers Audit  |
| Tour Exaltis           | 63, rue de Villiers           |
| 61, rue Henri Regnault | 92208 Neuilly-sur-Seine Cedex |
| 92400 Courbevoie       |                               |

Mazars & Guérard was appointed as Statutory Auditor at the Ordinary Shareholders' Meeting of 26 May 2004 for a term of six years expiring at the close of the Ordinary Shareholders' Meeting called to vote on the financial statements for the fiscal year ending 31 December 2009.

Mazars & Guérard is represented by Michel Barbet-Massin and Charles de Boisriou

The appointment of PricewaterhouseCoopers Audit as Statutory Auditor was renewed at the Ordinary Shareholders' Meeting of 26 May 2004 for a term of six years expiring at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending 31 December 2009.

PricewaterhouseCoopers Audit, represented by Anik Chaumartin and Patrice Morot, is a member of the PricewaterhouseCoopers network.

Mazars & Guérard and PricewaterhouseCoopers Audit are registered as Statutory Auditors (members of the *Compagnie Nationale des Commissaires aux Comptes* (National Institute of Statutory Auditors) and placed under the authority of the *Haut Conseil du Commissariat aux Comptes* (the Supreme Council of Statutory Auditors).

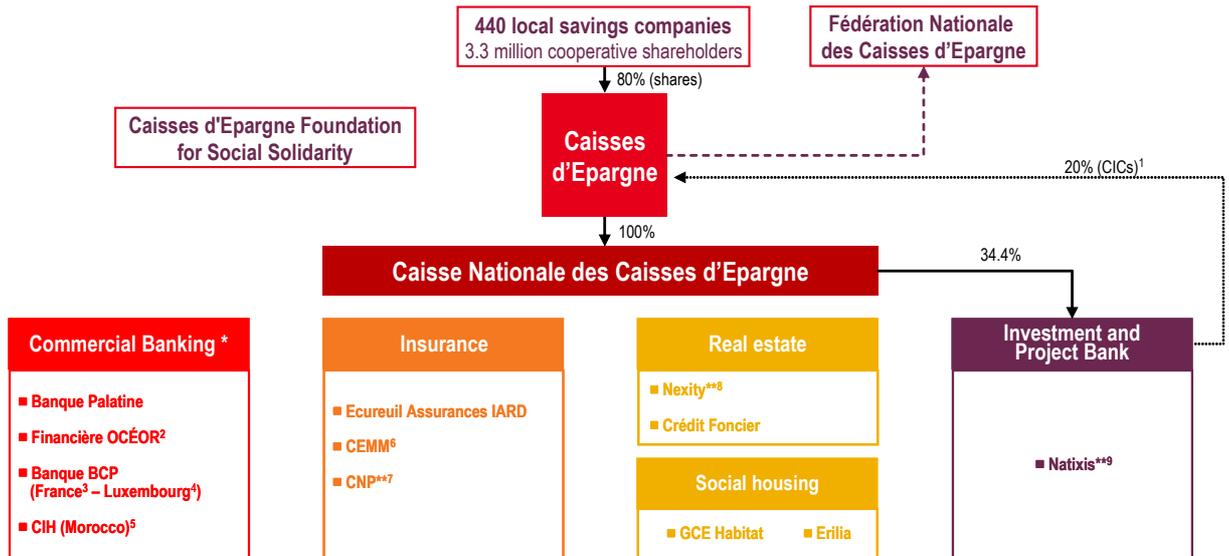
**Alternate Statutory Auditors:**

- Patrick de Cambourg, Tour Exaltis, 61, rue Henri Regnault – 92400 Courbevoie;
- Pierre Coll, 63 rue de Villiers – 92208 Neuilly-sur-Seine Cedex.

## ORGANISATIONAL STRUCTURE OF THE GROUPE CAISSE D'EPARGNE

The Issuer is a part of the Groupe Caisse d'Epargne which forms a financial network around a central institution, the CNCE.

Corporate Structure as at 30 June 2007



\* Excluding the Caisses d'Epargne network.

\*\* Listed company.

1. Cooperative Investment Certificates (CICs) representing 20% of the capital of the Caisses d'Epargne, entitling holders to receive dividends but conferring no voting rights.

2. Financière OCÉOR holds the Group's investments in its international banks (including the French overseas territories).

3. 50.1%-owned by the Caisse d'Epargne Ile-de-France Paris and 30%-owned by the CNCE.

4. 50.1%-owned by Financière OCÉOR and 30%-owned by the CNCE.

5. Indirect interest of approximately 25% held via GCE Maroc (OCÉOR).

6. CEMM, a holding company jointly owned by GCE, MACIF, MAIF and MGEN.

7. 15.76%-held via Sopassure, a 49.98%-owned subsidiary of the CNCE.

8. At end-July 2007, 38.2%-owned by the CNCE, with a view to increasing its stake to 40%.

9. The CNCE and Banque Fédérale des Banques Populaires each own a 34.4% stake in Natixis, which itself owns 20% of the capital of the Caisses d'Epargne and Banques Populaires networks in the form of Cooperative Investment Certificates (CICs).

## **Profile and history of the Groupe Caisse d'Epargne**

One of the largest retail banks in France, comprising the Caisses d'Epargne, Crédit Foncier, Banque Palatine and OCÉOR banking networks as well as its own specialized subsidiaries, Groupe Caisse d'Epargne (the "**Group**") ranks among the leading full-service, universal banks. Since its establishment, Groupe Caisse d'Epargne's vocation for and experience in aligning economic performance with social responsibilities has marked it out from other banks.

Groupe Caisse d'Epargne maintains a strong presence among private individuals and professionals in mainland France and the overseas territories, offering a full range of saving, financial and services products through its various banners. Groupe Caisse d'Epargne is also a partner for regional development. It provides local authorities, hospitals, social housing and social economy organizations, and businesses with a full product and service offering designed to finance projects, simplify management and maximize investments.

NATIXIS, which is owned jointly with the Banque Populaire group, now spearheads the Group's investment and corporate, asset management and financial services offering.

Backed by €20 billion in consolidated equity, net income of €3.8 billion and credit ratings that rank among the very best in the French banking sector, Groupe Caisse d'Epargne has an especially solid financial profile.

With nearly 56,000 employees, 4,700 branches and 26 million customers, Groupe Caisse d'Epargne caters for all business sectors and types of clientele and is present on the world's main financial markets.

The Group's ambition is to play an active role in the consolidation of the European banking sector and continue to honor its founding pledge by expanding its commitment to social progress.

1818: First Caisse d'Epargne created in Paris.

1950: The Minjoz law authorizes the Caisses d'Epargne to finance local authorities.

1978: Authorized to grant consumer loans and to open deposit accounts.

1983: The July 1 reform bill grants the individual Caisses d'Epargne the status of not-for-profit financial institutions. Establishment of the Centre National des Caisses d'Epargne.

1991: The 180 Caisses d'Epargne are merged into 35 regional banks.

1999: The individual Caisses d'Epargne adopt the status of cooperative, universal banks. Creation of the Caisse Nationale des Caisses d'Epargne and acquisition of Crédit Foncier.

2004: Acquisition of Banque Sanpaolo (renamed Banque Palatine in June 2005), Entenial (merged with Crédit Foncier in June 2005) and IXIS.

2005: Creation of La Compagnie 1818 – Banquiers Privés and CACEIS.

2006: Creation of NATIXIS.

### **Organisational structure and Corporate Governance of the Groupe Caisse d'Epargne**

The **Caisses d'Epargne**, which represent the very foundations upon which the Group is built, are regional cooperative banks. 80% of their share capital is owned by local savings companies, which also hold 100% of all voting rights. NATIXIS, the joint venture between Groupe Caisse d'Epargne and Groupe Banque Populaire, owns the remaining 20% of the share capital in the form of "cooperative investment certificates" (CICs), which represent a portion of net assets and entitle bearers to receive dividends but confer no voting rights.

Every customer of an individual Caisse d'Épargne – whether a private individual or legal entity – may acquire shares in a local savings company and thereby become a “cooperative shareholder”. To ensure a true local relationship with the cooperative shareholders, there are at least seven local savings companies affiliated to each individual savings bank.

Each local savings company invites its cooperative shareholders to an annual general meeting. The cooperative shareholders elect a board of directors, which then appoints a Chairman responsible, in particular, for representing the local savings company at the annual general meeting of the Caisse d'Épargne. It is during this meeting that the amount of dividend paid on the shares and CICs is decided every year.

The local savings companies also represent a forum for discussions and the sharing of information. The Caisses d'Épargne regularly use them to organize meetings devoted to the everyday preoccupations of their cooperative shareholders. At 31 December 2006, the Caisses d'Épargne boasted a total of 3.4 million cooperative shareholders grouped within 440 local savings companies.

Each Caisse d'Épargne is administered by a Management Board of between two and five members, which is itself supervised by a Steering and Supervisory Board (COS) comprised of 18 members, including a majority of local savings company representatives.

The regional Caisses d'Épargne have owned 100% of the Caisse Nationale des Caisses d'Épargne (CNCE) since 29 January 2007 when they received from the Caisse des Dépôts the 35% interest this institution previously held in the CNCE.

The **Fédération Nationale des Caisses d'Épargne** (FNCE) is a non-profit association acting simultaneously as a think tank, and as the voice and representative of the individual Caisses d'Épargne and their cooperative shareholders.

- The FNCE helps to coordinate and develop relations between the Caisses d'Épargne and their cooperative shareholders.
- It helps to define the overall strategic objectives of the network.
- It provides national guidelines for financing local and social economy projects (known as “PELS”) and actions taken by the Group in the general public interest.
- It organizes, in liaison with the CNCE, training sessions for the Group's senior management team and for representatives of cooperative shareholders.
- It defends the common interests of the Caisses d'Épargne and their cooperative shareholders, notably in dealings with the public authorities and professional bodies both within and outside France.
- It ensures compliance with the rules of deontology within the Caisses d'Épargne network.
- It contributes to the active involvement of the French savings bank network within European bodies of the same nature.

It is consulted by the CNCE regarding all reform projects concerning the Caisses d'Épargne.

The organisation of the FNCE is based on several statutory bodies: the Annual General Meeting, the Board of Directors, the Office of the Chairman (*Bureau*), the Federal Board and various committees.

Each Caisse d'Épargne is represented at the Annual General Meeting of the FNCE by its Chairman and one member of its Steering & Supervisory Board in addition to the Chairman of its Management Board.

The Board of Directors of the FNCE is comprised of 18 members elected by the Annual General Meeting in equal numbers from among the Steering & Supervisory Board Chairmen and the

Management Board Chairmen. For the preparation of its work and decisions, the Board is assisted by three committees – social commitment, cooperative life and training, communications & international relations – and bodies of experts specializing in areas having a major impact on the activities or organization of the French savings banks.

The Office of the Chairman (*Bureau*) is a collegiate body that acts in an advisory capacity with a view to facilitating the deployment of the FNCE's activities. It is comprised of six members from the Board of Directors, three Management Board Chairmen and three Steering & Supervisory Board Chairmen. It convenes meetings whenever necessary, and at least five times every year.

The Federal Board, comprised of all the Chairmen of the different Management and Steering & Supervisory Boards, is a forum for reflection and debate between the individual Caisses d'Epargne. It is invited by the Board of Directors to coordinate reflection about corporate strategy, to express an opinion about the structural goals adopted by the Group or take part in the process leading to the appointment of Caisses d'Epargne representatives in the national bodies. It convenes meetings whenever necessary, and at least once every quarter, as decided by the Board of Directors.

The key event in 2006 was the preparation of the NATIXIS operation, for which the Fédération gave its support among the cooperative shareholders and directors of the local savings companies, shareholders of the regional savings banks.

The implications of this project in terms of corporate governance were the subject of major work organized as a continuation of the consultation process launched in 2005.

## BUSINESS OVERVIEW

### Core business of the Groupe Caisse d'Epargne

Groupe Caisse d'Epargne is organized around two main divisions (Commercial Banking and the Investment and Project Bank), and a cross-functional structure.

Commercial Banking comprises:

- all operations related to lending, savings, and other banking services carried out by the individual Caisses d'Epargne and other networks operating within the Group, including Crédit Foncier, Banque Palatine and OCÉOR;
- activities concerning the management of surplus customer deposits and capital funds, as well as any related refinancing;
- the Group's insurance subsidiaries, in particular CNP Assurances and Ecureuil Assurances IARD;
- subsidiaries providing support services to the distribution networks.

The Investment and Project Bank (corresponding to the contribution of Natixis) is held in equal proportions by Groupe Caisse d'Epargne and the Banque Populaire group, and is structured around five business segments in addition to Retail banking:

- Corporate and investment banking, which includes corporate financing and capital markets activities for major accounts;
- Asset management;
- Private equity and private banking;
- Services, which include securities (back office activities), payment processing, insurance, employee benefit planning, consumer credit, and financial guaranty services;
- Receivables management, which includes credit insurance, credit management and factoring services.

The other activities included within the Investment and Project Bank correspond to businesses carried on by Natixis that are not directly operational.

A holding structure completes the lineup, encompassing mainly:

- central financing operations conducted by the CNCE for the entire network of individual Caisses d'Epargne;
- CNCE support functions, excluding those directly relating to management of the Group's businesses;
- management of investments in non-consolidated companies and oversight of investments made in connection with any surplus capital funds of the individual Caisses d'Epargne;
- the Caisses d'Epargne's proprietary short-term portfolio operations;
- management of certain items of income or expense not directly related to the Group's Commercial Banking or Investment and Project Bank activity, such as impairment of goodwill or amortization of valuation adjustments, and sometimes of an exceptional nature: for example, in the first six months of 2007, these included a dilution gain on the assets contributed by Natixis Asset Management to IXIS AM and restructuring costs booked by Natixis.

### **Significant events in the first half of 2007**

Groupe Caisse d'Epargne initiated and/or finalized a number of key structural operations concerning new partnership agreements and ongoing consolidation of the Group's urban branch network.

The program of **mergers** initiated in 2006 **within the Caisses d'Epargne network** continued apace. On May 25, 2007, the **Caisse d'Epargne des Alpes** and the **Caisse d'Epargne de Rhône-Alpes Lyon** merged to form the Caisse d'Epargne Rhône Alpes, a major regional bank with over 3,000 employees, 300 branches, 2 million customers and annual net banking income exceeding €500 million. The merger of the **Caisse d'Epargne Provence Alpes Corse** and the **Caisse d'Epargne de Martinique** became effective for legal and technical purposes on June 7, 2007.

The project to migrate the Caisses d'Epargne onto a single IT platform continued apace with the creation of two economic interest groupings to handle project management and prime contracting.

Withdrawal of Caisse des Dépôts et Consignations (CDC) from the capital of the CNCE and renegotiation of the partnership with Groupe Caisse d'Épargne - **On January 29, 2007, CDC sold its remaining 10.34% stake in the Caisse Nationale des Caisses d'Épargne, representing an amount of €1.5 billion.**

Further to the memorandum of understanding signed on June 6, 2006, the parties revised their partnership in the fields of life insurance, real estate and private equity. In particular, the CNCE agreed to sell Groupe Caisse d'Épargne's stake in the capital of Ecureuil Vie to CNP Assurances for €1.4 billion.

CNP Assurances and Groupe Caisse d'Épargne also plan to develop leading-edge personal insurance solutions and market these under the Ecureuil Vie brand.

**Real estate business** - On April 26, 2007, the CNCE and Nexity groups signed a memorandum of understanding with the objective of creating a business leader on all real estate segments.

Under the agreement, Nexity received from the CNCE its 25% interest in Crédit Foncier, a proportion of its share in Eurosic, and 100% of its stake in GCE Immobilier (excluding the semi-public real estate business). As consideration for these contributions, the CNCE holds an interest of 38.2% in Nexity's capital.

On June 7, 2007, the asset contribution agreement between Groupe Caisse d'Épargne and Nexity was signed by the groups' respective managements and approved at Nexity's extraordinary shareholders' meeting on July 23.

## Groupe Caisse d'Épargne

### Consolidated Statement of Income as at June 30, 2007

| (in millions of euros)   | First-half<br>2007 | First-half<br>2006 |
|--|--------------------|--------------------|
| Interest and similar income  | 14 046             | 11 718             |
| Interest and similar expense   | (11 815)           | (9 346)            |
| Commission income  | 2 165              | 2 502              |
| Commission expense   | (404)              | (423)              |
| Net gains or losses on financial instruments at fair value through profit or loss                | 582                | 599                |
| Net gains or losses on available-for-sale financial assets                                       | 779                | 384                |
| Income from other activities   | 1 716              | 765                |
| Expense on other activities  | (1 311)            | (484)              |
| <b>Net banking income</b>  | <b>5 758</b>       | <b>5 715</b>       |
| Operating expenses   | (3 732)            | (3 812)            |
| Depreciation, amortization and impairment of property, plant and equipment and intangible assets | (205)              | (197)              |
| <b>Gross operating income</b>  | <b>1 821</b>       | <b>1 706</b>       |
| Cost of risk   | (30)               | (46)               |
| <b>Operating income</b>  | <b>1 791</b>       | <b>1 660</b>       |
| Share in net income of companies accounted for by the equity method                              | 149                | 138                |
| Net gains or losses on other assets  | 64                 | 1                  |
| <b>Income before tax</b>   | <b>2 004</b>       | <b>1 799</b>       |
| Income tax   | (526)              | (561)              |
| <b>Net income</b>  | <b>1 478</b>       | <b>1 238</b>       |
| Minority interests   | (29)               | (68)               |
| <b>Net income attributable to equity holders of the parent</b>                                   | <b>1 449</b>       | <b>1 170</b>       |

Due to the consolidation of Natixis by Groupe Caisse d'Epargne with effect on December 31, 2006, and to provide a meaningful like-for-like comparison between first-half 2006 and first-half 2007, a pro forma income statement has been prepared for first-half 2006.

| in millions of euros  | Groupe Caisse d'Epargne |              | Change          |            |
|---|-------------------------|--------------|-----------------|------------|
|   | H1 2006<br>pro<br>forma | H1 2007      | Amount          | %          |
| Net banking income  | 5 040                   | 5 758        | 718             | 14%        |
| Total operating expenses  | (3 553)                 | (3 937)      | -384            | 11%        |
| <b>Gross operating income</b>                                       | <b>1 487</b>            | <b>1 821</b> | <b>334</b>      | <b>22%</b> |
| <i>Cost/income ratio</i>  | <i>70,5%</i>            | <i>68,4%</i> | <i>-2,1 pts</i> | <i>--</i>  |
| Cost of risk  | (58)                    | (30)         | 28              | -49%       |
| Share in net income of companies accounted for by the equity method | 120                     | 149          | 29              | 24%        |
| Net gains or losses on other assets                                 | 5                       | 64           | 59              | nm         |
| <b>Income before tax</b>  | <b>1 554</b>            | <b>2 004</b> | <b>450</b>      | <b>29%</b> |
| Income tax  | (535)                   | (526)        | 9               | -2%        |
| Minority interests  | (31)                    | (29)         | 2               | -5%        |
| <b>Net income attributable to equity holders of the parent</b>      | <b>988</b>              | <b>1 449</b> | <b>461</b>      | <b>47%</b> |
| <i>Return on equity (1)</i>   | <i>11,5%</i>            | <i>15,4%</i> | <i>3,9 pts</i>  | <i>--</i>  |

(1) Calculated based on average equity (excluding unrealized or deferred gains and losses)

There was a positive trend in both Commercial Banking, which represents more than two-thirds of total income, and the Investment and Project Bank. Gross operating income jumped 22% to €1.82 billion, driven by the combined impact of a significant rise in net banking income and a tight rein on total operating expenses in a difficult, competitive environment. The Group's cost/income ratio improved by 2.1 points to 68.4%.

Cost of risk came in at a very low €30 million for the half-year period, due mainly to the Group's low risk profile and consequent small proportion of non-performing loans (1.7% of total customer outstandings).

Net income attributable to equity holders of the parent came in at just under €1.5 billion, buoyed by a number of non-recurring items which are broken down below.

## Net income by division

| in millions of euros   | Commercial Banking |              | Investment and Project Bank |            | Holding structure |            | Groupe Caisse d'Epargne |              | Change     |            |
|--|--------------------|--------------|-----------------------------|------------|-------------------|------------|-------------------------|--------------|------------|------------|
|  | H1 2006 pro forma  | H1 2007      | H1 2006 pro forma           | H1 2007    | H1 2006 pro forma | H1 2007    | H1 2006 pro forma       | H1 2007      | Amount     | %          |
| Net banking income   | 3,667              | 3,970        | 1,327                       | 1,449      | 46                | 339        | 5,040                   | 5,758        | 718        | 14%        |
| Total operating expenses   | (2,589)            | (2,861)      | (825)                       | (910)      | (139)             | (166)      | (3,553)                 | (3,937)      | -384       | 11%        |
| <b>Gross operating income</b>  | <b>1,078</b>       | <b>1,109</b> | <b>502</b>                  | <b>539</b> | <b>(93)</b>       | <b>173</b> | <b>1,487</b>            | <b>1,821</b> | <b>334</b> | <b>22%</b> |
| <i>Cost/income ratio</i>   | 70.6%              | 72.1%        | 62.1%                       | 62.8%      | <i>nm</i>         | <i>nm</i>  | 70.5%                   | 68.4%        | -2.1 pt    | --         |
| Cost of risk   | (58)               | (25)         | 6                           | (1)        | (6)               | (4)        | (58)                    | (30)         | 28         | -49%       |
| Share in net income of companies accounted for by the equity method                    | 55                 | 94           | 65                          | 55         |                   |            | 120                     | 149          | 29         | 24%        |
| Net gains or losses on other assets  | (2)                | 9            | 3                           | 8          | 4                 | 47         | 5                       | 64           | 59         | nm         |
| <b>Income before tax</b>   | <b>1,073</b>       | <b>1,187</b> | <b>576</b>                  | <b>601</b> | <b>(95)</b>       | <b>216</b> | <b>1,554</b>            | <b>2,004</b> | <b>450</b> | <b>29%</b> |
| Income tax   | (325)              | (411)        | (164)                       | (154)      | (46)              | 39         | (535)                   | (526)        | 9          | -2%        |
| Minority interests   | (10)               | (5)          | (21)                        | (24)       | (0)               |            | (31)                    | (29)         | 2          | -7%        |
| <b>Net income attributable to equity holders of the parent</b>                         | <b>738</b>         | <b>771</b>   | <b>391</b>                  | <b>423</b> | <b>(141)</b>      | <b>255</b> | <b>988</b>              | <b>1,449</b> | <b>461</b> | <b>47%</b> |
| Contribution to Group net income (excluding the contribution of the holding structure) | 65%                | 65%          | 35%                         | 35%        |                   |            |                         |              |            |            |

Both of the Group's operating divisions contributed significantly to the improvement in results. In spite of a negative euro/dollar translation impact and the fallout from the US subprime crisis, the Investment and Project Bank division posted excellent results, driven by the strong performance of all of its businesses. The Commercial Banking division also delivered a good performance, reporting a rise of 5% in net income.

Excluding the contribution made by the Holding structure, the Commercial Banking division, the Group's traditional core business, represents 73% of the Group's net banking income and 65% of its net attributable income at end-June. The respective contributions of the Investment and Project Bank and Commercial Banking divisions to the Group's net banking income and net income remained stable year-on-year.

## RECENT DEVELOPMENTS

### **Macif, MAIF and Nexity form part of the capital structure of Meilleurtaux**

***Press release dated October 16, 2007 - In accordance with the plans announced on September 21, Macif, MAIF and Nexity today acquired an equity interest in Oterom Holding (a company set up in partnership with Groupe Caisse d'Epargne and, shortly, Christophe Crémer), which owns a majority shareholding in Meilleurtaux. After the arrival of Christophe Crémer in the new capital structure with his 13.9% interest in Oterom Holding, the other shareholders of the holding company will be the Macif and MAIF mutual insurance companies (each owning a maximum stake of 17%), Nexity with a 5% interest, and the Caisse Nationale des Caisses d'Epargne for the balance. By strengthening the independence of the business model adopted by Meilleurtaux, the partners' objective is to create added value for the company and for all its shareholders by speeding up, and diversifying, its commercial development.***

The arrival of new shareholders in Oterom follows an open procedure based on the price of €41 offered for Meilleurtaux shares within the framework of the takeover bid for the company. No specific terms have been granted to Macif, MAIF or Nexity in the event of their withdrawal from Oterom's capital.

By bringing together major players in the insurance, real estate and banking industries alongside the Chairman and founder of Meilleurtaux, the aim of this operation is to substantially reinforce the company's development potential without compromising the independence of its business model. Meilleurtaux will enjoy greater potential to reinforce its current positions, notably in its financing and insurance brokerage activities, as well as to develop synergies with its new shareholders. The industrial project is based on maintaining the independence of Meilleurtaux and on creating added value for the company and for all its shareholders. In this respect, the Oterom partners would like Meilleurtaux to be able to adopt a dividend distribution policy, depending on its financial results.

It is also in this same spirit that, following the simplified takeover bid scheduled to follow the acquisition of 50.14% of the company's capital by Oterom Holding, the partners have decided to keep Meilleurtaux as a listed company with view to maintaining a substantial free float. The pluralism of the partners within Oterom and the diversity of their business activities is reinforced by the possibility of seeing other shareholders join them to increase the diversity of the ownership structure of Meilleurtaux and to further reinforce its future growth prospects. Apart from the presence of Christophe Crémer as a shareholder and the fact that he will remain Chairman and Chief Executive Officer of Meilleurtaux, the company's independent business model will be further strengthened by the adoption of a new corporate governance structure. The Board of Directors will consequently be reorganized during a shareholders' meeting to be convened at the end of November 2007. The new Board will include three independent directors, who will have seats on specialized committees at the highest level of the company, three directors whose appointment will be recommended by the CNCE, and three directors appointed respectively by Macif, MAIF and Nexity.

The aim of the project developed by the Oterom partners is to allow Meilleurtaux to consolidate and speed up the implementation of its development plan based on the complementary nature of its distribution channels that combine branch offices and online services. More particularly, with a view to reinforcing its position in mortgage brokerage services, they will provide the company with the human and technical resources it needs for the further development and administration of a national network of branch offices and provide it with appropriate tools and their know-how to allow Meilleurtaux to pursue an industrial relations and human resources management policy tailored to its growth.

At the same time, complementary and expanded service offerings will be developed in areas related to brokerage and intermediation, notably with respect to life and household insurance, real estate and savings products. Meilleurtaux will benefit from the professional expertise of all the partners within Oterom while simultaneously offering a broad range of innovative services at competitive prices.

For their part, the Oterom partners will benefit from the know-how developed by Meilleurtaux for the management of prospective or current customers. They will be able to use the qualification tools developed by Meilleurtaux to provide enhanced solutions for their different clientele. The development of discretionary management activities will represent substantial new business potential, making it possible

both to generate new revenues and to reduce cost prices in its core business activity thanks to the pooling of production tools.

The Oterom partners are determined to take full advantage of these synergies without delay. This mobilization will allow them to launch an operational plan at the end of the current year in order to have a positive impact on Meilleurtaux's activities as of the next financial year.

### **Outstanding debt securities**

CNCE has issued between January 1, 2007 and September 30, 2007 debt securities over 1 year for €8,200,292,534 equivalent and debts subordinated to indefinite duration for €104,500,000 equivalent, measured in accordance with French GAAP.

## **REASONS OF THE OFFER AND USE OF PROCEEDS**

The issuer intends to use the proceeds of the issuance of the Notes to increase its regulatory capital and for its general corporate purposes. The net proceeds of the issuance of the Notes are estimated to EUR 845,750,000.

## TAXATION

### EU Directive on the Taxation of Savings Income

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC regarding the taxation of savings income (the "**Directive**"). Pursuant to the Directive and subject to a number of conditions being met, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Directive (interest, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State (the "**Disclosure of Information Method**").

For these purposes, the term "paying agent" is widely defined and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of individuals.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg, Belgium and Austria), instead of using the Disclosure of Information Method used by other Member States, withhold an amount on interest payments. The rate of such withholding tax equals 15% during the first three years, 20% during the subsequent three years and 35% until the end of the transitional period. Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of several jurisdictions (Switzerland, Liechtenstein, San Marino, Monaco and Andorra), providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the "**OECD Model Agreement**") with respect to interest payments within the meaning of the Directive, in addition to the simultaneous application by those same jurisdictions of a withholding tax on such payments at the rates defined for the corresponding periods and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

### Luxembourg Taxation

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to individual Noteholders or Noteholders that are Residual Entities (as defined below), there is no withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of interest paid to individual Noteholders or Noteholders that are Residual Entities (as defined below), upon repayment of the principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

#### *Luxembourg non-resident individuals*

Under the Directive and the Luxembourg laws dated 21 June 2005 implementing the Directive, as defined above, and several agreements concluded between Luxembourg and certain dependent territories of the European Union, a Luxembourg based paying agent (within the meaning of the Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State or a residual entity ("**Residual Entities**") in the sense of article 4.2. of the Directive (i.e., an entity without legal personality and whose profits are not taxed under the general arrangements for the business taxation and that is not,

or has not opted to be considered as, a UCITS recognized in accordance with Council Directive 85/611/EEC), established in another Member State of the European Union unless the beneficiary of the interest payments elects for an exchange of information. The same regime applies to payments to individuals or Residual Entities resident in any of the following territories: Netherlands Antilles, Aruba, Guernsey, Jersey, the Isle of Man, Montserrat and the British Virgin Islands.

Where withholding tax is applied, it will be levied at a rate of 15% during the first three-year period starting 1 July 2005, at a rate of 20% for the subsequent three-year period and at a rate of 35% thereafter. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain other countries.

#### *Luxembourg resident individuals*

As from 1 January 2006, a 10% withholding tax has been introduced by the Luxembourg law dated 23 December 2005. Under such law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 10%. Only interest accrued after 1 July 2005 falls within the scope of this withholding tax. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his or her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

#### **French Taxation**

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

Notes constituting *obligations* and denominated in euros, which are issued by a French legal entity, are deemed to be issued outside the Republic of France for the purposes of Article 131 *quater* of the French tax code. Consequently, payments of interest and other revenues with respect to the Notes benefit from the exemption from the withholding tax set out under Article 125 A III of the French tax code. Accordingly, such payments do not give the right to any tax credit from any French source.

## SUBSCRIPTION AND SALE

### Underwriting Arrangements

Natixis and Merrill Lynch International (the “**Joint Lead Managers**”) and Barclays Bank PLC, Citigroup Global Markets Limited and HSBC Bank plc (the “**Co-Lead Managers**”, together with the Joint Lead Managers, the “**Managers**”) have, pursuant to a Subscription Agreement dated 26 October 2007 (the “**Subscription Agreement**”), agreed with the Issuer, subject to satisfaction of certain conditions, to procure subscription, failing which, to subscribe and pay for the Notes at a price equal to 100 per cent of their Principal Amount less a combined management, underwriting and selling commission of 0.5 per cent in each case of such Principal Amount. In addition, the Issuer has agreed to reimburse the Managers in respect of certain of their legal and other expenses incurred in connection with the issue of the Notes. The Subscription Agreement entitles the Managers to terminate it in certain circumstances prior to payment being made to the Issuer. The Issuer has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes.

### General Restrictions

Each Manager has agreed to observe all applicable laws and regulations in each jurisdiction in or from which it may acquire, offer, sell or deliver Notes or have in its possession or distribute this Prospectus or any other offering material relating to the Notes. No action has been, or will be, taken in any country or jurisdiction that would permit a public offering of the Notes, or the possession or distribution of this Prospectus or any other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, prospectus, form of application, advertisement or other offering material relating to the Notes may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

### France

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 *Autorité des marchés financiers* or by the competent authority of another State that is a contracting party to the Agreement on the European Economic Area and notified to the *Autorité des marchés financiers*. Each of the Managers and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, the Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will only be made in France to qualified investors (*investisseurs qualifiés*), as defined in, and in accordance with, Articles L.411-1, L.411-2, D. 411-1, D.411-2, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French *Code monétaire et financier*, except that qualified investors shall not include individuals. The direct or indirect distribution to the public in France of any Notes so acquired may be made only as provided by Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the *Code monétaire et financier* and applicable regulations thereunder.

### United Kingdom

Each Manager has represented, warranted and agreed that:

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

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

### United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or the securities law of any U.S. state, and 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 Notes are being offered and sold only outside of the United States to non-U.S. persons in reliance upon an exemption from registration under the Securities Act pursuant to Regulation S.

Each Manager has represented and agreed that:

(i) it has not offered or sold, and will not offer or sell, the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the issue date of the Notes, within the United States or to, or for the account or benefit of, U.S. persons; and

(ii) it will have sent to each distributor or dealer to which it sells Notes during such 40-day period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

Terms used in this paragraph and not otherwise defined in this Prospectus have the meanings given to them in Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

### Switzerland

Each Manager has represented, warranted and undertaken that the Notes will not be offered, directly or indirectly, to the public in Switzerland and that this Prospectus does not constitute a public offering prospectus as that term is understood pursuant to article 652a or art. 1156 of the Swiss Federal Code of Obligations. The Issuer has not applied for a listing of the Notes pursuant to this Prospectus on the SWX Swiss Exchange or any other regulated securities market in Switzerland, and consequently, the information presented in this Prospectus does not necessarily comply with the information standards set out in the listing rules of the SWX Swiss Exchange.

### Italy

Each Manager has acknowledged and agreed that no prospectus has been nor will be published in Italy in connection with the offering of the Notes and that such offering has not been cleared by the Italian Securities Exchange Commission (*Commissione Nazionale per le Società e la Borsa*, the “**CONSOB**”) pursuant to Italian securities legislation and, accordingly, has represented and agreed that the Notes may not and will not be offered, sold or delivered, nor may or will copies of the Prospectus or any other documents relating to the Notes be distributed in Italy, except (i) to professional investors (*operatori qualificati*), as defined in Article 31, second paragraph, of CONSOB Regulation No. 11522 of 1 July 1998, as amended, (the “**Regulation No. 11522**”), or (ii) in other circumstances which are exempted from the rules governing offers of securities to the public pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998 (the “**Italian Finance Law**”) and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14 May 1999, as amended.

Moreover and subject to the foregoing, each Manager has represented and agreed that any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in Italy may and will be effected in accordance with all Italian securities, tax, exchange control and other applicable laws and regulations, and, in particular, will be: (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Italian Finance Law, Legislative Decree No. 385 of 1 September 1993, as amended (the “**Italian Banking Law**”), Regulation No. 11522, and any other applicable laws and regulations; (ii) in compliance with Article 129 of the Italian Banking Law and the implementing guidelines of the Bank of Italy as amended from time to time, pursuant to which the Bank of Italy may request, *inter alia*, post-offering information on the issuance or the offer of securities in the Republic of Italy; and (iii) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

Any investor purchasing the Notes in the offering is solely responsible for ensuring that any offer or resale of the Notes it purchased in the offering occurs in compliance with applicable Italian laws and regulations.

The Prospectus and the information contained therein are intended only for the use of its recipient and, unless in circumstances which are exempted from the rules governing offers of securities to the public pursuant to Article 100 of the Italian Finance Law and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14 May 1999, as amended, is not to be distributed, for any reason, to any third

party resident or located in Italy. No person resident or located in Italy may rely on this document or its content.

Insofar as the requirements above are based on laws which are superseded at any time pursuant to the implementation of the Prospectus Directive in Italy, such requirements shall be replaced by the applicable requirements under the relevant implementing measures of the Prospectus Directive in Italy.

## GENERAL INFORMATION

1. The Notes have been accepted for clearance through Euroclear France, Clearstream, Luxembourg and Euroclear. The Common Code number for the Notes is 032713211. The International Securities Identification Number (ISIN) for the Notes is FR0010535971.
2. Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange.
3. The issue of the Notes was authorised by a decision of Mr Julien Carmona, Member of the *Directoire* of the Issuer dated 16 October 2007 and acting pursuant to the resolutions of the *Directoire* of the Issuer dated 12 March 2007 and 11 June 2007.
4. Copies of:
  - (i) the *statuts* of the Issuer and the Fiscal Agency Agreement relating to the Notes;
  - (ii) this Prospectus together with any Supplement to this Prospectus;
  - (iii) the audited non-consolidated financial statements of the Issuer as of and for the years ended 31 December 2005 and 31 December 2006 and the related notes and Auditors' reports;
  - (iv) the audited consolidated financial statements of the Issuer as of and for the years ended 31 December 2005 and 31 December 2006 and the related notes and Auditors' report;
  - (v) the audited consolidated financial statements of Groupe Caisse d'Epargne as of and for the years ended 31 December 2005 and 31 December 2006 and the related notes and Auditors' reports;
  - (vi) the unaudited interim consolidated financial statements of the Issuer as of and for the six months ended 30 June 2007 and the related notes and Auditors' "limited review" report;
  - (vii) the unaudited interim consolidated financial statements of Groupe Caisse d'Epargne as of and for the six-months ended 30 June 2007 and the related notes and Auditors' "limited review" report,

will be available for inspection during the usual business hours on any week day (except Saturdays and public holidays) at the offices of Deutsche Bank Luxembourg S.A., at 2 boulevard Konrad Adenauer, L-1115 Luxembourg. As long as any Notes remain outstanding, copies of the audited consolidated and unconsolidated annual financial statements and the semi-annual interim financial statements (and related reports) for the most recent financial period will be available, free of charge, at the specified offices of the Paying Agents.

5. There has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements (31 December 2006).
6. There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the period covering at least the 12 months prior to the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.

7. No significant change has occurred in the financial or trading position of the Group since 30 June 2007 (being the end of the last financial period for which interim financial information has been published).
8. The Issuer has not entered into contracts outside the ordinary course of the Issuer's business, which could result in the Issuer or any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to holders of Notes in respect of the Notes being issued.
9. Price Waterhouse Coopers Audit and Mazars & Guérard are the statutory auditors of the Issuer. Price Waterhouse Coopers Audit and Mazars & Guérard have audited, and rendered unqualified reports on, the consolidated financial statements of the Issuer as at, and for the three years ended, 31 December 2004, 31 December 2005 and 31 December 2006. PricewaterhouseCoopers Audit and Mazars & Guérard are registered as *Commissaires aux Comptes* (members of the *Compagnie Nationale des Commissaires aux Comptes*) and regulated by the *Haut Conseil du Commissariat aux Comptes*.
10. As far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue.
11. The estimated costs for the admission to trading are €12,000.

**REGISTERED OFFICE OF THE ISSUER**

**Caisse Nationale des Caisses d'Epargne et de Prévoyance**

5 rue Masseran

75007 Paris

France

**JOINT LEAD MANAGERS**

**Merrill Lynch International**

Merrill Lynch Financial Centre

2 King Edward Street

London EC1A 1HQ

United Kingdom

**NATIXIS**

45 rue Saint Dominique

75007 Paris

France

**CO-LEAD MANAGERS**

**Barclays Bank PLC**

5 The North Colonnade

Canary Wharf

London E14 4BB

United Kingdom

**Citigroup Global Markets Limited**

Citigroup Centre

Canada Square

London E14 5LB

United Kingdom

**HSBC Bank plc**

8 Canada Square

London E14 5HQ

United Kingdom

**LEGAL ADVISERS**

**To the Issuer**

**Latham & Watkins**

53 quai d'Orsay

75007 Paris

France

**To the Managers**

**Linklaters LLP**

25 rue de Marignan

75008 Paris

France

**FISCAL AGENT, PRINCIPAL PAYING AGENT AND CALCULATION AGENT**

**Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**OTHER PAYING AGENTS**

**Paris Paying Agent**

**Deutsche Bank AG, Paris Branch**

2 avenue de Friedland  
75008 Paris  
France

**Luxembourg Paying Agent**

**Deutsche Bank Luxembourg S.A.**

2 boulevard Konrad Adenauer  
L-1115 Luxembourg  
Luxembourg

**LISTING AGENT**

**Deutsche Bank Luxembourg S.A.**

2 boulevard Konrad Adenauer  
L-1115 Luxembourg  
Luxembourg

**AUDITORS TO THE ISSUER**

**PricewaterhouseCoopers Audit**

63 rue de Villiers  
92208 Neuilly sur Seine Cedex  
France

**Mazars & Guérard**

Tour Exaltis  
61 rue Henri Regnault  
92400 Courbevoie  
France