

# NATIXIS

(formerly NATEXIS BANQUES POPULAIRES)

## Euro 20,000,000,000 Euro Medium Term Notes



Under the Euro Medium Term Notes and other Debt Instruments Programme described in this Base Prospectus (the “**Programme**”), Natixis (the “**Issuer**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes and other Debt Instruments (the “**Notes**”). The Issuer may issue the Notes through its New York branch (the “**New York Branch**”) as specified in the applicable Final Terms (as defined on page 4). The aggregate nominal amount of Notes outstanding including Notes issued through the New York Branch will not at any one time exceed €20,000,000,000 (or the equivalent in other currencies at the date of issue).

This Base Prospectus supersedes and replaces the base prospectus dated 3 July 2006 and the supplements thereto dated 10 October 2006, 24 October 2006, 27 November 2006 and 23 April 2007 prepared in connection with the Programme.

Application has been made for Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange during the period of twelve months after the date of publication of this Base Prospectus in accordance with Article 14 of Directive 2003/71/EC (the “**Prospectus Directive**”) and Article 16 of the Luxembourg law of 10 July 2005 implementing the Prospectus Directive. However, Notes may be issued pursuant to the Programme which will not be listed on (the regulated market of) any stock exchange. The relevant Final Terms (the form of which is contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange or (the regulated market of) any other stock exchange. In accordance with Article 18 of the Prospectus Directive and Article 19 of the Luxembourg law of 10 July 2005, the Issuer reserves the right to request the CSSF to provide another competent authority with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

Application may be made for publication of quotations for Notes issued in registered form (“**Registered Notes**”) in The Portal MarketSM (“**PORTAL**”), a subsidiary of The Nasdaq Stock Market, Inc. and may be made for designation of Registered Notes as “**PORTAL Securities**”, as specified in the relevant Final Terms.

Issues of Notes denominated in euro will be made in compliance with the guidelines provided by the letter dated 1 October 1998 from the French Minister of the Economy, Finance and Industry to the *Président* of the *Association française des établissements de crédit et des entreprises d’investissement* (the “**Euro Guidelines**”).

Each Tranche of Notes (as defined in “**Issue of Notes**” below) in bearer form having an original maturity of more than one year, or, if the Notes are issued through the New York Branch, (i) having a maturity in excess of 183 days from their date of issue or (ii) having a maturity of less than 183 days with a face amount of less than U.S.\$500,000 or its equivalent, will initially be represented by a temporary Global Note and each other Tranche of Notes having an original maturity of one year or less will initially be represented by a permanent Global Note and, in each case, the Global Note will be deposited (a) in the case of a Tranche intended to be cleared through Euroclear Bank S.A./N.V. (“**Euroclear**”) and/or Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”), on the issue date with a common depository on behalf of Euroclear and Clearstream, Luxembourg or (b) in the case of a Tranche intended to be cleared through Euroclear France, may be deposited on the issue date with Euroclear France acting as Central Depository or (c) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear or Clearstream, Luxembourg or delivered outside a clearing system, as agreed between the Issuer and the relevant Dealer(s). Interests in temporary Global Notes will be exchangeable for interests in permanent Global Notes or, if so stated in the relevant Final Terms, for definitive Notes, in the case of Notes in bearer form after the date falling 40 days after the issue date upon certification as to non-U.S. beneficial ownership. Interests in permanent Global Notes will be exchangeable for definitive Notes in bearer form or (in the case of Exchangeable Bearer Notes) registered form, in each case, as described under “**Summary of Provisions Relating to the Notes while in Global Form**”. Registered Notes will be represented by registered certificates (each a “**Certificate**”), one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Each series of Registered Notes which are sold in an “**offshore transaction**” within the meaning of Regulation S under the US Securities Act of 1933 (as amended) (the “**Securities Act**”) will initially be represented by a permanent registered global Certificate (each an “**Unrestricted Global Certificate**”), without interest coupons, which may (or in the case of Notes listed on the regulated market of the Luxembourg Stock Exchange will) be deposited on the issue date with a common depository on behalf of Euroclear and Clearstream, Luxembourg. An Unrestricted Global Certificate in respect of a Tranche of Notes that is not to be listed on the regulated market of the Luxembourg Stock Exchange may be cleared through a clearing system other than or in addition to Euroclear, Clearstream, Luxembourg or DTC (as defined below) or delivered outside a clearing system, as agreed between the Issuer and the relevant Dealer.

Registered Notes which are resold in the United States to qualified institutional buyers within the meaning of Rule 144A under the Securities Act, will initially be represented by a permanent registered global Certificate (each a “**Restricted Global Certificate**” and, together with the “**Unrestricted Global Certificate**”, the “**Global Certificates**”), without interest coupons, which may be deposited on the issue date either (a) with a common depository on behalf of Euroclear and Clearstream, Luxembourg or (b) with a custodian for, and registered in the name of Cede & Co. as nominee for, the Depository Trust Company (“**DTC**”).

Beneficial interests in Global Certificates held by Euroclear, Clearstream, Luxembourg and/or DTC will be shown on, and transfers thereof will be effected only through, records maintained by DTC, Clearstream, Luxembourg and/or Euroclear and their participants. See “**Clearing and Settlement**”.

The price and the amount of the relevant Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer based on then prevailing market conditions at the time of the issue of such Notes and will be set out in the relevant Final Terms.

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### Co-Arrangers for the Programme

**Natixis**

*Dealers*

**Goldman Sachs International**

**Credit Suisse**  
**DZ BANK AG**  
**Lehman Brothers**  
**Morgan Stanley**  
**Natixis Funding**

**Dresdner Kleinwort**  
**Goldman Sachs International**  
**Merrill Lynch International**  
**Natixis**  
**UBS Investment Bank**

## **Responsibility Statement**

To the best of the Issuer's knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer accepts responsibility accordingly.

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer and the Issuer's subsidiaries and affiliates taken as a whole (the "**Group**") and the Notes which, according to the particular nature of the Issuer and the Notes, 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 Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference" below).

No person has been authorised to give any information or to make any representation other than those contained in this Base 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 Dealers or the Co-Arrangers (as defined in "Essential Characteristics of the Programme and the Notes" below). Neither the delivery of this Base 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 since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial situation of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme 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 Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Co-Arrangers to inform themselves about and to observe any such restriction.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE NOTES MAY INCLUDE NOTES IN BEARER FORM THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, NOTES MAY NOT BE OFFERED, SOLD OR, IN THE CASE OF NOTES IN BEARER FORM, DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS AS DEFINED IN THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND REGULATIONS THEREUNDER.

In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of the Notes in the European Economic Area (including, in particular, the United Kingdom, France, Italy and The Netherlands), Japan and the United States (see "Plan of Distribution" below).

THE NOTES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S AND WITHIN THE UNITED STATES TO "QUALIFIED INSTITUTIONAL BUYERS" IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**"). PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF NOTES AND DISTRIBUTION OF THIS BASE PROSPECTUS SEE "TRANSFER RESTRICTIONS" AND "PLAN OF DISTRIBUTION".

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

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

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Co-Arrangers or the Dealers to subscribe for, or purchase, any Notes.

The Co-Arrangers and the Dealers (other than the Issuer in its capacity as Dealer) have not separately verified the information contained in this Base Prospectus. None of the Dealers or the Co-Arrangers (other than the Issuer in its capacity as Issuer) makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base 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 the Issuer, any of the Dealers or the Co-Arrangers that any recipient of this Base Prospectus or of any financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of the Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Co-Arrangers (other than the Issuer in its capacity as an Issuer) undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Co-Arrangers (other than the Issuer as aforesaid).

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) will act as a stabilising agent (the “**Stabilising Manager(s)**”). The identity of the Stabilising Manager(s) will be disclosed in the relevant Final Terms. References in the next paragraph to “the issue of any Tranche” are to each Tranche in relation to which a Stabilisation Agent is appointed.

In connection with the issue of any Tranche (as defined below) of Notes, the Stabilising Manager(s) or any person duly appointed acting for the Stabilisation Manager(s) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) or persons acting on behalf of a Stabilising Manager will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

**In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “€”, “EUR” and “euro” are to the single currency of the participating member states of the European Union which was introduced on 1 January 1999, and references to “U.S.\$” and “dollars” are to the lawful currency of the United States of America, references to “GBP”, “pounds sterling”, “£” and “Sterling” are to the lawful currency of the United Kingdom, references to “JPY”, “Japanese yen” and “Yen” are to the lawful currency of Japan and references to “Swiss francs” or “CHF” are to the lawful currency of the Helvetic Confederation.**

## ISSUE OF NOTES

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Notes will be issued on a continuous basis in series (each a “**Series**”) having one or more issue dates and (except in respect of the first payment of interest) on terms otherwise identical, the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “**Tranche**”) on different issue dates. The specific terms of each Series (which will be supplemented where necessary with supplemental terms and conditions) will be set forth in final terms (the “**Final Terms**”) which will contain the information described under “General Information”.

## DOCUMENTS INCORPORATED BY REFERENCE

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This Base Prospectus should be read and construed in conjunction with the consolidated annual financial reports and audit reports for the financial years ended 31 December 2005 (the “**2005 Annual Report**”) and 2006 (the “**2006 Annual Report**”) (and the related notes) of the Issuer which have been previously published or are published simultaneously with the Base Prospectus and that have been filed with the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) and shall be deemed to be incorporated in, and form part of, this Base Prospectus.

In addition, on 16 October 2006, the Issuer filed with the *Autorité des marchés financiers* (the “**AMF**”) a *Document E* under registration N° E.06-162 (“**Document E**”). Document E (which is in the French language) contains important information regarding the Issuer, in particular in relation to the combination of certain entities of the Banque Populaire Groupe and the Caisse d’Epargne Group, as well as the Issuer’s *pro forma* consolidated financial statements and a description of its business, strategy and management. Document E had been filed with the CSSF for the purposes of Article 16 of the Prospectus Directive and Article 13 of the Luxembourg Law and Document E is incorporated in, and forms part of this Base Prospectus.

Any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base 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 be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

Copies of documents deemed to be incorporated by reference in this Base Prospectus may be obtained free of charge, during usual business hours on any weekday (Saturdays and public holidays excepted) from the date hereof at the registered office of the Issuer and the specified office of the Fiscal Agent, the Registrar and the Paying Agents.

In addition, the documents incorporated by reference in this Base Prospectus are available on the Issuer’s website: “[www.natixis.fr](http://www.natixis.fr)” and on the Luxembourg Stock Exchange’s website: “[www.bourse.lu](http://www.bourse.lu)”.

<b>Information incorporated by reference</b>	<b>Reference</b>
Natixis audited annual consolidated financial statements for the financial year ended 31 December 2006	pages 185 to 190 of the 2006 Annual Report
Balance Sheet relating to the above	pages 185-186 of the 2006 Annual Report
Income Statement relating to the above	page 187 of the 2006 Annual Report
Cash flow statements for 2006, 2005 and 2004	page 190 of the 2006 Annual Report
Notes relating to the above	pages 191 to 309 of the 2006 Annual Report
Accounting principles relating to the above	pages 192 to 199 and 235 to 256 of the 2006 Annual Report

Audit Report relating to the above	pages 310-311 of the 2006 Annual Report
Natixis audited annual consolidated financial statements for the financial year ended 31 December 2005	pages 102-108 of the 2005 Annual Report
Balance Sheet relating to the above	pages 102-103 of the 2005 Annual Report
Income Statement relating to the above	page 105 of the 2005 Annual Report
Notes relating to the above	pages 109-201 of the 2005 Annual Report
Accounting principles relating to the above	pages 109, 129 to 135 and 143 to 155 of the 2005 Annual Report
Audit Report relating to the above	pages 202-203 of the 2005 Annual Report

Further, for the purposes of the Prospectus Directive, information can be found in such documents incorporated by reference or this Base Prospectus in accordance with the following cross-reference table (with reference to the relevant Sections of Annex XI of Regulation EC 809/2004 where applicable):

<b>Annex XI</b>	<b>CATEGORY OF INFORMATION</b>
<b>4.</b>	<b>INFORMATION ABOUT THE ISSUER</b>
4.1.5	<i>See page 184 of the 2006 Annual Report</i>
<b>5.</b>	<b>BUSINESS OVERVIEW</b>
5.1.	<i>Principal activities:</i>
5.1.1.	<i>See pages 68-87 of the 2006 Annual Report</i>
5.1.2	<i>See page 184 of the 2006 Annual Report</i>
5.1.3	<i>See pages 66-87 of the 2006 Annual Report</i>
<b>6.</b>	<b>ORGANISATIONAL STRUCTURE</b>
6.1.	<i>See page 8 and page 101 of the 2006 Annual Report</i>
<b>9.</b>	<b>ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>
9.1.	<i>See pages 21-47 of the 2006 Annual Report</i>
9.2.	<i>See page 62 of the 2006 Annual Report</i>
	<b>RECENT DEVELOPMENT RELATING TO THE ISSUER</b>
n/a	<i>See pages 1 to 809 of Document E and pages 1 to 119 of Annexe B to Document E</i>

Information contained in the documents incorporated by reference other than the information listed in the tables above is for information purposes only.

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## SUMMARY

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*This summary must be read as an introduction to this Base Prospectus. Any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference, by any investor. The Issuer may have civil liability in respect of this summary, if it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to information contained in this Base 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 Base 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.

### **Essential Characteristics and risks associated with the Issuer**

#### **Description of the Issuer**

Natixis (formerly known as Natexis Banques Populaires) is a French limited liability company, *société anonyme à directoire et conseil de surveillance*, registered with the *Registre du Commerce et des Sociétés de Paris* under No. 542 044 524. It is currently governed by the commercial company regulations, the provisions of the French Monetary and Financial Code and its bylaws. Its corporate existence is fixed by its bylaws for 99 years, expiring on 9 November 2093.

Natixis is the fourth largest banking group in France and the fifteenth largest in Europe based on Tier 1 capital as of 31 December 2005, according to “The Banker”. It is affiliated with the Groupe Banque Populaire and the Groupe Caisse d’Epargne, two leading French mutual banking groups with strong customer bases, particularly in retail banking. Taken together, the two groups rank second in the French market for service to individuals (according to Banque de France, 2005), first among small and medium enterprises (SMEs) (according to Sofres, 2005) and second among professionals (according to CSA Pépites, 2006).

In addition the Issuer’s New York Branch engages in a range of wholesale commercial banking activities, including loan syndications, leveraged financing for mergers, acquisitions and corporate restructurings, and cross-border commodities financing.

#### **Risk factors**

Prospective investors should consider, among other things, the risk factors described in “Risk Factors” below, which describe more fully the following categories of risk factor related to the Issuer, its operations and its industry and which are inherent to investing in the Notes:

- Risks relating to the creation of Natixis
- Risks relating to Natixis’ structure
- Risks relating to Natixis’ operations and the banking sector

### **Essential Characteristics of the Programme and the Notes**

#### **Description of the Programme**

<b>Description</b>	Continuously Offered Euro Medium Term Notes and other Debt Instruments Programme (the “ <b>Programme</b> ”). The Issuer may issue Notes acting through its New York Branch, as specified in the applicable Final Terms.
<b>Issuer</b>	Natixis
<b>Co-Arrangers</b>	Natixis and Goldman Sachs International

<b>Dealers</b>	<p>Natixis, Goldman Sachs International, Credit Suisse Securities (Europe) Limited, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Dresdner Bank Aktiengesellschaft, Lehman Brothers International (Europe), Merrill Lynch International, Morgan Stanley &amp; Co. International plc, Natixis Funding, UBS Limited</p> <p>The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Prospectus to “Permanent Dealers” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “Dealers” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p>
<b>Currencies</b>	<p>Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in U.S. dollars, Australian dollars, Canadian dollars, euro, Hong Kong dollars, Japanese Yen, New Zealand dollars, sterling, Swedish kronor or Swiss francs or in other currencies if the Issuer, the Fiscal Agent and the relevant Dealers so agree.</p>
<b>Programme Limit</b>	<p>Up to €20,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time, including Notes issued by the Issuer through the New York Branch.</p>
<b>Denomination</b>	<p>Notes will be in such denominations as may be specified in the relevant Final Terms save that in the case of any Notes which are to be listed, such Notes will have a minimum denomination of €1,000 (or its equivalent in other currencies).</p>
<b>Form of Notes</b>	<p>Each Tranche of Notes in bearer form having an original maturity of more than one year or, if the Notes are issued through the New York Branch, (i) having a maturity in excess of 183 days from their date of issue or (ii) having a maturity of less than 183 days with a face amount of less than U.S.\$500,000 or its equivalent, will initially be represented by a temporary Global Note and each other Tranche of Notes having an original maturity of one year or less will initially be represented by a permanent Global Note and, in each case, the Global Note will be deposited (i) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg, on the issue date with a common depository on behalf of Euroclear and Clearstream, Luxembourg or (ii) in the case of a Tranche intended to be cleared through Euroclear France, on the issue date with Euroclear France acting as central Depository or (iii) otherwise delivered as agreed between the Issuer and the relevant Dealer(s). Interests in temporary Global Notes will be exchangeable for interests in permanent Global Notes or, if so stated in the relevant Final Terms, for individual Notes after the date falling 40 days after the issue date of that Tranche upon certification as to non-U.S. beneficial ownership. Permanent Global Notes will be exchangeable for individual Notes in bearer form or (in the case of Exchangeable Bearer Notes) registered</p>

form as described under “Summary of Provisions Relating to the Notes while in Global Form”.

Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “Global Certificates”.

**Fixed Rate Notes**

Interest on Fixed Rate Notes will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

**Floating Rate Notes**

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.; or
- (ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable margin; or
- (iii) as otherwise specified in the relevant Final Terms.

Interest periods will be specified in the relevant Final Terms.

**Zero Coupon Notes**

Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

**Dual Currency Notes**

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange as may be specified in the relevant Final Terms.

**Index Linked Interest Notes**

Payments of principal in respect of each issue of Index Linked Redemption Notes or in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Final Terms.

**Other Notes**

Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, dual currency Notes, reverse dual currency Notes, optional dual currency Notes, Partly Paid Notes and any other type of Note which the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms.

**Status of Notes**

The obligations of the Issuer under the Notes may be unsubordinated (“**Senior Notes**”) or subordinated (“**Subordinated Notes**”). Senior Notes will constitute direct unsecured and unsubordinated obligations of the Issuer. Subordinated Notes, which may be dated or undated, will constitute direct subordinated and unsecured obligations of the Issuer, and their proceeds may constitute *fonds propres complémentaires* (“**Tier 2 Capital**”) within the meaning of Article 4 of *Règlement* no. 90-02 of 23 February 1990, or *fonds propres surcomplémentaires* (“**Tier 3 Capital**”) within the meaning of Article 5 ter, III of *Règlement* no. 90-02 of 23 February 1990, in each case, of the *Comité de la Réglementation Bancaire et Financière*, all as described in “Terms and Conditions of the Notes – Status and

Negative Pledge” and/or in the applicable Final Terms. See also “New York and United States Banking Regulation and Supervision” in relation to Notes issued through the New York Branch.

**Negative Pledge**

There will be a negative pledge in respect of Senior Notes, as set out in “Terms and Conditions of the Notes — Status and Negative Pledge”.

**Cross Default**

There will be cross default in respect of Senior Notes, as set out in “Terms and Conditions of the Notes — Events of Default”.

**Taxation**

- (i) Republic of France: Payments of interest and other revenues with respect to the Notes constituting *obligations* under French law will be made without withholding or deduction for, or on account of, the withholding tax set out under Article 125 A III of the French *Code Général des Impôts*, as provided for in Article 131 *quater* of the French *Code Général des Impôts*, to the extent that the Notes are issued (or deemed to be issued) outside the Republic of France.

Notes constituting *obligations* under French law will be issued (or deemed to be issued) outside France (i) in the case of syndicated or non-syndicated issues of Notes, if such Notes are denominated in euro, (ii) in the case of Notes denominated in currencies other than euro, if, *inter alia*, the Issuer and the relevant Dealers agree not to offer the Notes to the public in the Republic of France and such Notes are offered in the Republic of France through an international syndicate only to qualified investors (*investisseurs qualifiés*) as described in article L. 411-2 of the French *Code monétaire et financier* or (iii) in the case of issues of Notes denominated in currencies other than euro that are not offered and sold through an international syndicate, if each of the subscribers of the Notes is domiciled or resident for tax purposes outside the Republic of France and does not act through a permanent establishment or fixed base therein, in each case as more fully set out in the Circular 5 I-11-98 of the *Direction Générale des Impôts* dated 30 September 1998.

However, if so provided in the relevant Final Terms, Notes constituting *obligations* under French law denominated in currencies other than euro may be offered without an international syndicate and may be placed with subscribers not all of whom are resident outside the Republic of France. In such cases, the Notes will not benefit from the exemption from deduction of tax at source provided for in Article 131 *quater* of the French *Code Général des Impôts* and interest payments under such Notes made to a non-French resident will be exempt from withholding or deduction of tax at source only if the beneficiary of the payment provides certification that he is not resident in the Republic of France, all in accordance with the provisions of Article 125 A III of the French *Code Général des Impôts*, as more fully described in “*Terms and Conditions of the Notes - Taxation*”.

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

Terms.

- (ii) United States: Notes issued through the New York Branch are subject to U.S. tax law requirements. See “Taxation- United States”.

**Governing Law**

The Notes are governed by, and shall be construed in accordance with English law (other than the provisions of Condition 3(b), relating to Subordinated Notes which are governed by, and shall be construed in accordance with, French law).

**Listing and admission to trading**

Each Series of Notes may be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange or as otherwise specified in the relevant Final Terms. If specified in the relevant Final Terms, a Series of Notes may be unlisted. The applicable Final Terms will state whether or not the Relevant Notes are to be listed and, if so, on (the regulated market of) which stock exchange(s).

**Rating**

Tranches of Notes to be issued under the Programme may be rated or unrated, as disclosed in the relevant Final Terms. Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies (“**S&P**”), Moody’s Investors Service Inc. (“**Moody’s**”) and Fitch Ratings (“**Fitch**”) have provided the following indicative ratings to rated Notes issued under the Programme:

S&P has affirmed ratings of AA/A-1+ with respect to the Senior Notes, AA-1 with respect to the Dated Subordinated Notes (Lower Tier II) and A+ with respect to the Undated Subordinated Notes (Upper Tier II), all as issued under the Programme.

Moody’s has applied indicative ratings of Prime-1 with respect to the Senior Notes having a maturity of less than one year from their date of issue, AA2 with respect to the Senior Notes having a maturity of more than one year from their date of issue and AA3 to the dated Subordinated Notes having a maturity of more than five years from their date of issue, all as issued under the Programme.

Fitch has affirmed ratings of AA with respect to Long Term Unsubordinated Notes, F1+ with respect to Short Term Unsubordinated Notes and AA- with respect to Dated or Undated Subordinated Notes, all as issued under the Programme.

Undated Subordinated Notes having a maturity of more than five years from their date of issue, and any Unsubordinated Notes constituting Tier 3 capital, issued under the Programme, will be rated, as the case may be, by Moody’s at the time of their issuance.

Any Subordinated Notes issued under the Programme will be rated, as the case may be, by S&P at their time of issuance.

Any change to any relevant indicative ratings outlined above will be disclosed, in the case of rated Notes, in the relevant Final Terms.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by an assigning rating agency and any rating should be evaluated independently of any other.

**Clearing Systems**

Clearstream, Luxembourg, Euroclear, DTC, Euroclear France and, in

relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.

### **Selling Restrictions**

The European Economic Area (including in particular the United Kingdom, France, Germany, Italy and The Netherlands), Japan and the United States. See “Plan of Distribution”. In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed which will be set out in the relevant Final Terms.

The Issuer is a Category 2 issuer for the purposes of Regulation S under the Securities Act. Registered Notes may be sold to “qualified institutional buyers” in accordance with Rule 144A. See “Transfer Restrictions”.

The Notes will be issued in compliance with U.S. Treas. Reg. §1.163.5(c)(2)(i)(D) (the “**D Rules**”) unless (i) the relevant Final Terms states that Notes are issued in compliance with U.S. Treas. Reg. §1.163.5(c)(2)(i)(C) (the “**C Rules**”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the U.S. Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the relevant applicable Final Terms as a transaction to which TEFRA is not applicable.

### **Transfer Restrictions**

There are restrictions on the transfer of Registered Notes sold pursuant to Rule 144A under the Securities Act. See “Transfer Restrictions” and “Plan of Distribution”.

### **Consolidation**

Notes of one Tranche may be consolidated with those of another Tranche all as described in the “Terms and Conditions of the Notes”.

## **Essential risks associated with the Notes**

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

*The trading market for debt securities may be volatile and may be adversely impacted by many events.*

The market for debt securities issued by issuers is influenced by economic and market conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries.

*An active trading market for the Notes may not develop.*

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected.

*Any early redemption at the option of the Issuer, if provided for in any Final Terms for a particular issue of Notes, could cause the yield anticipated by Noteholders to be considerably less than anticipated.*

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer. Such right of termination is often provided for bonds or notes in periods of high interest rates. If the market interest rates decrease, the risk to Noteholders that the Issuer will exercise its right of termination increases. As a consequence, the yields received upon redemption may be lower than expected, and the redeemed face amount

of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a consequence, part of the capital invested by the Noteholder may be lost.

*A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.*

Payments of interest on the Notes, or profits realised by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes.

*Holders of Subordinated Notes face a significantly increased risk that the Notes will not perform as anticipated.*

Holders of Subordinated Notes generally face a higher performance risk than holders of Senior Notes as payments on Subordinated Notes will be made only after Senior Noteholders and other senior creditors have been repaid in full provided there is still cash available.

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

Interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods.

*Zero Coupon Notes are subject to higher price fluctuations than non-discounted bonds.*

Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk. Further, if market interest rates increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and credit rating.

*Investments in Index Linked Interest notes entail significant risks and may not be appropriate for investors lacking financial expertise.*

An investment in Index Linked Interest Notes entails significant risks that are not associated with similar investments in a conventional fixed or floating rate debt security. The Issuer believes that Index Linked Interest Notes should only be purchased by investors who are, or who are purchasing under the guidance of, financial institutions or other professional investors that are in a position to understand the special risks that an investment in these instruments involves.

Please see "*Risk factors*" below for further details.

## RISK FACTORS

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*Prospective purchasers of the Notes offered hereby should consider carefully, in light of their financial circumstances and investment objectives, all of the information in this Base Prospectus and, in particular, the risk factors set forth below in making an investment decision.*

### **Risks relating to the creation of Natixis**

*Natixis may not achieve the expected synergies from the combination transactions carried out in 2006*

Synergies are expected from the combination transactions between the corporate and investment banking and financial services activities of the Banque Populaire Group and the Caisse d'Epargne Group carried out in 2006, resulting in the creation of Natixis. These synergies are set out in appendix B of the offering circular registered with the *Autorité des Marchés Financiers* on October 16, 2006, under number E. 06-162 to accompany the combination transaction. The anticipated level of synergies is based on a number of assumptions, many of which depend on factors that are beyond the control of Natixis. Natixis may fail to achieve expected synergies for any number of reasons, including difficulties encountered in the integration process, disruptions caused by the unique structure of the new Group (described below in "Risks relating to Natixis' structure") or the materialization of risks relating to ordinary banking activities (described below in "Risks relating to Natixis' operations and the banking sector"). Any of these factors, among others, could result in the actual level of revenue and/or cost synergies being lower than anticipated.

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

Realization of the anticipated benefits from the creation of Natixis will depend in part upon whether the operations of the entities contributed on November 17, 2006, can be integrated in an efficient and effective manner with those of the former Natexis Banques Populaires Group. Integrating the operations of an acquired business is a complex and lengthy process. Successful integration requires, among other things, the satisfactory coordination of business development and marketing efforts, the retention of key management personnel and professionals, effective hiring and training policies and the alignment of information and software systems. Despite the complementarity of the operations of the contributed entities with those of the former Natexis Banques Populaires Group, there may be difficulties encountered in combining operations that could result in higher integration costs and lower savings or revenues than expected.

Moreover, the integration of the operations of the Natexis Banques Populaires Group with those of the contributed entities could interfere with the activities of one or more of their businesses and divert management's attention from other aspects of Natixis' operations, which could have an adverse effect on Natixis' operations and results.

The integration of the activities of the new group could generate restructuring costs initially estimated at €300 million. The actual restructuring costs that Natixis incurs could exceed this estimate.

*The combination transactions generated a substantial amount of goodwill that may be subject to impairment*

In connection with the Combination Transactions, Natixis recorded new goodwill of €633 million (before the fair value allocation of the implied acquisition price), in addition to the goodwill on the books of the contributed entities of €1,423 million. Overall, pro forma goodwill, before fair value allocation, as of December 31, 2005, was €2,808 million. If significant asset quality issues arise or if the financial condition and prospects of the contributed entities otherwise fail to meet the expectations used for valuation purposes in the Combination Transactions, Natixis could incur impairment charges, which could have an adverse effect on its results of operations.

*The results of operations and financial condition presented in Natixis' unaudited pro forma financial statements may not be indicative of its future performance*

Natixis' pro forma financial statements have been prepared to illustrate the effect of the combination transactions on Natixis as if they had occurred on January 1, 2005. Natixis' pro forma financial statements were prepared on the basis of a number of assumptions, and do not reflect the results which Natixis would have had if the combination transactions had actually taken place on January 1, 2005. In addition, there can be no assurance that the trends indicated by the pro forma financial statements (or by the separate financial statements of the entities that are being combined to form Natixis) are representative of the future results or performance of Natixis.

### **Risks relating to Natixis' structure**

*Natixis has two principal shareholders who will maintain a significant degree of influence over certain corporate actions in the future*

Natixis' two principal shareholders are BFBP and CNCE, each of which owns approximately 45.5% of Natixis' share capital. These two shareholders are therefore in a position to exert significant influence in the election of Natixis' directors and officers and other corporate actions that require shareholder approval. Pursuant to a shareholders' agreement signed between the two groups on November 17, 2006, BFBP and CNCE have also agreed to coordinate the voting of their shares with respect to certain actions, in particular with respect to the election of members of the supervisory board and of the management board. Any coordinated action between BFBP and CNCE will further limit the ability of other shareholders to influence the corporate governance of Natixis.

*The shareholders' agreement between BFBP and CNCE limits the flexibility of Natixis to raise equity capital or to use its shares for acquisitions, and could have significant anti-takeover effects*

Pursuant to the shareholders' agreement, BFBP and CNCE have agreed to own an identical number of Natixis shares and to maintain their percentage ownership at or above 34% of Natixis' total share capital for at least ten years following the completion of the combination transactions carried out on November 17, 2006. Accordingly, Natixis is limited in its ability to conduct equity issuances or use its shares for acquisitions, since this requires the approval of both BFBP and CNCE, as well as a mechanism to enable both parties to maintain their percentage shareholdings following the transaction. BFBP's and CNCE's ownership of a large percentage of Natixis' share capital and any coordination between them may also have the effect of delaying, deferring or preventing a change in Natixis' control, and may discourage bids for its shares more generally.

*The risk management policies and procedures of Natixis will be subject to the approval and control of BFBP and CNCE*

BFBP and CNCE are both required to ensure the compliance of the entire Banque Populaire Group and the Caisse d'Epargne Group, respectively, with applicable French banking regulations in areas such as capital adequacy and risk management. As a result, BFBP and CNCE have been granted significant approval rights over important aspects of the risk management policies of Natixis (which is part of both the Banque Populaire Group and the Caisse d'Epargne Group). In particular, BFBP and CNCE have the power to approve the appointment or removal of the director of internal audit of Natixis, as well as certain aspects of risk management such as the approval of credit limits and the classification of loans to customers that are common to Natixis and one or both of the two shareholder groups as doubtful loans. The interests of BFBP and CNCE (on behalf of their respective groups) with respect to risk management may be different from those of Natixis.

*In the event of a disagreement between BFBP and CNCE, the business or operations of Natixis could be subject to significant disruptions*

Under the shareholders' agreement signed on November 17, 2006, BFBP and CNCE have established a mechanism for the appointment of members of the supervisory board and of the management board of Natixis, and have also agreed on the implementation of various corporate governance measures. In addition, the shareholders' agreement provides that certain decisions deemed essential — such as the purchase or sale of an interest or the creation of a joint venture by Natixis or one of its subsidiaries in an amount exceeding €150 million — require the approval of both BFBP and CNCE as well as the supervisory board of Natixis. In the event of a disagreement, the shareholders' agreement provides mechanisms for the resolution of the issue at the senior management level, but it does not contain a mechanism for definitively resolving the disagreement. In the event

of deadlock, the management board may be unable to obtain supervisory board or shareholder approval to proceed with planned actions. Natixis' business may therefore be subject to significant disruptions in the event that BFBP and CNCE are unable to resolve any differences concerning Natixis' development.

*Natixis has no voting rights with respect to the cooperative investment certificates representing 20% of the share capital of the Banques Populaires and the Caisses d'Epargne and is not the central body of the Banque Populaire Group or the Caisse d'Epargne Group*

Natixis owns a 20% equity interest in the Banques Populaires and in the Caisses d'Epargne in the form of cooperative investment certificates issued by each entity. These cooperative investment certificates are non-voting securities, with different rights from those attached to cooperative shares in the Banques Populaires and the Caisses d'Epargne. Although Natixis is entitled to participate in meetings of the cooperative shareholders ("sociétaires") of the Banques Populaires and the Caisses d'Epargne, it is not entitled to vote at these meetings and does not have control over decisions that require the consent of the shareholders of the Banques Populaires and the Caisses d'Epargne. Moreover, Natixis is not the central body of the Banque Populaire Group or of the Caisse d'Epargne Group (the central bodies, BFBP and CNCE, respectively, have certain coordination and control powers under French banking laws and regulations).

Natixis has a significant influence with respect to the Banques Populaires and the Caisses d'Epargne as a result of certain rights granted to it under agreements relating to the combination transactions (in particular, rights with respect to representation in or the right to be consulted on certain decisions of the governance bodies or committees of BFBP and CNCE, audit and inspection rights and rights to receive information), but these rights do not include voting rights in shareholders' general meetings and are not equivalent to the powers of a central body. As a result, the ability of Natixis to guide the future development of the two groups in which it will hold a substantial interest will be limited.

*Natixis cannot freely sell its 20% equity interests in the Banques Populaires or the Caisses d'Epargne, and in some circumstances could be required to sell those interests back to the Banques Populaires or the Caisses d'Epargne*

Under the terms of the agreements relating to the combination transactions, Natixis is prohibited from selling all or part of its 20% equity interests in the Banques Populaires or the Caisses d'Epargne without the prior consent of the board of directors of the Banque Populaire concerned or CNCE, respectively. While a bank whose board refuses to approve such a sale will be required to repurchase the relevant equity interests, the price will be based on the proportionate share of the net assets of the bank represented by the equity interests, taking into account the valuation method used to determine the initial price paid by Natixis for those interests, and thus may be different from the price that Natixis would have obtained from the proposed purchaser. In addition, the mere existence of the approval right might make it difficult for Natixis to sell its equity interests.

In addition, if the equal ownership of the shares of Natixis by BFBP and CNCE is not substantially maintained, or if BFBP and CNCE cease to control Natixis jointly, or if certain legislative changes or other circumstances occur, then the Banques Populaires and the Caisses d'Epargne will each have the right to repurchase the 20% equity interests from Natixis, at a price based on the proportionate share of the net assets of such bank represented by the equity interests, taking into account the valuation method used to determine the initial price paid by Natixis for those interests. The repurchase price may be different from the price that Natixis could have obtained through a sale to an unaffiliated third party. Moreover, following the repurchase Natixis will no longer have an economic interest in the results of the affected bank or banks, and its ability to sell products and services through the affected bank or banks could be impaired.

*Natixis has important commercial relationships with entities in the Banque Populaire Group and the Caisse d'Epargne Group, which might have interests that are different than those of the shareholders of Natixis*

Part of Natixis' strategy for long-term growth is to expand the products and services it provides through the retail banking networks of the Banque Populaire Group and/or the Caisse d'Epargne Group, in areas such as employee benefits planning, consumer finance and payment services. However, the customers of the Banque Populaire Group and the Caisse d'Epargne Group are faced with a range of savings, investment or other products from which to choose, including in some cases products and services of competitors that will be offered by banks

within each group. There can be no assurance that products or services provided by Natixis will be uniformly selected, or promoted, over the other services offered by the two banking networks. Although the Banque Populaire Group and the Caisse d'Épargne Group, as indirect owners of substantial interests in Natixis, have a significant financial interest to support Natixis' continued development, they may from time to time have interests that differ from those of Natixis.

*The non-competition undertakings of BFBP and CNCE contain certain exceptions that could result in Natixis being in direct competition with the entities of one of the two groups*

As part of the shareholders' agreement signed on November 17, 2006, Natixis' two principal shareholders, BFBP and CNCE, have generally agreed not to compete with the activities of Natixis in France or abroad. However, this agreement not to compete contains certain exceptions, in particular for activities currently conducted by either BFBP or CNCE and their subsidiaries that were not contributed to Natixis as part of the combination transactions. In particular, these exceptions include life and property insurance, areas in which the Caisses d'Épargne offer their customers products of CNCE affiliates that have not been contributed to Natixis. As a result, Natixis may find itself competing directly or indirectly with the services provided by one or both of its principal shareholders.

### **Risks relating to Natixis' operations and the banking sector**

*Natixis is subject to several categories of risks inherent in banking activities*

There are four main categories of risks inherent in Natixis' activities, which are summarized below and described in detail under "Risk Management" in the management report. The risk factors described below elaborate on or give specific examples of these different types of risks, and describe certain additional risks faced by Natixis.

**Credit risk.** Credit risk is the risk of financial loss relating to the failure of a counterparty to honor its contractual obligations. The counterparty may be a bank, an industrial or commercial enterprise, a government and its various entities, an investment fund, or a natural person. Credit risk arises in lending activities and also in various other activities where the Group is exposed to the risk of counterparty default, such as its trading, capital markets and settlement activities. Credit risk also arises in connection with the credit insurance and factoring businesses of the Group, although the risk relates to the credit of the counterparty's customers, rather than the counterparty itself.

**Market, liquidity and financing risk.** Market risk is the risk to earnings that arises primarily from adverse movements of market parameters. These parameters include, but are not limited to, foreign exchange rates, bond prices and interest rates, securities and commodities prices, derivatives prices and prices of all other assets such as real estate.

Liquidity is also an important component of market risk. In instances of little or no liquidity, a market instrument or transferable asset may not be negotiable at its estimated value. A lack of liquidity can arise due to diminished access to capital markets, unforeseen cash or capital requirements or legal restrictions.

Market risk arises in trading portfolios and in non-trading portfolios. In non-trading portfolios, it encompasses:

- the risk associated with asset and liability management, which is the risk to earnings arising from asset and liability mismatches in the banking book or in the insurance business. This risk is driven primarily by interest rate risk;
- the risk associated with investment activities, which is directly connected to changes in the value of invested assets within securities portfolios;
- the risk associated with certain other activities, such as real estate, which is indirectly affected by changes in the value of negotiable assets held in the normal course of business.

**Operational risk.** Operational risk is the risk of losses due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural occurrences. Internal processes include, but are not limited to, human resources and information systems. External events include floods, fires, earthquakes or terrorist attacks.

**Insurance risk.** Insurance risk is the risk to earnings due to mismatches between expected and actual claims. Depending on the insurance product, this risk is influenced by macroeconomic changes, changes in customer behaviour, changes in public health, pandemics, accidents and catastrophic events (such as earthquakes, industrial disasters, or acts of terrorism or war). As mentioned above, the credit insurance business is also subject to credit risk.

*Adverse market or economic conditions may cause a decrease in net banking income or profitability*

As a global financial services provider, Natixis' businesses are materially affected by conditions in the financial markets and economic conditions generally in France, in Europe and elsewhere around the world. Adverse changes in market or economic conditions could create a challenging operating environment for financial services companies. In particular, such adverse changes could result from increases in interest rates or commodities prices (including oil), or adverse geopolitical events (such as natural disasters, acts of terrorism and military conflicts).

There are numerous examples of the specific risks that Natixis faces with respect to potential adverse future market or economic conditions. Financial markets in France, in Europe and elsewhere may decline or experience increased volatility, which could lead to a decline in capital markets transactions, cash inflows and commissions from asset management. Adverse economic conditions could reduce credit demand by corporate borrowers or increase the rate of defaults by borrowers. These developments would adversely affect Natixis' net banking income, and, if it were unable to reduce expenses commensurately, its profitability. Revenues and profitability could also be depressed by market losses in Natixis' securities portfolio or proprietary positions resulting from adverse market or economic developments.

*The terms of distribution of a regulated savings account (the Livret A) 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 Caisse d'Epargne Group 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 2005, the Caisse d'Epargne Group recorded €715 million in net banking income for its distribution of the Livret A.

In June 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, BFBP, 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 authorized 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.

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, which would in turn affect the share in the income of the Caisses d'Epargne that Natixis records in respect of its 20% equity interest. Even if the Caisses d'Epargne were to change their commercial policies, such a measure could negatively affect their results, and consequently the 20% participation of Natixis through the non-voting cooperative investment certificates issued by the Caisses d'Epargne.

While the Banque Populaire Group is one of the plaintiffs in the cases challenging the distribution of the Livret A, BFBP and CNCE have advised Natixis that they do not believe that this will affect their ability to cooperate on matters relating to Natixis. If this were to prove untrue, it could have the effect of impeding or delaying certain strategic decisions relating to Natixis' development.

*A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect Natixis' results of operations and financial condition*

In connection with its lending activities, Natixis periodically establishes provisions for loan losses, which are recorded in its income statement under cost of risk. Natixis' overall level of provisions is based upon its assessment of prior loss experience, the volume and type of lending being conducted, industry standards, past due loans, economic conditions and other factors related to the recoverability of various loans. For further information on Natixis' provisioning policy and its treatment of doubtful loans, see "Risk Management".

Although Natixis endeavors to establish an appropriate level of provisions, its lending businesses may have to increase their provisions for loan losses in the future as a result of increases in non-performing assets or for other reasons. Any significant increase in provisions for loan losses or a significant change in Natixis' estimate of the risk of loss inherent in its portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the provisions allocated with respect thereto, could have an adverse effect on Natixis' results of operations and financial condition.

*Natixis' ability to attract and retain qualified employees is critical to the success of its business and failure to do so may materially affect its performance*

Natixis' employees are its most important resource and, in many areas of the financial services industry, competition for qualified personnel is intense. Natixis' results depend on its ability to attract new employees and to retain and motivate its existing employees. Changes in the business environment may cause Natixis to move employees from one business to another or to reduce the number of employees in certain of its businesses; this may cause temporary disruptions as employees adapt to new roles and may reduce Natixis' ability to take advantage of improvements in the business environment. This may impact Natixis' ability to take advantage of business opportunities or potential efficiencies.

*Future events may be different than those reflected in the management assumptions and estimates used in the preparation of Natixis' financial statements, which may cause unexpected losses in the future*

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

*Natixis may incur significant losses on its trading and investment activities due to market fluctuations and volatility*

As part of its trading and investment activities, Natixis maintains positions in the fixed income, currency, commodity and equity markets, as well as in unlisted securities, real estate and other asset classes. These positions could be adversely affected by volatility in financial and other markets, that is, the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. Volatility can also lead to losses relating to a broad range of other trading and hedging products Natixis uses, including swaps, futures, options and structured products.

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

*Natixis may generate lower revenues from brokerage and other commission- and fee-based businesses during market downturns*

Market downturns are likely to lead to a decline in the volume of transactions that Natixis executes for its customers and as a market maker, and, therefore, to a decline in its net banking income from these activities. In addition, because the fees that Natixis charges for managing its customers' portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of its customers' portfolios or increases the amount of withdrawals would reduce the revenues the Group receives from its asset management and private banking businesses.

Even in the absence of a market downturn, below-market performance by Natixis' asset management business may result in a decline in assets under management (in particular as a result of withdrawals from mutual funds) and in the incentive and management fees Natixis receives.

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

In some of Natixis' businesses, protracted market movements, particularly declines in asset prices, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if Natixis cannot close out deteriorating positions in a timely way. This may especially be the case for assets Natixis holds for which there are not very liquid markets to begin with. Assets that are not traded on stock exchanges or other public trading markets, such as derivative products traded between banks, may have values that Natixis calculates using models other than publicly quoted prices. Monitoring the deterioration of the prices of such assets is difficult and could lead to losses that Natixis did not anticipate.

*Significant interest rate changes could adversely affect Natixis' net banking income or profitability*

The amount of net interest income earned by Natixis during any given period significantly affects its overall net banking income and profitability for that period. Interest rates are highly sensitive to many factors beyond Natixis' control. Changes in market interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. Any adverse change in the yield curve could cause a decline in net interest income from lending activities. In addition, increases in the interest rates at which short-term funding is available and maturity mismatches may adversely affect Natixis' profitability. Increasing or high interest rates and/or widening credit spreads, especially if such changes occur rapidly, may create a less favorable environment for certain of Natixis' businesses.

*An interruption in or a breach of Natixis' information systems, or those of third parties, may result in lost business and other losses*

As with most other banks, Natixis relies heavily on communications and information systems to conduct its business, as its activities require it to process a large number of increasingly complex transactions. Any failure or interruption or breach in security of these systems could result in failures or interruptions in customer relationship management, general ledger, deposit, trading and/or loan organization systems. If, for example, Natixis' information systems failed, even for a short period of time, it would be unable to serve some customers' needs in a timely manner and could thus lose their business. Likewise, a temporary shutdown of Natixis' information systems, despite back-up recovery systems and contingency plans, could result in considerable information retrieval and verification costs, and even a decline in its proprietary businesses if, for instance, such a shutdown occurs during the implementation of its hedging policies. The inability of Natixis' systems to accommodate an increasing volume of transactions could also constrain its ability to expand its businesses.

Natixis also faces the risk of operational failure or termination of any of the clearing agents, exchanges, clearing houses or other financial intermediaries or outside vendors it uses to facilitate its securities transactions. As its interconnectivity with its customers grows, Natixis may also increasingly face the risk of operational failure with respect to its customers' systems. Natixis cannot provide assurances that such failures or interruptions in its systems or in those of such other parties will not occur or, if they do occur, that they will be adequately addressed.

*Unforeseen events can interrupt Natixis' operations and cause substantial losses and additional costs*

Unforeseen events like severe natural disasters, pandemics, terrorist attacks or other states of emergency can lead to an abrupt interruption of Natixis' operations and, to the extent not covered by insurance, can cause substantial

losses. Such losses can relate to property, financial assets, trading positions and key employees. Such unforeseen events may additionally disrupt Natixis' infrastructure, or that of third parties with which it conducts business, and can also lead to additional costs (such as relocation costs of employees affected) and increase Natixis' costs (such as insurance premiums). Such events may also make insurance coverage for certain risks unavailable and thus increase Natixis' global risk.

*Natixis may be vulnerable to political, macroeconomic and financial environments or circumstances specific to the countries where it does business*

Natixis is subject to country risk, which is the risk that economic, financial, political or social conditions in a foreign country will affect its financial interests. Natixis does business throughout the world, including in developing regions of the world commonly known as emerging markets. In the past, many emerging market countries have experienced severe economic and financial disruptions, including devaluations of their currencies and capital and currency exchange controls, as well as low or negative economic growth. Natixis' businesses and revenues derived from operations and trading outside the European Union and the United States, although limited, are subject to risk of loss from various unfavorable political, economic and legal developments, including currency fluctuations, social instability, changes in governmental policies or policies of central banks, expropriation, nationalization, confiscation of assets and changes in legislation relating to local ownership.

*Natixis is subject to extensive supervisory and regulatory regimes in France and in the many countries around the world in which it operates; regulatory actions and changes in these regulatory regimes could adversely affect Natixis' business and results*

A variety of supervisory and regulatory regimes apply to Natixis in each of the jurisdictions in which it operates. Non-compliance could lead to significant intervention by regulatory authorities and fines, public reprimand, damage to reputation, enforced suspension of operations or, in extreme cases, withdrawal of authorization to operate. The financial services industry has experienced increased scrutiny from a variety of regulators in recent years, as well as an increase in the penalties and fines sought by regulatory authorities.

Natixis' businesses and earnings can be affected by the policies and actions of various regulatory authorities of France, other European Union or foreign governments and international agencies. Such constraints could limit Natixis' ability to expand its business or to pursue certain activities. The nature and impact of future changes in such policies and regulatory action are unpredictable and are beyond Natixis' control.

Such changes could include, but are not limited to, the following:

- the monetary, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy that may significantly influence investor decisions in particular markets in which Natixis operates;
- general changes in regulatory requirements, for example, prudential rules relating to the capital adequacy framework, which are scheduled to change significantly in the near future;
- changes in the competitive environment and pricing practices;
- changes in the financial reporting environment;
- expropriation, nationalization, price controls, exchange controls, confiscation of assets and changes in legislation relating to foreign ownership;
- any adverse change in the political, military or diplomatic environments creating social instability or an uncertain legal situation capable of affecting the demand for the products and services offered by Natixis.

*Tax laws and their interpretation in France and in the countries in which Natixis does business may significantly affect Natixis' results*

As a multinational banking group involved in complex and large-scale cross-border transactions, Natixis is subject to tax legislation in a number of countries. Natixis structures its business globally in order to optimize its effective tax rate. Modifications to the tax regime by the competent authorities in those countries may have a significant effect on Natixis' results. Natixis manages its business so as to create value from the synergies and

commercial capacities of its different entities. Natixis also endeavours to structure the financial products sold to its clients in a tax-efficient manner.

The structures of Natixis' intragroup transactions and of the financial products sold by Natixis are based on its own interpretations of applicable tax laws and regulations, generally relying on opinions received from independent tax counsel, and, to the extent necessary, on rulings or specific guidance from competent tax authorities. There can be no assurance that the tax authorities will not seek to challenge such interpretations, in which case Natixis could become subject to tax claims.

*A failure of or inadequacy in Natixis' risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses*

Natixis' risk management techniques and strategies may not effectively limit its risk exposure in all economic market environments or against all types of risk, including risks that Natixis fails to identify or anticipate.

The risk management techniques and strategies used may also not effectively limit its risk exposure in all market patterns. These techniques and strategies may not be effective against certain risks, particularly those that Natixis has not previously identified or anticipated. Some of Natixis' qualitative tools and metrics for managing risk are based upon its use of observed historical market behaviour. Natixis applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. These tools and metrics may fail to predict future risk exposures. These risk exposures could, for example, arise from factors Natixis did not anticipate or correctly evaluate in its statistical models. This would limit Natixis' ability to manage its risks. Natixis' losses could therefore be significantly greater than the historical measures indicate. In addition, Natixis' quantified modelling does not take all risks into account. Natixis' qualitative approach to managing those risks could prove insufficient, exposing it to material unanticipated losses. See "Risk Management" below for a more detailed discussion of the policies, procedures and methods Natixis uses to identify, monitor and manage its risks.

*Natixis' hedging strategies may not prevent losses*

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

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

Even though external growth is not expected to constitute the major part of its strategy in the future, Natixis may nevertheless consider external growth opportunities from time to time. Even though Natixis expects to review the companies it will acquire or joint ventures into which it will enter, it is generally not feasible for these reviews to be comprehensive in all respects. As a result, Natixis may have to assume unanticipated liabilities, or an acquisition or joint venture may not perform as well as expected. In addition, it might have difficulty integrating any entity with which it combines its operations. Failure to complete announced business combinations or failure to integrate acquired businesses or joint ventures successfully into Natixis' businesses could materially adversely affect the group's profitability. It could also lead to departures of key employees, or lead to increased costs and reduced profitability if Natixis felt compelled to offer them financial incentives to remain. In the case of joint ventures, Natixis is subject to additional risks and uncertainties in that it may be dependent on, and subject to liability, losses or reputational damage relating to, systems, controls and personnel that are not under its control. In addition, conflicts or disagreements between Natixis and its joint venture partners may negatively impact the benefits intended to be achieved by the joint venture.

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

Competition is intense in all of Natixis' primary business areas in France and the other countries in which it conducts large portions of its business. Consolidation, both in the form of mergers and acquisitions and by way of alliances and cooperation, is increasing competition. Consolidation has created a number of firms that, like Natixis, have the ability to offer a wide range of products and services. Natixis competes on the basis of a number of factors, including transaction execution, its products and services, innovation, reputation and price. If Natixis is unable to continue to respond to the competitive environment in France or in its other major markets with attractive product and service offerings that are profitable for the group, it may lose market share in important areas of its business or incur losses on some or all of its activities. In addition, downturns in the French economy could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for Natixis and its competitors. In addition, new lower-cost competitors may enter the market, which may not be subject to the same capital or regulatory requirements or may have other inherent regulatory advantages and, therefore, may be able to offer their products and services on more favourable terms. Technological advances and the growth of e-commerce have made it possible for non-depository institutions to offer products and services that traditionally were banking products, and for financial institutions and other companies to provide electronic and Internet-based financial solutions, including electronic securities trading. These new entrants may exert downward price pressure on Natixis' products and services or may affect its market share.

*Changes in exchange rates could significantly affect Natixis' results*

Natixis conducts a significant portion of its business overseas, in particular in the United States, and its net banking income and results of operations could be affected by exchange rate fluctuations. While Natixis incurs expenses in currencies other than the euro, the impact of these expenses only partially compensates for the impact of exchange rate fluctuations on net banking income. Natixis is particularly vulnerable to fluctuations in the exchange rate between the United States dollar and the euro, as a significant portion of its net banking income and results of operations is earned in the United States (approximately 25% of adjusted net banking income in 2005).

In the context of its risk management policies, Natixis enters into transactions to hedge its exposure to exchange rate risk. However, these transactions may not be fully effective to offset the effects of unfavourable exchange rates on Natixis' operating income.

*Natixis' profitability and business prospects could be adversely affected by reputational and legal risk*

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

#### **Risk Factors relating to the Notes**

*The trading market for debt securities may be volatile and may be adversely impacted by many events.*

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

*An active trading market for the Notes may not develop.*

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or

trading price and liquidity of the Notes may be adversely affected. The Issuer and any of its subsidiaries are entitled to buy the Notes, as described in Condition 5(d), and the Issuer may issue further notes, as described in Condition 13. Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

*Any early redemption at the option of the Issuer, if provided for in any Final Terms for a particular issue of Notes, could cause the yield anticipated by Noteholders to be considerably less than anticipated.*

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer. Such right of termination is often provided for bonds or notes in periods of high interest rates. If the market interest rates decrease, the risk to Noteholders that the Issuer will exercise its right of termination increases. As a consequence, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a consequence, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such case would not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

*A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.*

Payments of interest on the Notes, or profits realised by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The tax impact on Noteholders generally in France, in Luxembourg and as a result of the entry into force of the EU Directive 2003/48/EC on the taxation of savings income is described under the "Taxation" paragraph of the "Terms and Conditions of the Notes" section and the "EU taxation" section below; however, the tax impact on an individual Noteholder may differ from the situation described for Noteholders generally. The Issuer advises all investors to contact their own tax advisors for advice on the tax impact of an investment in the Notes.

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

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

*Zero Coupon Notes are subject to higher price fluctuations than non-discounted bonds.*

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

*Foreign currency Notes expose investors to foreign-exchange risk as well as to issuer risk.*

As purchasers of foreign currency Notes, investors are exposed to the risk of changing foreign exchange rates. This risk is in addition to any performance risk that relates to the issuer or the type of Note being issued.

*Holders of Subordinated Notes face a significantly increased risk that the Notes will not perform as anticipated.*

In the event of any insolvency or liquidation of the Issuer, holders of Subordinated Notes would receive payments on any outstanding Subordinated Notes only after senior Noteholders and other senior creditors have been repaid in full, if and to the extent that there is still cash available for those payments. Therefore, holders of Subordinated Notes generally face a higher performance risk than holders of senior Notes.

*Investments in Index linked interest notes entail significant risks and may not be appropriate for investors lacking financial expertise.*

An investment in Index Linked Interest Notes entails significant risks that are not associated with similar investments in a conventional fixed or floating rate debt security. The Issuer believes that Index Linked Interest Notes should only be purchased by investors who are, or who are purchasing under the guidance of, financial institutions or other professional investors that are in a position to understand the special risks that an investment in these instruments involves. These risks include, among other things, the possibility that:

- such index or indices may be subject to significant changes, whether due to the composition of the index itself, or because of fluctuations in value of the indexed assets;
- the resulting interest rate will be less (or may be more) than that payable on a conventional debt security issued by the Issuer through the Issuer at the same time;
- the repayment of principal can occur at times other than that expected by the investor;
- the holder of an Index Linked Interest Note could lose all or a substantial portion of the principal of such Note (whether payable at maturity or upon redemption or repayment), and, if the principal is lost, interest may cease to be payable on the Index Linked Interest Note;
- the risks of investing in an Index Linked Interest Note encompasses both risks relating to the underlying indexed securities or commodities and risks that are unique to the Note itself;
- any Index Linked Interest Note that is indexed to more than one type of underlying asset, or on formulae that encompass the risks associated with more than one type of asset, may carry levels of risk that are greater than Notes that are indexed to one type of asset only;
- it may not be possible for investors to hedge their exposure to these various risks relating to Index Linked Interest Notes; and
- a significant market disruption could mean that the index on which the Index Linked Interest Notes are based ceases to exist.

In addition, the value of Index Linked Interest Notes on the secondary market is subject to greater levels of risk than is the value of other Notes. The secondary market, if any, for Index Linked Interest Notes will be affected by a number of factors, independent of the creditworthiness of the Issuer and the value of the applicable currency, commodity, stock, interest rate or other index, including the volatility of the applicable currency, commodity, stock, interest rate or other index, the time remaining to the maturity of such Notes, the amount outstanding of such Notes and market interest rates. The value of the applicable currency, commodity, stock or interest rate index depends on a number of interrelated factors, including economic, financial and political events, over which the Issuer has no control. Additionally, if the formula used to determine the amount of principal, premium and/or interest payable with respect to Index Linked Interest Notes contains a multiplier or leverage factor, the effect of any change in the applicable currency, commodity, stock, interest rate or other index will be increased. The historical experience of the relevant currencies, commodities, stocks or interest rate indices should not be taken as an indication of future performance of such currencies, commodities, stock, interest rate or other indices during the term of any Index Linked Interest Note. Additionally, there may be regulatory and other ramifications associated with the ownership by certain investors of certain Index Linked Interest Notes.

The credit ratings assigned to the Issuer's Programme are a reflection of the credit status of the Issuer, and in no way are a reflection of the potential impact of any of the factors discussed above, or any other factors, on the market value of any Index Linked Interest Note. Accordingly, prospective investors should consult their own financial and legal advisors as to the risks entailed by an investment in Index Linked Interest Notes and the suitability of such Notes in light of their particular circumstances.

Various transactions by the Issuer could impact the performance of any Index Linked Interest Notes, which could lead to conflicts of interest between the Issuer and holders of its Index Linked Interest Notes.

The Issuer is active in the international securities, currency and commodity markets on a daily basis. Therefore, it may, for its own account or for the account of customers, engage in transactions directly or indirectly involving assets that are “reference assets” under Index Linked Interest Notes and may make decisions regarding these transaction in the same manner as it would if the Index Linked Interest Notes had not been issued. The Issuer and its affiliates may on the issue date of the Index Linked Interest Notes or at any time thereafter be in possession of information in relation to any reference assets that may be material to holders of any Index Linked Interest Notes and that may not be publicly available or known to the Noteholders. There is no obligation on the part of the Issuer to disclose any such business or information to the Noteholders.

## TERMS AND CONDITIONS OF THE NOTES

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*The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Final Terms, will be applicable to the Global Notes (subject as provided in "Summary of Provisions Relating to the Notes while in Global Form") and the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject further to simplification by deletion of non-applicable provisions) will be endorsed on Bearer Notes or on the Certificates relating to such Registered Notes, details of the relevant Series and Tranche being shown on the relevant Notes and in the relevant Final Terms. These terms and conditions apply only to Notes issued on or after the date of this Base Prospectus. References in these terms and conditions to the "Issuer" in reference to any Tranche of Notes, are to the Issuer which has issued the Notes of that Tranche.*

The Notes are issued pursuant to an amended and restated agency agreement dated 29 June 2007 (the "**Agency Agreement**") between the Issuer, Fortis Banque Luxembourg S.A. as fiscal and principal paying agent (the "**Fiscal Agent**") and as calculation agent (the "**Calculation Agent**"), Natixis as paying agent (together with the Fiscal Agent and any additional or other paying agents in respect of the Notes from time to time appointed and, where the context so admits, the "**Paying Agents**"), Fortis Banque Luxembourg S.A. as registrar (the "**Registrar**") and Fortis Banque Luxembourg S.A. and Natixis as transfer agents (together with any additional or other transfer agents in respect of the Notes from time to time appointed, the "**Transfer Agents**"). The Noteholders (as defined below), the holders of the interest coupons (the "**Coupons**") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons (the "**Talons**") for further Coupons (the "**Couponholders**") and the holders of the instalment receipts (the "**Receipts**") appertaining to the payment of principal by instalments (the "**Receiptholders**") are deemed to have notice of all of the provisions of the Agency Agreement applicable to them. The Notes are issued with the benefit of an amended and restated deed of covenant dated 29 June 2007 (the "**Deed of Covenant**") executed by the Issuer.

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

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

### **1 Form, Denomination, Title and Redenomination**

#### **(a) Form, Denomination and Title**

The Notes are issued in bearer form ("**Bearer Notes**" which expression includes Notes which are specified to be Exchangeable Bearer Notes), in registered form ("**Registered Notes**") or in bearer form exchangeable for Registered Notes ("**Exchangeable Bearer Notes**"), in each case in the Specified Denomination(s) shown hereon provided that in the case of any listed Notes as provided hereon, the minimum Specified Denomination shall be €1,000 (or its equivalent in any other currency as at the date of issue of those Notes). Bearer Notes will be serially numbered.

All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes, Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register (the “**Register**”) which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Receipt, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Receipt, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof (or of the related Certificate) or any writing thereon (or on the Certificate representing it) made by anyone.

**(b) Redenomination**

- (i) The Issuer may (if so specified hereon), without the consent of the holders of any Note, Receipt, Coupon or Talon, by giving at least 20 days’ notice, in accordance with Condition 14, on or after the date on which the European Member State in whose national currency the Notes are denominated has become a participating Member State in the third stage of the European Economic and Monetary Union, as provided in the Treaty establishing the European Community (the “**EC**”), as amended from time to time (the “**Treaty**”) (“**EMU**”) redenominate all, but not some only, of the Notes of any Series into euro and adjust the aggregate nominal amount and the denomination set out in the relevant Final Terms accordingly, as described below. The date on which such redenomination becomes effective shall be referred to in these Conditions as the “Redenomination Date”.
- (ii) The redenomination pursuant to Condition 1(b)(i) shall be made:
  - (x) in accordance with regulations and other acts of the European Union and of the relevant national laws and regulations applicable to the redenomination into euro of debt obligations issued in the international capital markets, denominated in the relevant national currency which are held in clearing systems of international standing (“**euromarket debt obligations**”); or
  - (y) if no such laws or regulations are applicable, in such manner as the Issuer may determine in its reasonable discretion and by taking into account the interests of the Noteholders, which is consistent with existing or anticipated market practice for the redenomination into euro of euromarket debt obligations; or
  - (z) if no such determination is made, by
    - (1) converting the nominal amount of each Note into euro by using the fixed relevant national currency euro conversion rate established by the Council of the European Union pursuant to Article 1091(4) of the Treaty and rounding the resultant figure to the nearest cent (with 0.005 euro being rounded upwards); and
    - (2) causing Notes denominated in euro to be substituted for Notes denominated in the relevant national currency; the Notes denominated in euro will be in the denomination of one euro or, as the case may be (after taking into account the interests of Noteholders) a multiple of one euro. Any balance remaining from a redenomination shall be paid by way of cash adjustment rounded to the nearest cent

(with 0.005 euro being rounded upwards). Such cash adjustment will be payable in euros on the Redenomination Date.

- (iii) Upon redenomination of the Notes, any reference in these Conditions and the relevant Final Terms to the relevant national currency shall be construed as a reference to euro.

In these Conditions, “Notes” means those notes which form a single series with this Note (as referred to in Condition 13 herein), “Noteholder” means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), “holder” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them on the Notes, the absence of any such meaning indicating that such term is not applicable to the Notes.

*Capitalised terms which are not defined in these Conditions will have the meanings given to them in the relevant Final Terms.*

## **2 Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes**

### **(a) Exchange of Exchangeable Bearer Notes**

Subject as provided in Condition 2(e), Exchangeable Bearer Notes may be exchanged for the same aggregate nominal amount of Registered Notes of an Authorised Specified Denomination at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of the Registrar or any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 6(b)) for any payment of interest, the Coupon in respect of the payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes which are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

### **(b) Transfer of Registered Notes**

A Registered Note may be transferred in whole or in part upon the surrender of the Certificate representing such Registered Note to be transferred, together with the form of transfer endorsed on such Certificate duly completed and executed, at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred will be issued to the transferor.

### **(c) Exercise of Options or Partial Redemption in Respect of Registered Notes**

In the case of an exercise of an Issuer’s or Noteholders’ option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

**(d) *Delivery of New Certificates***

Each new Certificate to be issued pursuant to Conditions 2(a), (b) or (c) shall be available for delivery within five business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition (5)(g)) and/or surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition (d), “business day” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

**(e) *Exchange free of charge***

Exchange and transfer of Notes or Certificates on registration, transfer, partial redemption or exercise of an option will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment by the Noteholder (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to it.

**(f) *Closed periods***

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for a Registered Note (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of that Note, (ii) during the period of 15 days prior to any date on which Notes may be redeemed by the Issuer at its option pursuant to Condition 5(f) or (iii) after any such Note has been drawn for redemption in whole or in part. An Exchangeable Bearer Note called for redemption may, however, be exchanged for a Registered Note in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

### **3 Status and Negative Pledge**

The Issuer may issue Senior Notes and Subordinated Notes.

**(a) *Status of Senior Notes***

Senior Notes (being those Notes, the status of which the applicable Final Terms specifies as Senior Notes) and, where applicable, the Receipts and the Coupons relating to them constitute (subject as provided below) direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank, and will rank, at all times, *pari passu* and rateably without any preference among themselves and at least equally with all other unsecured and unsubordinated obligations (including deposits) for borrowed money, present or future, of the Issuer (save for statutorily preferred exceptions), from time to time outstanding.

**(b) *Status of Subordinated Notes***

Subordinated Notes (being those Notes, the status of which the applicable Final Terms specifies as Subordinated Notes and which may be dated or undated) constitute direct, unconditional, unsecured obligations of the Issuer and will rank *pari passu* without any preference among themselves and *pari passu* with all other present or future unsecured subordinated obligations of the Issuer with the exception of the *prêts participatifs* granted to, and *titres participatifs* and undated deeply

subordinated notes constituting *fonds propres de base* (“**Tier 1 Capital**”) issued in accordance with Article L. 228-97 of the French *Code de commerce* by the Issuer. If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason, the payment obligation of the Issuer under the Subordinated Notes and the Receipts and, if the applicable Final Terms so specifies, the Coupons relating to them shall be subordinated to the payment in full of the unsubordinated creditors of the Issuer and, subject to such payment in full, the holders of the Subordinated Notes and the holders of the Receipts and, if the applicable Final Terms specifies that the payment obligations of the Issuer under the Coupons are subordinated, of the Coupons relating to them will be paid in priority to any *prêts participatifs* granted to, and any *titres participatifs* and undated deeply subordinated notes constituting Tier 1 Capital issued in accordance with Article L. 228-97 of the French *Code de commerce* by the Issuer.

In the event of incomplete payment of unsubordinated creditors on the *liquidation judiciaire* of the Issuer, the obligations of the Issuer in connection with the Subordinated Notes and the Receipts and, if the applicable Final Terms specifies that the payment obligations of the Issuer under the Coupons are subordinated, the Coupons will be terminated by operation of the law.

The relevant Final Terms may provide for additions or variations to the Conditions applicable to the Subordinated Notes for the purposes *inter alia* of enabling the proceeds of the issue of such Subordinated Notes to count as *fonds propres complémentaires* (“**Tier 2 Capital**”) within the meaning of Article 4 of *Règlement* no. 90-02 of 23 February 1990, or *fonds propres surcomplémentaires* (“**Tier 3 Capital**”) within the meaning of Article 5 ter of *Règlement* no. 90-02 of 23 February 1990 in each case of the *Comité de la Réglementation Bancaire et Financière* as amended or superseded from time to time.

*In addition, the following paragraphs shall also apply to Notes in relation to which the applicable Final Terms specifies that the Notes are to be issued through the New York Branch.*

The holders of Subordinated Notes issued by the Issuer, acting through its New York Branch (the “**New York Branch**”), hereby irrevocably waive their rights to any preferences to which they may be entitled under Section 606(4) of the New York Banking Law and to any preferences to which they may become entitled under Section 4(j) of the International Banking Act of 1978 and under any other similar law enacted after the issue date of such Subordinated Notes to the extent necessary to give effect to the subordination provisions of the Subordinated Notes.

A holder of a Subordinated Note issued by the Issuer through its New York Branch, agrees that should the Superintendent take possession or be in possession of the business and property of the New York Branch at a time when proceedings with respect to the insolvency or liquidation of the Issuer have occurred and are continuing, the Superintendent will apply any amounts that would be due to the holders of such Subordinated Notes in the absence of the subordination provisions (1) first, to the payment in full of all deposit liabilities and all other liabilities of the New York Branch (other than such Subordinated Notes and other obligations of the New York Branch that rank *pari passu* with or that are subordinated to such Subordinated Notes) and to any other claim accorded priority under any United States federal or New York State law which is then due and payable, the priorities to be ascribed among such claims to be determined in accordance with such laws and (2) thereafter, to pay any amount remaining to any receiver or similar official in insolvency of the Issuer with similar powers appointed with respect to the Issuer or its assets for application in accordance with relevant law and as set forth with respect to Subordinated Notes generally, (i) first, to the payment in full of all claims of depositors and other obligations of the Issuer ranking senior in right of payment to the Subordinated Notes and (ii) thereafter, to the payment, equally and rateably, of amounts owing under the Subordinated Notes (whether pursuant to the terms of the Subordinated Notes or otherwise) and all obligations of the Issuer ranking *pari passu* in right of payment with the Subordinated Notes.

Each holder of a Subordinated Note issued by the Issuer through its New York Branch, agrees that should the Superintendent take possession or be in possession of the business and property of the

New York Branch (by reason of, *inter alia*, violation of laws or unsafe business procedures, as described in the section entitled “New York and United States Banking Regulation and Supervision” of the base prospectus dated 18 February 2003 (as supplemented or amended at the Issue Date) prepared in relation to the issue of the Notes) at any time when no other proceedings with respect to the insolvency or liquidation with respect to the Issuer have occurred and are continuing, the Superintendent will apply the assets of the New York Branch (1) first, to payment in full of all deposit liabilities of the New York Branch and all other liabilities of the New York Branch (other than such Subordinated Notes and other obligations of the New York Branch that rank *pari passu* with or that are subordinated to such Subordinated Notes) and to any other claim accorded priority under any United States federal or New York State law which is then due and payable, the priorities to be ascribed among such claims to be determined in accordance with such laws, (2) second, to the payment, equally and rateably, of amounts then due and owing on such Subordinated Notes and all obligations ranking *pari passu* in right of payment with such Subordinated Notes in accordance with the provisions of the first paragraph of this Condition 3(b) above, and (3) thereafter, to pay any amount remaining to the Issuer.

**(c) Negative Pledge**

Unless otherwise specified hereon, so long as any of the Senior Notes remains outstanding (as defined in the Agency Agreement) the Issuer undertakes that it will not create any mortgage, lien, pledge or other security interest upon the whole or any part of its undertaking or assets, present or future, to secure any borrowing evidenced by notes, bonds, debentures or other similar securities issued or guaranteed by it now outstanding or hereafter existing without at the same time according to the Senior Notes the same security as is granted to such borrowing or the benefit of such other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement and as explained further in Condition (10) of the Noteholders.

**4 Interest and other calculations**

**(a) Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date.

The amount of interest payable shall be determined in accordance with Condition 4(j).

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

**(b) Business Day Convention**

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

(c) ***Interest on Floating Rate Notes and Index Linked Interest Notes***

(i) *Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(j). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Rate of Interest for Floating Rate Notes*

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

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated hereon) the Margin (if any). For the purposes of this subparagraph (A), “ISDA Rate” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

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

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following (except as otherwise specified in the relevant Final Terms):

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

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

- (ii) if the Primary Source for Floating Rate is Reference Banks or if sub-paragraph (i)(x) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (i)(y) above applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates which each of the Reference Banks is quoting to major banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent;
- (iii) if paragraph (ii) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in the Euro-zone (the “**Principal Financial Centre**”) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (x) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (y) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Accrual Period);

(d) ***Rate of Interest for Index Linked Interest Notes***

The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index of Formula as specified hereon.

(e) ***Zero Coupon Notes***

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

(f) ***Dual Currency Notes***

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

(g) ***Partly Paid Notes***

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

**(h) *Accrual of Interest***

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

**(i) *Margin, Maximum/Minimum Rate of Interests, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding***

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

**(j) *Calculations***

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon and the Day Count Fraction (as defined in Condition 4(l)) for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable in respect of such Note for such period will equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Accrual Period will be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

**(k) *Determination and Publication of Rate of Interests, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts***

As soon as practicable after the relevant time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it will determine such rate and calculate the Interest Amounts in respect for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the

Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders and, if the Notes are listed on (the regulated market of) a stock exchange and (the regulated market of) such exchange so requires, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of a Rate of Interest and Interest Amount (except that, in the case of notification required to be published in a newspaper, such publication shall be made as soon as possible, and in no event later than the second Business Day after the commencement of the relevant Interest Period), or (ii) in all other cases, the fourth Business Day after such determination. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon the Paying Agents, the Registrar, the Transfer Agents, the Issuer, all relevant Noteholders and Coupon holders and (the regulated market of) any stock exchange on which the Notes are from time to time listed.

(l) **Definitions**

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

“Business Day” means:

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

“Calculation Amount” means an amount specified in the relevant Final Terms constituting either (i) in the case of one single denomination, the amount of that denomination (eg. €50,000) or (ii) in the case of multiple denominations, the highest common amount by which the multiple denominations may be divided (for example, €1,000 in the case of €51,000, €52,000 or €53,000).

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

- (i) if “Actual/Actual” or “Actual/Actual-ISDA” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “Actual/Actual-ICMA” is specified hereon,

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

where:

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

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

- (iii) if “30/360”, “360/360” or “Bond Basis” is specified hereon, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30”

- (iv) if “Actual/365 (Fixed)” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (v) if “Actual/360” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (vi) if “30E/360” or “Eurobond Basis” is specified hereon, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30”

- (vii) “if “**30E/360 (ISDA)**” is specified hereon, is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30” and

- (viii) in the case of a period comprising one or more complete years, a number equal to such number of complete years.

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

“Euro-zone” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty.

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

“Interest Amount” means

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified

hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“Interest Commencement Date” means the date of issue of the Notes (the “**Issue Date**”) or such other date as may be specified hereon.

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

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

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

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

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

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

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

“Relevant Date” in respect of any Note, Receipt or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 14 that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

“Relevant Financial Centre” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such hereon or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, London.

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

“Relevant Time” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified hereon or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and, for this purpose, “local time” means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, 11.00 hours, Brussels Time.

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

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

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

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

**(m) Calculation Agent and Reference Banks**

The Issuer will procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and a Calculation Agent if provision is made for them in the Conditions applicable to this Note and for so long as it is outstanding (as defined in the Agency Agreement). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer will appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place and notify the Noteholders of such appointment in accordance with the provisions of Condition 14. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or any Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirements, the Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place and notify the Noteholders of such appointment in accordance with the provisions of Condition 14. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## **5 Redemption, Purchase and Options**

**(a) Final Redemption**

Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer’s or Noteholder’s option in accordance with Condition 5(f) or 5(g), each Note will be redeemed at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) on the Maturity Date specified on each Note. The Maturity Date, in relation to Subordinated Notes the proceeds of which constitute Tier 2 Capital, will not be less than five years from the Issue Date and where the proceeds constitute Tier 3 Capital, will not be less than two years from the Issue Date.

**(b) Redemption for taxation reasons**

- (i) If, by reason of any change in French law or, in the case of Notes issued through the New York Branch, United States law, or any change in the official application or interpretation of any such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 7 below and the obligation to pay such additional amounts cannot be avoided by reasonable measures available to the Issuer, the Issuer may, at its option, and subject to the prior approval of the *Secrétariat Général* of the *Commission Bancaire* in the case of Subordinated Notes the proceeds of which constitute Tier 2 Capital or Tier 3 Capital, on any Interest Payment Date or, if so specified on this Note, at any time, subject to having given not more than 45 nor less than 30 days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 14, redeem all, but not some only, of the Notes at their Early Redemption Amount together with, unless otherwise specified in the Final Terms, any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes or for United States taxes, as the case may be.
- (ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by (i) (in the case of Notes issued through the New York Branch), United States law, from making payment to the Noteholders or Couponholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7 below and the obligation to pay such additional amounts cannot be avoided by reasonable measures available to the Issuer (which measures, if they exist, the Issuer shall be obliged to take), then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 14 and subject to prior approval of the *Secrétariat Général* of the *Commission Bancaire* in the case of Subordinated Notes the proceeds of which constitute Tier 2 or Tier 3 Capital, redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount together with, unless otherwise specified in the Final Terms, any interest accrued to the date set for redemption on (A) the latest practicable Interest Payment Date on which the Issuer could make payment on the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified on this Note, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, Receipts or Coupons or, if that date is passed, as soon as practicable thereafter.

**(c) Special tax redemption**

If, in the case of Notes issued through the New York Branch, the Issuer shall determine, based upon an opinion of independent legal advisers of recognised standing to the Issuer, that any payment made outside the United States by the Issuer or any of the Paying Agents of the full amount of principal, premium or interest due in respect of any Note, Receipt or Coupon would, under any present or future laws or regulations of general application of the United States affecting taxation or otherwise, be subject to any certification, information or other reporting requirement of any kind with regard to the nationality, residence or identity of a beneficial owner of such Note, Receipt or Coupon who is a United States Alien (as defined below) (other than such a requirement which would not be

applicable to a payment if made to a custodian, nominee or other agent of the beneficial owner, or which can be satisfied by such a custodian, nominee or other agent certifying to the effect that such beneficial owner is a United States Alien, provided that in each case payment by such custodian, nominee or agent to such beneficial owner is not otherwise subject to any requirement referred to in this sentence), the Issuer may, at its option and subject to prior approval of the *Secrétariat Général de la Commission Bancaire* in the case of Subordinated Notes the proceeds of which constitute Tier 2 Capital or Tier 3 Capital, elect to either redeem all (but not some only) of the outstanding Notes at their Early Redemption Amount plus accrued interest (if any) to the date fixed for redemption or, if the conditions of Condition 7(b) below are satisfied, pay the additional amounts specified in such paragraph. The Issuer shall make such determination and make such election as soon as practicable and give prompt notice thereof to Noteholders in accordance with Condition 14 below (the “**Determination Notice**”), stating the effective date of such certification, information or reporting requirement, whether the Issuer has elected to redeem the Notes or pay the additional amounts specified in Condition 7(b) below and, if applicable, the last date by which the redemption of the Notes must take place, as provided in the next succeeding sentence. If the Issuer elects to redeem the Notes, such redemption by the Issuer shall take place on such date or (in the case of Floating Rate Notes or as specified in the Final Terms) such Interest Payment Date, not later than one year after the publication of the Determination Notice, as the Issuer shall elect by notice in writing to the Agent given not less than 60 days before the date fixed for redemption. Notice of such redemption of the Notes will be given to the holders of the Notes not less than 30 nor more than 60 days prior to the date fixed for redemption. Notwithstanding the foregoing the Notes may not be so redeemed if, on the basis of any subsequent event, it is determined, in the manner set forth above, 30 days or more prior to the date fixed for redemption, that no such payment would be subject to any such requirement, in which case the Issuer shall give prompt notice of such determination in accordance with Condition 14 below and any earlier Determination Notice shall be revoked and of no further effect.

The term “United States Alien” means any corporation, partnership, individual, estate or trust that is, for United States Federal income tax purposes as to the United States, (i) a foreign corporation, (ii) a foreign partnership all of whose partners are United States Aliens, (iii) a non-resident alien individual, or (iv) a foreign estate or trust all of whose beneficiaries are United States Aliens.

**(d) Purchases**

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

**(e) Early Redemption**

**(i) Zero Coupon Notes**

The Early Redemption Amount payable in respect of any Zero Coupon Notes, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 5(b) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

**(ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date**

discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(b) or Condition 5(c), as the case may be, or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment), until the Relevant Date unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note together with any interest which may accrue in accordance with Condition 4(d).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

- (iv) *Other Notes*

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 5(b) or 5(c) or upon it becoming due and payable as provided in Condition 9, shall be the Final Redemption Amount unless otherwise specified hereon.

**(f) *Redemption at the Option of the Issuer and Exercise of Issuer's Options***

If Call Option is specified hereon, the Issuer may, subject to the prior approval of the *Secrétariat Général* of the *Commission Bancaire* in the case of Subordinated Notes the proceeds of which constitute Tier 2 Capital or Tier 3 Capital, on giving irrevocable notice to the Noteholders falling within the Issuer's Option Period (being the period during which the Issuer may chose to exercise the relevant option) redeem, or exercise any Issuer's option in relation to, all or, if so provided, some of the Notes in the nominal amount and on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified hereon and no greater than the maximum nominal amount to be redeemed specified hereon.

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

In the case of a partial redemption or a partial exercise of an Issuer's option the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn in such place as the Fiscal Agent may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements. So long as the Notes are listed on the (the regulated market of) Luxembourg Stock Exchange and the rules of that regulated market so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation in Luxembourg or on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) a notice specifying the aggregate nominal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

**(g) *Redemption at the Option of Noteholders and Exercise of Noteholders' Options***

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

To exercise such option or any other Noteholders' option which may be set out hereon (which must be exercised on an Option Exercise Date) the holder must deposit such Note with any Paying Agent (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent within the notice period as specified hereon. No Note or Certificate so deposited and option exercised may be withdrawn (except if the Notes become immediately due and payable, as provided in the Agency Agreement) without the prior consent of the Issuer.

**(h) *Redemption by Instalments***

Unless previously redeemed, purchased and cancelled as provided in this Condition 5 or the relevant Instalment Date (being one of the dates so specified hereon) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(f) or 5(g), each Note which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date at the Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

**(i) *Partly Paid Notes***

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

**(j) *Cancellation***

All Notes purchased by or on behalf of the Issuer must be surrendered to the Fiscal Agent in the case of Bearer Notes and, in the case of Registered Notes, the Certificate representing such Notes must be surrendered to the Registrar, in each case for cancellation and will, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

## **6 Payments and Talons**

**(a) *Bearer Notes***

Payments of principal and interest in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency, drawn on, or, at the option of the holders, by transfer to an account denominated in such currency with, a bank in

the principal financial centre of such currency or, in the case of euro, in a city in which banks have access to the TARGET System; provided that, in the case of payments of interest on Notes in relation to Notes issued through the New York Branch, transfer is made to an account outside the United States.

**(b) Registered Notes**

- (i) Payments of principal (which, for the purposes of this Condition 6(b), shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes will be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (a) above.
- (ii) Interest (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes will be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note will be made in the relevant currency by cheque drawn on a bank in the principal financial centre of the country of the currency concerned and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register maintained by the Registrar. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in paragraph (a) above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency.
- (iii) Payments through the Depository Trust Company (“**DTC**”), if specified in the relevant Final Terms, will be issued in the form of one or more Global Certificates and may be registered in the name or, or in the name of a nominee for, DTC. Payments of principal and interest in respect of Registered Notes denominated in US dollars will be made in accordance with conditions 6(b)(i) and 6(b)(ii). Payments of principal and interest in respect of Registered Notes registered in the name of, or in the name of a nominee for, DTC and denominated in a specified currency other than US dollars will be made or procured to be made by the Fiscal Agent in the specified currency in accordance with the following provisions. The amounts in such specified currency payable by the Fiscal agent or its agent to DTC with respect to Registered Notes held by DTC or its nominee will be received from the Issuer by the Fiscal Agent who will make payments in such specified currency by wire transfer of same day funds to the designated bank account in such specified currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of interest payments, on or prior to the third DTC business day after the Record Date for the relevant payment of interest and, in the case of payments of principal, at least 12 DTC business days prior to the relevant payment date, to receive that payment in such specified currency. The Fiscal Agent, after the Exchange Agent has converted amounts in such specified currency into US dollars, will cause the Exchange Agent to deliver such US dollar amount in same day funds to DTC for payment through its settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such specified currency. The Agency Agreement sets out the manner in which such conversions are to be made.

**(c) Payments in the United States**

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or

other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

**(d) *Payments subject to law etc***

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

**(e) *Appointment of Agents***

The Fiscal Agent, the other Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar and the Transfer Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any Paying Agent, the Registrar, the Transfer Agent or the Calculation Agent and to appoint additional or other Paying Agents or the Transfer Agents, provided that the Issuer, will at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a Calculation Agent where the Conditions so require one, (v) a Paying Agent having a specified office in a European city, provided that (A) so long as the Notes are listed on the regulated market of the Luxembourg Stock Exchange and the rules of that regulated market so require, the Issuer will maintain a Paying Agent in Luxembourg and (B) so long as the Notes are listed on the regulated market of the Luxembourg Stock Exchange and the rules of that regulated market so require, the Issuer will maintain a Registrar and a Transfer Agent in Luxembourg and (vi) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with or introduced in order to conform to such Directive (which may be any of the Paying Agents referred to in (v) above).

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

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 14.

**(f) *Unmatured Coupons and Receipt and unexchanged Talons***

- (i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Notes should be surrendered for payment together with all unmaturing Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of ten years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
- (ii) If the relative Notes so provide, upon the due date for redemption of any Note, unmaturing Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

- (iii) Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note (whether or not unattached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Note which provides that the relative Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note.

**(g) Talons**

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

**(h) Non-Business Days**

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “business day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “Financial Centres” hereon and:

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

## **7 Taxation**

**(a) Tax Exemption**

Interest and other revenues with respect to Notes which constitute *obligations* under French law and which, as may be specified in the relevant Final Terms, are being issued or are deemed to be issued outside the Republic of France, benefit from the exemption, provided for in Article 131 *quater* of the French *Code Général des Impôts*, from deduction of the withholding tax set out under Article 125 A III of the French *Code Général des Impôts*. Accordingly, such payments do not give the right to any tax credit from any French source.

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

**(b) Additional Amounts**

If French law or (in the case of Notes issued through the New York Branch) United States law should require that payments of principal or interest in respect of any Note, Receipt or Coupon be subject to deduction or withholding with respect to any taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the Noteholders or, if applicable, the Receiptholders or the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon, as the case may be:

- (i) Other connection: to, or to a third party on behalf of, a Noteholder or, if applicable, a Receiptholder or Couponholder, as the case may be, who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with, the Republic of France or, in the case of Notes issued through the New York Branch, the United States other than in each case the mere holding of such Note, Receipt or Coupon; or
- (ii) Presentation more than 30 days after the Relevant Date: in the case of Materialised Notes, more than 30 days after the Relevant Date except to the extent that the Noteholder, or, if applicable, the Receiptholder or Couponholder, as the case may be, would have been entitled to such additional amount on presenting it for payment on the thirtieth such day; or
- (iii) Payment to individuals: where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) Payment by another Paying agent: in respect of Definitive Materialised Bearer Notes, presented for payment by or on behalf of a holder of any Note, Receipt or Coupon, as the case may be, who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the EU; or
- (v) Notes not issued or deemed to be issued outside France: where the applicable Final Terms specify that Condition 7(c) applies to the Notes and the Noteholder does not satisfy the requirements conditioning the exemption of withholding tax provided for in Article 125 A III of the French *Code Général des Impôts* (see Condition 7(c) and 7(d) below).

As used in these Conditions, “Relevant Date” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due (and, for the avoidance of doubt, in the case of Arrears of Interest, references to “becomes due” shall be interpreted in accordance with the provisions of Condition 6(h)) or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or, in the case of Materialised Notes (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Early Redemption Amounts, Final Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to

Condition 4 or any amendment or supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any additional amounts which may be payable under this Condition.

**(c) Tax exemption for Notes not issued or deemed to be issued outside France**

Interest and other revenues with respect to Notes which constitute *obligations* under French law and which, if so specified in the relevant Final Terms, are not being issued or deemed to be issued outside the Republic of France will not be entitled to the provisions of Article 131 *quater* of the French *Code Général des Impôts* but will only benefit from the exemption from deduction of tax at source provided for in, and subject to the provisions of, Article 125 A III of the French *Code Général des Impôts*, which requires, *inter alia*, certification of non-French residency.

**(d) Certification of Non-Residency in France:**

Each Noteholder shall be responsible for supplying certification of non-French residency (a form of which shall be available at the specified offices of any of the Paying Agents or in such other form as may be required by the French tax authorities from time to time) in accordance with the provisions of Article 125 A III of the French *Code Général des Impôts*.

**(e) Supply of information:**

Each Noteholder shall be responsible for supplying, in a timely manner, any information as may be required in order to comply with the identification and reporting obligations imposed on it by the European Council Directive 2003/48/EC or any other European Directive implementing the conclusions of the ECOFIN Council Meeting dated 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.

**(f) Payment of additional amounts in respect of backup withholding tax**

Notwithstanding the provisions of Condition 5(c), if and so long as the certification, information or other reporting requirement referred to therein would be fully satisfied by payment of withholding tax or similar charge, the Issuer may elect to pay as additional amounts such amounts as may be necessary so that every net payment made following the effective date of such requirement outside the United States by the Issuer or any of the Paying Agents of principal or interest on any Note, Receipt or Coupon to a holder who is a United States Alien (but without any requirement with regard to the nationality, residence or identity of such holder), after deduction or withholding for or on account of such withholding tax or similar charge (other than a withholding tax or similar charge which is imposed as a result of presentation of such Note, Receipt or Coupon for payment more than 30 days after the date on which such payment becomes due and payable or on which payment thereof is duly provided for, whichever occurs later), will not be less than the amount provided for in such Note, Receipt or Coupon to be then due and payable. If the Issuer elects to pay such additional amounts and so long as it is obligated to pay the same, the Issuer may redeem all (but not some only) of the Notes at their Early Redemption Amount, plus accrued interest (if any) to the date fixed for redemption in accordance with the provisions of Condition 5(c).

## **8 Prescription**

Claims against the Issuer for the payment of principal and interest in respect of the Notes, Receipts and Coupons shall be prescribed and become void unless presented for payment within ten years (in the case of principal) and five years (in the case of interest) from the date for payment thereof.

## 9 Events of Default

### (a) Senior Notes

If any of the following events shall occur:

- (i) there is default for a period of 15 days or more in the payment of any principal or interest due in respect of any of the Senior Notes; or
- (ii) there is a default by the Issuer in the performance or observance of any other obligation under or in relation to the Senior Notes and any such default shall continue for a period of 60 days after written notice is received by the Issuer from the Fiscal Agent (and the Fiscal Agent shall be bound to give such notice forthwith upon the request of any holder of Senior Notes) specifying such default and requiring the same to be remedied; or
- (iii) if any other indebtedness of the Issuer for borrowed money becomes due and repayable prematurely by means of an event of default in relation thereto or the Issuer fails to make any payment in respect thereof on the due date for such payments, as extended by any applicable grace period or the security for any such other payment becomes enforceable, provided that the provisions of this paragraph (iii) shall not apply where the aggregate amount which is payable or repayable as aforesaid is equal to or less than €50,000,000 (or its equivalent in other currencies); unless in any such event the Issuer has disputed in good faith that such Indebtedness is due and payable or that such security is enforceable and such dispute has been submitted to a competent court, in which case default in payment or security becoming enforceable shall not constitute an event of default hereunder so long as the dispute shall not have been finally adjudicated; or
- (iv) (A) the Issuer applies for the appointment of a conciliator (*conciliateur*), enters into an amicable settlement (*accord amiable*) with its creditors or ceases its payments or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or for a transfer of the whole of its business (*cession totale de l'entreprise*), or the Issuer is subject to similar proceedings, or (B) in the absence of legal proceedings, the Issuer makes a conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors, or (C) a resolution is passed by the Issuer for its winding-up or the Issuer is dissolved (except in connection with a merger (*fusion-absorption*) or reorganisation upon which all the assets of the Issuer are transferred to and all its debts and liabilities assumed by the continuing entity or entity formed as a result of such merger or reorganisation); or
- (v) with respect to Senior Notes issued through the New York Branch (A), the Superintendent has taken possession of the New York Branch pursuant to Section 606 of the New York Banking Law or (B) the Federal Reserve Board has notified the New York Branch of the termination of its activities pursuant to Section 3105(e) of the United States Code and Part 211.25 of Title 12 of the United States Code of Federal Regulations, or otherwise or (C) the Issuer has become the subject of an ancillary proceeding under Section 304 of Title 11 of the United States Code,

then in any such event any holder of Senior Notes may by written notice to the Fiscal Agent effective upon receipt thereof by the Fiscal Agent declare such Senior Note to be forthwith due and payable at its Early Redemption Amount together with accrued interest without further formality unless such event of default shall have been remedied prior to the receipt of such notice by the Fiscal Agent.

### (b) Subordinated Notes

If any judgment shall be issued for the liquidation (*liquidation judiciaire*) of the Issuer, or if the Issuer is liquidated for any other reason, then the Subordinated Notes shall become immediately due and payable, in accordance with Condition 3(b), at their Early Redemption Amount together with any accrued interest to the date of payment without any further formality.

## 10 Meetings of Noteholders and Modifications

### (a) *Meetings of Noteholders*

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interest, including the sanctioning by Extraordinary Resolution of any modification of the Notes (including these Conditions). Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a simple majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest thereon, (ii) to reduce or cancel the nominal amount or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating the Interest Amount in respect thereof, (iv) if there is shown on the face of the Notes a Minimum Rate of Interest and/or a Maximum Rate of Interest, to reduce such Minimum Rate of Interest and/or such Maximum Rate of Interest, (v) to change any method of calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount (vi) to change the currency or currencies of payment of the Notes, or, in the case of Zero Coupon Notes, vary the method of calculating the Amortised Face Amount in respect thereof (vii) to take any steps which the Notes specify may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution or (ix) to modify or cancel the Deed of Covenant, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding and provided further that no amendment to the status of subordinated Notes may be approved until the consent of the *Secrétariat Général* of the *Commission Bancaire* has been obtained in relation to such amendment. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not and on all relevant Couponholders.

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

### (b) *Modification of Agency Agreement*

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

## 11 Substitution

The Issuer (which for the purpose of this Condition 11 includes any previous substituted company), may at any time, without the consent of the holders of Notes, Receipts, Coupons or Talons, substitute for itself as principal debtor under the Notes, the Receipts, the Coupons and the Talons, any company (the “**Substitute**”) which is controlling, controlled by or under common control with the Issuer, provided that (i) no payment in respect of the Notes, the Receipts or the Coupons, is at the relevant time overdue and (ii) the Issuer or Banque Fédérale des Banques Populaires, the holding company of the Issuer, for so long as such company holds a majority of the voting rights in the Issuer, will guarantee the obligations of the Substitute under the Programme if, at the date of substitution, the Issuer or Banque Fédérale des Banques Populaires is not prohibited by any legal or regulatory requirement from giving such guarantee, but if the Issuer or

Banque Fédérale des Banques Populaires is prohibited from giving such guarantee then the credit rating of the Substitute under the Programme, at the date of substitution, must be equal to or better than the credit rating of the Issuer. In order to confirm the credit rating of the Substitute under the Programme, the Issuer will, at the date of the substitution, procure the delivery of letters addressed to the legal adviser to the Dealers of such rating agencies as shall have rated the obligations of the Issuer at the request of the Issuer or such other rating agencies of comparable standing (the “**Rating Agencies**”), confirming that the credit rating of the Substitute under the Programme is equal to or better than that of the Issuer at the date of substitution. For this purpose, credit rating means the credit ratings assigned to the Substitute by such Rating Agencies. The substitution shall be made by a deed poll (the “**Deed Poll**”), to be substantially in the form scheduled to the Agency Agreement as Schedule 8, and may take place only if (a) the Substitute and the Issuer or Banque Fédérale des Banques Populaires (if it guarantees the obligations of the Substitute under (ii) above) shall, by means of the Deed Poll, agree to indemnify each holder of Notes, Receipts, Coupons or Talons against any tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute’s residence for tax purposes and, if different, of its incorporation with respect to any Note, Receipt, Coupon, Talon, or the Deed of Covenant and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution, (b) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Receipts, Coupons, Talons, the Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute and the Issuer or Banque Fédérale des Banques Populaires (if it guarantees the obligations of the Substitute under (ii) above) have been taken, fulfilled and done and are in full force and effect, (c) the Substitute and Banque Fédérale des Banques Populaires (if it guarantees the obligations of the Substitute under (ii) above) shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it or appropriate consequential amendments are made to reflect that the Issuer or Banque Fédérale des Banques Populaires will guarantee the obligations of the Substitute, (d) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Fiscal Agent) from a lawyer or firm of lawyers with a leading securities practice in the jurisdictions of each of the parties referred to in (a) above and in England as to the fulfilment of the preceding conditions of this Condition 11 and the other matters specified in the Deed Poll and (e) the Issuer shall have given at least 14 days’ prior notice of such substitution to the Noteholders, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents. References in Condition 9 to obligations under the Notes shall be deemed to include obligations under the Deed Poll.

## **12 Replacement of Certificates, Notes, Receipts, Coupons and Talons**

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and stock exchange regulations, at the specified office of such Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 14 (in the case of Bearer Notes, Receipts, Coupons or Talons) and to the Registrar (in the case of Certificates), in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

### **13 Further Issues and Consolidation**

The Issuer may from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders create and issue further notes, bonds or debentures either having the same terms and conditions as the Notes in all respects or in all respects except for the first payment of interest on them, and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at their time of issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes.

The Issuer may also from time to time, without the consent of the Noteholders, the Receiptholders or the Couponholders, consolidate the Notes with one or more issues of other notes, bonds or debentures issued by it, whether or not originally issued in one of the European national currencies or in euro, provided that such other notes, bonds or debentures have been redenominated in euro (if not originally denominated in euro) and otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

### **14 Notices**

Notices to holders of Registered Notes will be mailed to them at their addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing and, so long as the relevant Notes are listed on the regulated market of the Luxembourg Stock Exchange and the rules of that regulated market so require, in a leading newspaper having general circulation in Luxembourg (which is expected to be *d'Wort*) or on the website of the Luxembourg Stock Exchange ("[www.bourse.lu](http://www.bourse.lu)").

Notices to the holders of Bearer Notes will be valid if published in a leading newspaper having general circulation in London (which is expected to be the *Financial Times*) and, so long as the Notes are listed on the regulated market of the Luxembourg Stock Exchange and the rules of that regulated market so require, in a leading newspaper having general circulation in Luxembourg (which is expected to be *d'Wort* or 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 publication or, if published more than once or on different dates, on the first date on which publication is made. Couponholders will be deemed for all purposes to have notice of the contents of any notice to the holder of Bearer Notes in accordance with this Condition.

### **15 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

### **16 Governing Law**

#### **(a) Governing Law**

The Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, English law except that the provisions of Condition 3(b) are governed by, and shall be construed in accordance with, French law.

#### **(b) Jurisdiction**

The High Court of Justice in England is to have jurisdiction to settle any disputes which may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons ("**Proceedings**") may be brought in such court. The Issuer irrevocably submits to the jurisdiction of such court and waives any objection to Proceedings in such court on the ground that the Proceedings have been brought in an inconvenient forum or otherwise. This submission is made for the benefit of

each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

**(c) *Service of Process***

The Issuer irrevocably appoints the General Manager for the time being of its London Branch presently at Capital House, 85 King William Street, EC4N 7BL London to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed complete on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason the Issuer ceases to have a London branch it irrevocably agrees to appoint a suitable process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 14. Nothing shall affect the right to serve process in any manner permitted by law.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

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Each Tranche of Notes in bearer form having an original maturity of more than one year or, if the Notes are issued through the New York Branch, (i) having a maturity in excess of 183 days from their date of issue or (ii) having maturity of less than 183 days with a face amount of less than U.S.\$500,000 or its equivalent, will initially be represented by a temporary Global Note and each Tranche of Notes having an original maturity of one year or less will be represented by a permanent Global Note, in each case in bearer form without Coupons, Receipts or a Talon attached and in each case the relevant Global Note will be deposited on behalf of the subscribers of the relevant Notes (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg with a common depositary (the “**Common Depositary**”) for Euroclear and for Clearstream, Luxembourg, or (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear or Clearstream, Luxembourg or delivered outside a clearing system, as otherwise agreed between the Issuer and the relevant Dealer, on or about the issue date of the relevant Notes. No interest will be payable in respect of a temporary Global Note, except as provided below. Upon deposit of the temporary Global Note(s) with the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid and, in the case of Notes held through Euroclear France, the *intermédiaires financiers habilités* (French banks or brokers authorised to maintain securities accounts on behalf of their clients) (each an “**Approved Intermediary**”) who are entitled to such Notes according to the records of Euroclear France will likewise credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. Notes issued in registered form only will be issued in definitive form.

Upon the initial deposit of a Global Certificate in respect of and registration of Registered Notes in the name of a nominee for DTC and delivery of the relevant Global Certificate to the custodian for DTC (the “**Custodian**”), DTC will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg, DTC or such Approved Intermediary as the holder of a Note represented by a Global Note deposited with the Common Depositary must look solely to Euroclear or Clearstream, Luxembourg, DTC or such Approved Intermediary (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Notes, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, DTC or Euroclear France (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.

### **Exchange**

#### **Temporary Global Notes**

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement or promptly after the Issue Date in the case of Registered Notes, for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for definitive Notes in bearer form or, if applicable, in registered form.

#### **Permanent Global Notes**

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under “Partial Exchange of Permanent Global Notes”, in part for definitive Notes or, in the case of the third paragraph below, Registered Notes:

- (i) if the permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Fiscal Agent of its election to exchange the whole or part of such Global Note for Registered Notes; and
- (ii) otherwise, (1) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (an “**Alternative Clearing System**”) and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (2) if an event of default occurs in relation to the Notes represented by the permanent Global Note, by the holder giving notice to the Fiscal Agent of its election for such exchange.

#### **Unrestricted Global Certificates**

If the Final Terms states that the Notes are to be represented by a permanent Global Certificate on issue, transfers of the holding of Notes represented by any Global Certificate may only be made in part:

- (i) if the Notes represented by the Global Certificates are held on behalf of Euroclear, Clearstream, Luxembourg or Euroclear France or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) if the principal in respect of any Notes is not paid when due; or
- (iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to (i) or (ii) above, the Noteholder has given the Registrar not less than 30 days’ notice at its specified office of the Noteholder’s intention to effect such transfer.

#### **Restricted Global Certificates**

Each Restricted Global Certificate will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under “Partial Exchange of Permanent Global Notes and Global Certificates”, in part, for individual Certificates:

- (i) if the Notes represented by the Global Certificate are held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System (except for DTC) and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) if the Notes represented by the Global Certificate are held on behalf of a Custodian for DTC and if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the relevant Restricted Global Certificate or DTC ceases to be a “clearing agency” registered under the US Securities Exchange Act of 1934 (the “**Exchange Act**”) or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC; or
- (iii) if the principal in respect of any Notes is not paid when due; or
- (iv) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to (i) or (ii) above, the Noteholder has given the Registrar not less than 30 days’ notice at its specified office of the Noteholder’s intention to effect such transfer. Individual Certificates issued in exchange for a beneficial interest in the Restricted Global Certificate shall bear the legend applicable to such Notes as set out under “Transfer Restrictions”.

#### **Partial Exchange of Permanent Global Notes and Global Certificates**

For so long as a permanent Global Note or Global Certificate is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note or Global Certificate will be exchangeable in part on one or more occasions (1) for Registered Notes if the permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (2) for definitive Notes (i) upon

the giving of a default notice or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Final Terms) relating to Partly Paid Notes.

#### **Delivery of Notes**

On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated definitive Notes in bearer or registered form, as the case may be (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon), security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant definitive Notes.

#### **Exchange Date**

“Exchange Date” means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, or in the case of exchange following the giving of a default notice 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

Each Restricted Global Certificate and each individual Certificate issued in exchange for a beneficial interest in a Restricted Global Certificate will bear a legend applicable to purchasers who purchase the Registered Notes pursuant to Rule 144A as described under “Transfer Restrictions”.

#### **Amendment to Conditions**

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Base Prospectus. The following is a summary of certain of those provisions:

#### **Payments**

No payments falling due more than 40 days after the issue date will be made on a temporary Global Note unless exchange for an interest in a permanent Global Note or for definitive Notes is improperly withheld or refused. Payments on any temporary Global Note during the period up to 40 days after its issue date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement (or such other form as the Issuer may approve). All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 7(b)(iv) will apply to definitive Notes only.

#### **Notices**

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to Noteholders of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note and, so long as the Notes are listed on the regulated market of the Luxembourg Stock Exchange and the rules of that regulated market so

require, notices shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be *d'Wort*) or on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

#### **Prescription**

Claims against the Issuer in respect of Notes which are represented by a permanent Global Note will become void unless it is presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 4).

#### **Meetings**

The holder of a permanent Global Note will be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each integral currency unit of the Specified Currency of the Notes.

#### **Purchase and Cancellation**

Cancellation of any Note surrendered for cancellation following its purchase will be effected by reduction in the nominal amount of the relevant Global Note.

#### **Default**

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 9 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note which is becoming due and repayable. Following the giving of a notice of an event of default by or through a common depositary for Euroclear and Clearstream, Luxembourg, the holder of a Global Note may elect that the Global Note becomes void as to a specified portion and that the persons entitled to such portion as accountholders with a clearing system acquire direct enforcement rights against the Issuer under the terms of an amended and restated deed of covenant (the "**Deed of Covenant**") executed by the Issuer on 29 June 2007.

#### **Issuer's Option**

No drawing of Notes will be required under Condition 5(f) in the event that the Issuer exercises any option relating to those Notes while all such Notes which are outstanding are represented by a Global Note. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any series, the rights of accountholders with Euroclear, Clearstream, Luxembourg or Euroclear France (as the case may be) in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or Euroclear France (as the case may be).

#### **Noteholders' Option**

Any Noteholders' option may be exercised by the holder of a Global Note giving notice to the Fiscal Agent of the nominal amount of Notes in respect of which the option is exercised and presenting such Global Note for endorsement of exercise within the time limits specified in the Conditions.

#### **Redenomination and Consolidation**

A Global Note may be amended or replaced by the Issuer (in such manner as it considers necessary) for the purposes of taking account of the redenomination and/or consolidation of the Notes pursuant to Conditions 1(b) and 13, provided that such amendment or replacement could not reasonably be expected to be prejudicial to the interests of the Noteholders. Any consolidation may, in such circumstances, require a change in the relevant common depositary or central depositary or custodian or nominee, as the case may be.

#### **Partly Paid Notes**

The provisions relating to Partly Paid Notes will be contained in the Global Notes. For so long as any instalments of the subscription moneys due from the holder of Partly Paid Notes are due, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for definitive Notes (as the case may be). In the event that any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer will be entitled to forfeit such Notes and shall have no further obligation to their holder in respect of them.

## **USE OF PROCEEDS**

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The net proceeds of issues of Notes will be used by the Issuer for general banking purposes, or for general working capital. In relation to Subordinated Notes, the use of proceeds will be set out in the relevant Final Terms.

## CLEARING AND SETTLEMENT

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### **Book-Entry Ownership**

#### *Bearer Notes*

The Issuer may make applications to Euroclear France, Clearstream, Luxembourg and Euroclear for acceptance in their respective book-entry systems in respect of any Series of Notes in bearer form (“**Bearer Notes**”). In respect of Bearer Notes, a temporary Global Note and/or a permanent Global Note in bearer form without coupons may be deposited with a common depository for Clearstream, Luxembourg and Euroclear or with Euroclear France acting as central depository. Transfers of interests in such temporary Global Notes or other Global Notes will be made in accordance with the normal Euromarket debt securities operating procedures of Clearstream, Luxembourg and Euroclear and, if appropriate, Euroclear France.

#### *Registered Notes*

The Issuer may make applications to Clearstream, Luxembourg and Euroclear for acceptance in their respective book-Fry systems in respect of the Notes to be represented by an Unrestricted Global Certificate or a Restricted Global Certificate. Each Unrestricted Global Certificate or Restricted Global Certificate deposited with a nominee for Clearstream, Luxembourg and/or Euroclear will have an ISIN and a Common Code.

The Issuer and a relevant US agent appointed for such purpose that is an eligible DTC participant may make application to DTC for acceptance in its book-entry settlement system of the Registered Notes represented by a Restricted Global Certificate. Each Restricted Global Certificate will have a CUSIP number. Each Restricted Global Certificate will be subject to restrictions on transfer contained in a legend appearing on the front of such Certificate, as set out under "Transfer Restrictions". In certain circumstances, as described below in "Transfers of Registered Notes", transfers of interests in a Restricted Global Certificate may be made, as a result of which such legend may no longer be required.

In the case of a Tranche of Registered Notes to be cleared through the facilities of DTC, the Custodian, with whom the Registered Global Certificates are deposited, and DTC will electronically record the principal amount of the Restricted Notes held within the DTC system. Investors in Notes of such Tranche may hold their interests in an Unrestricted Global Certificate only through Clearstream, Luxembourg or Euroclear. Investors may hold their interests in a Restricted Global Certificate directly through DTC if they are participants in the DTC system, or indirectly through organisations which are participants in such system.

Payments of the principal of, and interest on, each Restricted Global Certificate registered in the name of DTC's nominee will be to or to the order of its nominee as the registered owner of such Restricted Global Certificate. The Issuer expects that the nominee, upon receipt of any such payment, will immediately credit DTC participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Restricted Global Certificate as shown on the records of DTC or the nominee. The Issuer also expects that payments by DTC participants to owners of beneficial interests in such Restricted Global Certificate held through such DTC participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the name of nominees for such customers. Such payments will be the responsibility of such DTC participants. None of the Issuer, any Paying Agent or any Transfer Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Restricted Global Certificates or for maintaining, supervising or reviewing any records relating to such ownership interests.

All Registered Notes will initially be in the form of an Unrestricted Global Certificate and/or a Restricted Global Certificate. Definitive Registered Notes in the form of Individual Certificates will only be available, in the case of Notes initially represented by an Unrestricted Global Certificate, in amounts specified in the applicable Final Terms, and, in the case of Notes initially represented by a Restricted Global Certificate, in amounts of US\$100,000 (or its equivalent in other currencies rounded upwards as agreed between the Issuer and the relevant

Dealer(s)), or higher integral multiples of US\$1,000 (or its equivalent in other currencies), in certain limited circumstances described below.

#### **Transfers of Registered Notes**

Transfers of interests in Global Certificates within DTC, Clearstream, Luxembourg and Euroclear will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer interests in a Restricted Global Certificate to such persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Restricted Global Certificate to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

In the case of Registered Notes to be cleared through Euroclear, Clearstream, Luxembourg and/or DTC, transfers may be made at any time by a holder of an interest in an Unrestricted Global Certificate to a transferee who wishes to take delivery of such interest through the Restricted Global Certificate for the same Series of notes provided that any such transfer made on or prior to the expiration of the Distribution Compliance Period (as defined in "Plan of Distribution") relating to the Notes represented by such Unrestricted Global Certificate will only be made upon receipt by the Registrar or any Transfer Agent of a written certificate from Euroclear or Clearstream, Luxembourg, as the case may be, (based on a written certificate from the transferor of such interest) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities law of any state of the United States or any other jurisdiction. Any such transfer made thereafter of an interest in the Notes represented by such Unrestricted Global Certificate will only be made upon request, through Clearstream, Luxembourg or Euroclear, by the holder of an interest in the Unrestricted Global Certificate to the Fiscal Agent and receipt by the Fiscal Agent of details of that account at either Euroclear or Clearstream, Luxembourg or DTC to be credited with the relevant interest in the Restricted Global Certificate. Transfers at any time by a holder of any interest in the Restricted Global Certificate to a transferee who takes delivery of such interest through an Unrestricted Global Certificate will only be made upon delivery to the Registrar or any Transfer Agent of a certificate setting forth compliance with the provisions of Regulation S and giving details of the accounts at Euroclear or Clearstream, Luxembourg, as the case may be, and/or DTC to be credited and debited, respectively, with an interest in the relevant Global Certificates.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described above and under "Transfer Restrictions", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Custodian, the Registrar and the Fiscal Agent.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Certificates will be effected through the Fiscal Agent, the Custodian and the Registrar receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) three business days after the trade date for the disposal of the interest in the relevant Registered Global Certificate resulting in such transfer and (ii) two business days after receipt by the Fiscal Agent or the Registrar, as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders

and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

For a further description of restrictions on transfer of Registered Notes, see "Transfer Restrictions".

DTC will take any action permitted to be taken by a holder of Registered Notes (including, without limitation, the presentation of Restricted Global Certificates for exchange as described above) only at the direction of one or more participants in whose account with DTC interests in Restricted Global Certificates are credited and only in respect of such portion of the aggregate principal amount of the relevant Restricted Global Certificates as to which such participant or participants has or have given such direction. However, in the circumstances described above, DTC will surrender the relevant Restricted Global Certificates for exchange for individual Certificates (which will, in the case of Restricted Notes, bear the legend applicable to transfers pursuant to Rule 144A).

The Issuer has been advised that DTC is a limited purpose trust company organised under the laws of the State of New York, a "banking organisation" under the laws of the State of New York, a member of the US Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic computerised book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly.

Although DTC, Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Registered Global Certificates among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Paying Agents or the Transfer Agents will have any responsibility for the performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

While a Restricted Global Certificate is lodged with DTC or the Custodian, Restricted Notes represented by Individual Certificates will not be eligible for clearing or settlement through DTC, Clearstream, Luxembourg or Euroclear.

#### **Pre-issue Trades Settlement**

It is expected that delivery of Notes will be made against payment therefor on the relevant Issue Date, which could be more than three business days following the date of pricing. Under Rule 15c6-1 of the US Securities and Exchange Commission under the Exchange Act, trades in the United States secondary market generally are required to settle within three business days (T+3), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes in the United States on the date of pricing or the next succeeding business days until the relevant Issue Date will be required, by virtue of the fact that the Notes initially will settle beyond T+3, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices and purchasers of Notes who wish to trade Notes between the date of pricing and the relevant Issue Date should consult their own adviser.

## DESCRIPTION OF NATIXIS

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Natixis is the fourth largest banking group in France and the fifteenth largest in Europe based on Tier 1 capital as of 31 December 2005, according to *The Banker*. It is affiliated with the Groupe Banque Populaire and the Groupe Caisse d'Épargne, two leading French mutual banking groups with strong customer bases, particularly in retail banking. Taken together, the two groups rank second in the French market for service to individuals (according to Banque de France, 2005), first among small and medium enterprises (SMEs) (according to Sofres, 2005) and second among professionals (according to CSA Pépites, 2006).

Natixis has a diversified range of activities encompassing a complete and balanced spectrum of financial services. Its business includes corporate and investment banking, asset management, services, receivables management, private equity and private banking, as well as retail banking through its ownership interests in the Banques Populaires and Caisses d'Épargne networks, as well as the distribution of retail products and services conceived primarily for the retail networks and their customers.

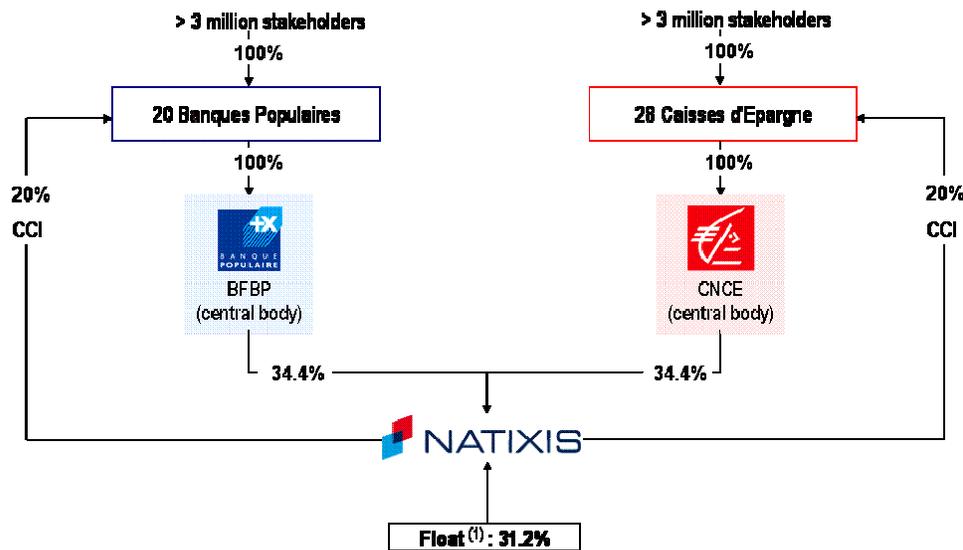
### 1) The creation of Natixis

The Group was formed through a series of transactions (the “**Combination Transactions**”) that occurred simultaneously on 17 November 2006, the date of the general shareholders’ meeting of Natexis Banques Populaires called to approve the contributions that are part of the Combination Transactions as well as certain other related matters. The Combination Transactions included the following :

- The contribution by CNCE to Natexis Banques Populaires of interests in certain subsidiaries and affiliates with activities in corporate and investment banking and financial services (the “**Contributed Entities**”), as well as co-operative certificates of investment (“**CCIs**”, which are non-voting equity interests), issued since 2004 by each of the 28 Caisses d'Épargne (the “**Caisses d'Épargne CCIs**”).
- The Contributed Entities are IXIS Corporate & Investment Bank (“**IXIS CIB**”) (corporate and investment banking, 98.77 per cent. owned), IXIS Asset Management Group (“**IXIS AMG**”) (asset management, 84.58 per cent. owned), Crédit Agricole Caisse d'Épargne Investor Services (“**CACEIS**”) (custody services, 50 per cent. owned), Gestitres (retail customer custody services, wholly-owned), La Compagnie 1818 — Banquiers Privés (private banking, 57.85 per cent. owned), CIFG Holding (financial guaranty insurance, wholly-owned), GCE Bail (lease financing, wholly-owned), GCE Affacturage (factoring, wholly-owned), GCE Garanties (guarantees and surety, wholly-owned), Foncier Assurance (insurance, 60 per cent. owned), Caisse d'Épargne Financement (“**CEFF**”) (consumer finance, 67 per cent. owned) and GCE Financial Services (“**GCE FS**”) (consumer finance, wholly-owned).
- The contribution by SNC Champion (a special-purpose company formed by the Banques Populaires and BFBP and 99.99 per cent. owned by BFBP) to Natexis Banques Populaires of the remaining Caisses d'Épargne CCIs that SNC Champion purchased from CNCE, thereby increasing the interest of Natexis Banques Populaires in the Caisses d'Épargne (through the Caisses d'Épargne CCIs) to 20 per cent., as well as a 1.23 per cent. interest in IXIS CIB and a 4.63 per cent. interest in IXIS AMG, which it purchased from Intesa Sanpaolo.
- The subscription by Natexis Banques Populaires of co-operative certificates of investment (the “**Banques Populaires CCIs**”) representing 20 per cent. of the capital of each of the Banques Populaires, funded by debt.
- The acquisition by Natexis Banques Populaires of a 66 per cent. interest in Novacrédit (consumer finance) currently held by the Banques Populaires.

Simultaneously with these transactions, the corporate name of Natexis Banques Populaires became Natixis.

The following diagram illustrates the ownership structure of Natixis as of 31 December 2006.



<sup>(1)</sup> Including DZ Bank (1,13%), Inassa San Paolo (1,63%)

## 2) Businesses of Natixis

The Group holds strong positions in France and internationally in its principal business lines. It operates primarily in six business lines:

- **Retail Banking (2006 pro forma-net income through CCIs : €487 m)** . Natixis engages in retail activities both through its 20 per cent. economic interests in two leading French retail banking networks, the Banques Populaires and the Caisses d'Epargne, and through services distributed primarily through these networks.

The networks of the two shareholder groups are similar in size but have distinctive and complementary market positions :

- The Caisses d'Epargne form one of the largest banking network in France. With 11 million customers with demand deposit accounts, the Caisses d'Epargne are focused on individual customers. They also offer a full range of services to meet the development needs of local authorities, public housing organizations, real estate professionals and local businesses.
- The Banques Populaires network is a leader in the professional and SME market segment and also has a strong base of individual customers. It has 7 million customers, including 6.2 million individual customers .

The two networks taken together rank second in the French market on the basis of number of customers with demand deposit accounts (over 16 million customers in total) and customer deposits and savings (outstanding as of 31 December 2006: €448 billion including life insurance and mutual funds).

The two retail networks and their customers are the commercial partners and focus of operations for a large part of Natixis' services : (i) Natixis provides services to meet the needs of the network banks (such as asset-liability management), (ii) it acts as subcontractor for securities services, cash management and payment processing; (iii) it provides financial savings and other products for individuals that are distributed through the networks, such as insurance and guarantees, and (iv) it provides financing products and services for SMEs and professionals that are distributed through the networks, such as leasing, factoring and employee benefits planning for professional and SME customers. Natixis also provides some of these products and services (principally securities services and electronic banking and payments) to external bank networks.

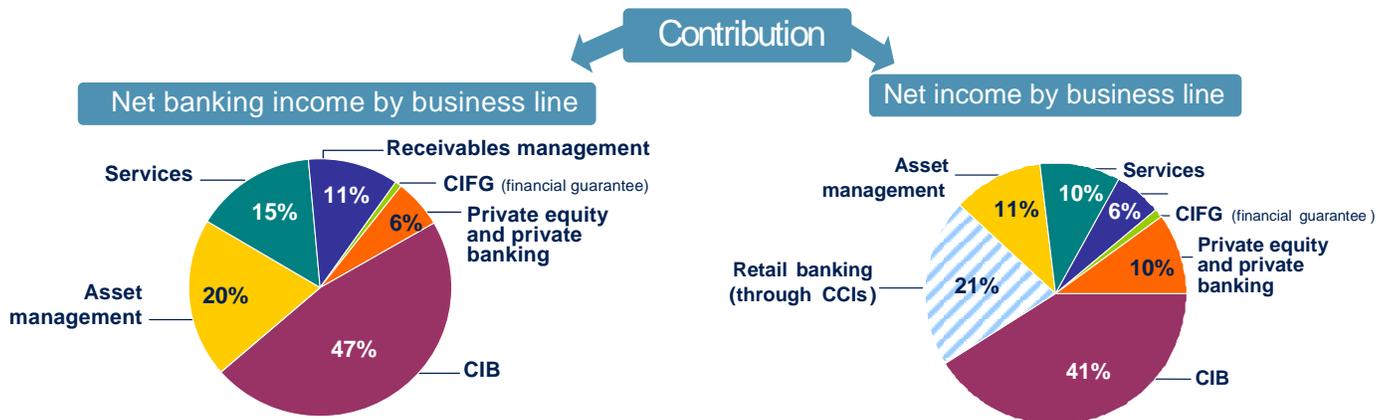
Natixis also provides some of its retail banking services (in particular, securities services and electronic banking services) as sub-contractor for external banking networks, as described further below under “Services”.

**Corporate and Investment Banking (2006 pro forma-NBI : €3,494 m, net income :€943 m).** Natixis has a significant presence in the European market and is one of the top corporate and investment banking groups in France. It combines the capital markets expertise of IXIS Corporate & Investment Bank with the strength of Natexis Banques Populaires in financing. Over the last five years, the corporate and investment banking activities of each group have grown substantially. Capitalizing on each network’s complementary expertise and customer base, Natixis holds leading positions in capital markets activities (in 2006: second in France for corporate bond issuances by volume according to Dealogic, number ten worldwide in CDO issuances by volume, according to Asset-Backed alert and among the largest banks in Europe for equity and interest rate derivatives) and in financing (in 2006: number 4 in France in acquisition financing by volume raised according to Dealogic, number 6, in MEA area, as loan arrangers in Trade Finance according to Trade Finance magazine, excluding aircraft and maritime finance, and the third largest bank in France in syndicated loans by volume according to Dealogic). Natixis provides a broad offering of products and solutions to corporate and institutional customers in areas such as corporate lending and structured finance, capital markets (interest rates, credit, exchange rate, commodities), derivatives, securitization and Corporate Solutions. The Group has relationships in France with almost all of the groups in the CAC 40 index and more than 80 per cent. of the groups in the SBF 250 index, as well as strong positions internationally, with half of the segment’s 2006 net banking income originating outside France .

- **Asset Management (2006 pro forma-NBI:€1,497 m, net income: €266 m)** . by pooling the strengths of IXIS AM Group and Natexis Asset Management, Natixis becomes a Franco-American leader that is rapidly developing a position as a major global asset manager. It holds a leading position in both retail and institutional asset management in France, and has a significant and visible presence in the United States, due to the contribution of IXIS Asset Management Group. The Group is ranked , number 13 worldwide, number 4 in Europe with €583 billion of combined assets under management as of 31 December 2006. Its multi-specialist structure, with numerous U.S. and French asset managers specialized by product type, gives it strong positions both in standardized products for the retail and life insurance markets, as well as tailor-made solutions for the most sophisticated institutional customers. Its products are managed by specialized affiliates with well-recognized brand franchises, and distributed globally through a proprietary distribution platform, as well as through the Group’s affiliates in France (including the two retail networks).
- **Services (2006 pro forma-NBI: €1,151 m, net income: €238 m):** . The services business includes transaction processing business lines (securities services, and electronic banking and payments) and four business lines offering a range of financial products and services for distribution through the retail bank networks (insurance, guarantees and sureties, consumer finance and employee benefits planning). Natixis also offers certain services to unaffiliated financial institutions. Natixis occupies a leading position in most of these business lines (in France for employee benefits planning, retail custodial services and electronic banking, and at the European and international levels for institutional custodial services). The most important business line of this segment in terms of net banking income is securities services, which comprises primarily retail and institutional custodial and account services. The Group is ranked number 10 worldwide in institutional custodial services and number 2 in France for retail custody.  
The segment also includes life and property insurance, consumer finance and guarantees and sureties for individuals, professionals and SMEs, as well as payment services and employee benefits planning for professionals, SMEs and corporate customers.
- **Receivables Management (2006 pro forma-NBI: €840 m, net income: €145 m).** Natixis is a global leader in receivables management, offering a full range of financial services to French and international businesses, including credit insurance, business information services, factoring and receivables collection. The receivables management offering is provided by Coface, the world’s third largest credit insurer, which operates directly in 60 countries and serves over 87,000 customers, as well as Natexis Factorem and GCE Affacturage, which have developed strong relationships for factoring services with the retail networks.

- Private Equity and Private Banking (2006 pro forma-NBI: €449 m, net income: €229 m)** . Natexis Private Equity is a leader in the small- and mid-cap segment of the French private equity market, managing over €3.2 billion of assets as of 31 December 2006, invested in expansion capital, LBOs, funds of funds and venture capital assets. In 2006, the segment invested €374 million, and as of the end of 2006 it held interests in over 600 companies representing a diverse range of industries and geographic regions. The Group's private banking business manages €13.2 billion of assets for high-net worth individuals, particularly customers of the Banques Populaires and Caisses d'Epargne networks.

In addition to these business lines, **CIFG (2006 pro forma-NBI: €79 m, net income: €22 m)** provides financial guaranty insurance.



### 3) Corporate Governance

#### 3-1) Supervisory Board

##### Chairman

**Charles MILHAUD**, Chairman of the Management Board of Caisse Nationale des Caisses d'Epargne et de Prévoyance

##### Supervisory Board members

**Banque Fédérale des Banques Populaires**, represented by **Michel GOUDARD**, Deputy Chief Executive Officer of Banque Fédérale des Banques Populaires

**Vincent BOLLORÉ**, Chairman and Chief Executive Officer of Bolloré Group

**Caisse Nationale des Caisses d'Epargne et de Prévoyance**, represented by **Nicolas MERINDOL**, Chief Executive Officer of Caisse Nationale des Caisses d'Epargne et de Prévoyance

**Jean-François COMAS**, Chief Executive Officer of Banque Populaire Côte d'Azur

**Bernard COMOLET**, Chairman of the Management Board Caisse d'Epargne Ile de France Paris

**Claude CORDEL**, Chairman of Banque Populaire du Sud

**Jean-Claude CREQUIT**, Chairman of the Management Board of Caisse d'Epargne Côte d'Azur

**Stève GENTILI**, Chairman of BRED Banque Populaire

**Francis HENRY**, Chairman of the Management Board and Supervisory Board of Caisse d'Epargne Champagne-Ardenne

##### Non-voting directors

**Ulrich BRIXNER**, Chairman of the Beirat of DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main

**Yvan de La PORTE du THEIL**, Chief Executive Officer of Banque Populaire Val de France

**Bruno METTLING**, Deputy Chief Executive Officer of Banque Fédérale des Banques Populaires

**Jean-Charles NAOURI**, Chairman of Euris

**Didier PATAULT**, Chairman of the Management Board of Caisse d'Epargne des Pays de la Loire

**Henri PROGLIO**, Chairman and Chief Executive Officer of Veolia Environment

**Philippe SUEUR**, Chairman of the Orientation and Supervisory Board of Caisse d'Epargne Ile de France Nord

**Jean-Louis TOURRET**, Chairman of Banque Populaire Provençale et Corse

**Robert ZOLADE**, Chairman of Elior

**Alfonso IOZZO**, Chairman of the Cassa Depositi e Prestiti

#### 3-2) Management Board

**Philippe DUPONT**  
Chairman

**Dominique FERRERO**  
Chief Executive Officer

**François LADAM**

**Anthony ORSATELLI**

#### 4) Key figures of Natixis as of 12/31/2005 and 12/31/2006

<b>Summary pro forma consolidated balance sheet data in €m</b>	<b>31 December 2005</b>	<b>31 December 2006</b>
Inter-bank assets .....	133,528	114,879
Customer loans .....	78,346	93,369
Financial assets at fair value through profit or loss .....	149,835	176,903
Available-for-sale financial assets .....	33,476	31,143
Held-to-maturity financial assets .....	7,053	7,037
Other assets .....	35,613	35,302
<b>Total Assets</b> .....	<b>437,851</b>	<b>458,633</b>
Financial liabilities at fair value through profit or loss .....	132,322	133,392
Inter-bank liabilities .....	125,219	141,914
Customer deposits and other customer liabilities .....	57,480	49,690
Debt securities .....	46,228	54,254
Technical reserves of insurance companies .....	27,414	31,058
Provisions for risks and charges .....	673	551
Other liabilities .....	22,924	20,761
Subordinated debt .....	9,145	8,770
Minority interests .....	635	766
Shareholders' equity .....	15,811	17,477
<b>Total Liabilities and Shareholders' Equity</b> .....	<b>437,851</b>	<b>458,633</b>
<b>Summary pro forma consolidated income of statement in €m</b>	<b>2005</b>	<b>2006</b>
<b>Net banking income</b> .....	<b>5,857</b>	<b>7,322</b>
<b>Gross operating income</b> .....	<b>1,764</b>	<b>2,269</b>
Cost of risk .....	(108)	(50)
<b>Net operating income</b> .....	<b>1,656</b>	<b>2,204</b>
<b>Net income group share</b> .....	<b>1,662</b>	<b>2,100</b>
<b>Summary pro forma consolidated operating data in €m except percentages</b>	<b>December 31, 2005</b>	<b>December 31, 2006</b>
Non performing loans .....	1,446	1,206
Ratio of provisions to doubtful loans(1) .....	57.3%	60%
Risk-weighted assets(2) .....	116,018	125,092
Tier 1 ratio (3) .....	8.5%	8.9%
CAD ratio .....	11.5%	10.6%
<i>Cost-to-income ratio</i> .....	<i>68%</i>	<i>68%</i>

(1) Ratio of specific provisions to doubtful loans, without taking into account collective provisions.

(2) Risk-weighted assets are determined under the method for calculation of the European solvency ratio (the CAD ratio).

(3) In accordance with CRD/Basel II rules.

#### 5) Ratings

	<b>Long term</b>	<b>Short term</b>
<b>Standard &amp; Poors</b>	<b>AA</b>	<b>A-1+</b>
<b>Moody's</b>	<b>Aa2</b>	<b>P-1</b>
<b>Fitchratings</b>	<b>AA</b>	<b>F1+</b>

#### 6) Websites

Natixis: [www.natixis.fr](http://www.natixis.fr)

Autorité des Marchés financiers (AMF): [www.amf-france.org](http://www.amf-france.org)

Luxembourg Stock Exchange : [www.bourse.lu](http://www.bourse.lu)

## NEW YORK AND UNITED STATES BANKING REGULATION AND SUPERVISION

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The New York Branch of the Issuer is licensed by the Superintendent of Banks of the State of New York (the “**Superintendent**”) to conduct a banking business as a branch of a foreign bank.

### **Regulation and Supervision of the New York Branch and the Issuer**

#### **New York State**

The New York Branch is licensed by the Superintendent under the banking laws of the State of New York. The New York Branch is examined and supervised by the New York State Banking Department and is subject to banking laws and regulations applicable to a foreign bank that operates a New York Branch. Under New York law and currently applicable regulations, the Issuer must maintain with banks in the State of New York eligible assets (which consist of specified types of governmental obligations, U.S. dollar deposits, investment-grade commercial paper, obligations of certain international financial institutions and other specified assets) the fair market value of which equals 1 per cent. of the average total liabilities of the New York Branch (excluding liabilities to other offices, agencies, branches and subsidiaries of the Issuer and including liabilities of the New York Branch for the previous month that are booked at an international banking facility of the New York Branch (if any)), as security for the benefit of depositors and other creditors of the New York Branch. Under the banking laws of the State of New York, the Superintendent is also empowered to require New York Branches of foreign banks to maintain in New York specified assets equal to such percentage of the branches’ liabilities as may be determined pursuant to regulation. At present, there is no minimum requirement for such assets, although specific asset maintenance requirements may be imposed by the Superintendent upon individual branches on a case-by-case basis.

The banking laws of the State of New York authorise the Superintendent to take possession of the business and property of the New York Branch of a foreign bank under circumstances similar to those which would permit the Superintendent to take possession of the business and property of a New York State-chartered bank. These circumstances include violations of law, unauthorised or unsafe business procedures (as referred to in the final paragraph of “Terms and Conditions of the Notes - 3(b) *Status of Subordinated Notes*), capital impairments, the suspension of payment of obligations and the initiation of liquidation proceedings (as referred to in “Terms and Conditions of the Notes - 3(b) *Status of Subordinated Notes*) against the foreign bank at its domicile or elsewhere or the existence of reason to doubt the ability or willingness of such bank to pay in full the claims of holders of accepted claims specified under New York law. Under New York law, in liquidating or dealing with a branch’s business after the Superintendent has taken possession of such branch, only the claims of creditors which arose out of transactions with such New York Branch are to be accepted by the Superintendent for payment out of the business and property of the foreign bank in the State of New York.

The New York Branch is generally subject to the same lending limits as a percentage of capital as apply to a New York State-chartered bank, except that, in the case of the New York Branch, such limits are based on the capital of the Issuer.

#### **United States Federal**

In addition to being subject to New York State laws and regulations, the New York Branch is also subject to Federal laws and regulations, primarily under the International Banking Act of 1978 (the “**IBA**”) and the Federal Deposit Insurance Corporation Improvement Act of 1991 (“**FDICIA**”), and to examination by the Board of Governors of the Federal Reserve System (the “**Federal Reserve Board**”). Under the IBA and FDICIA, all branches and agencies of foreign banks in the United States are subject to reporting and examination requirements similar to those imposed on domestic banks which are owned or controlled by United States bank holding companies, and most United States branches and agencies of foreign banks, such as the New York Branch, are subject to reserve requirements on deposits held by such branches and to restrictions on the payment of interest on demand deposits pursuant to regulations of the Federal Reserve Board. Because the New York Branch does not accept retail deposits, its deposits are not insured by the Federal Deposit Insurance Corporation (the “**FDIC**”). Under the IBA, the Issuer is restricted from opening new full service branches and establishing or acquiring subsidiary banks in States outside its “home State” which, in the case of the Issuer, is New York. The IBA and FDICIA also contain certain restrictions on the ability of the Issuer to engage in non-banking activities in the United States and require Federal Reserve Board approval for certain types of expansion of its United States operations. FDICIA provides that state-licensed branches, such as the New York Branch, are not permitted to engage in any type of activity that is not permissible for federally-licensed branches, which in turn are generally subject to the regulations pertaining to national banks, unless the Federal Reserve Board has determined that such activity is permissible. In addition, state-licensed branches are subject to the same limitations with respect to loans made to a single borrower as are applicable to federally-licensed branches,

except that for the New York Branch, such limits are based on the capital of all of the Issuer's branches and agencies on an aggregated basis.

The New York Branch is also subject to the Foreign Bank Supervision Enhancement Act of 1991 (the "FBSEA") which increased the degree of federal bank regulation of, and supervision over, U.S. branches of foreign banks such as the New York Branch. The FBSEA authorises the Federal Reserve Board to terminate the activities of a United States branch of a foreign bank if it determines that the foreign bank is not subject to comprehensive supervision on a consolidated basis in its home country, or that there is reasonable cause to believe that such foreign bank, or an affiliate, has violated the law or engaged in an unsafe or unsound banking practice in the United States, and as a result, continued operation of the branch would be inconsistent with the public interest and purposes of the banking laws. If the New York Branch were to be closed by the Federal Reserve Board pursuant to the authority granted by FBSEA, or the Issuer were voluntarily to discontinue the operations of the New York Branch, holders of the Notes who wish to enforce the obligations of the New York Branch would have recourse only against the Issuer for such enforcement, except to the extent of any arrangements made for the payment of the liabilities of the New York Branch by the Superintendent or other regulatory authorities.

The New York Branch is also subject to the Bank Secrecy Act (the "BSA") which in part regulates customer identification procedures, prohibits financial institutions from engaging in business with foreign shell banks and requires enhanced due diligence procedures. If the Issuer violates the BSA, there may be a forfeiture of deposits in the New York Branch which deposits are unrelated to the violation.

**The Notes are not deposits and are not insured by the FDIC or any other government agency.**

#### **Effects of Subordination**

Notes which are designated as Subordinated Notes and are issued through the New York Branch will constitute unsecured obligations of the New York Branch and the Issuer, subordinated and junior in right of payment, to the extent and in the manner provided in the Subordinated Notes, to all deposit liabilities and other liabilities of the New York Branch and the Issuer (including all deposit liabilities and other liabilities of all offices of the Issuer wherever located) except those liabilities which by their terms rank *pari passu* with or subordinate to the Subordinated Notes. By their acceptance of the Subordinated Notes issued by the New York Branch, the holders of such Subordinated Notes will irrevocably waive their rights under Section 606(4) of the New York Banking Law for their claims in respect of such Subordinated Notes to be accepted by the Superintendent and paid out of the business and property of NBP in the State of New York, to the extent necessary to effectuate the subordination provision of such Subordinated Notes. See "Terms and Conditions of the Notes".

If proceedings with respect to the insolvency or liquidation with respect to the Issuer should occur, or if the Superintendent should take possession of the business or property of the New York Branch, or both, the holders of Subordinated Notes may recover less rateably than the holders of deposit liabilities of the New York Branch. Holders of Subordinated Notes would be required to pursue their claims on the Subordinated Notes in proceedings against the Issuer. To the extent that holders of the Subordinated Notes are entitled to any recovery with respect to the Subordinated Notes in any French proceedings, such holders might not be entitled in such proceedings to a recovery in U.S. dollars and might be entitled only to a recovery in euro.

At 31 December 2003, the New York Branch had outstanding liabilities to creditors (including deposits and debt) on its balance sheet ranking senior to the Subordinated Notes ("**Senior Liabilities**") with an aggregate nominal amount of approximately €11,561,585,000. At 31 December 2003, the Issuer, including the New York Branch, had outstanding Senior Liabilities<sup>1</sup> with an aggregate nominal amount of approximately €107,001,000,000 including €27,819,000,000 of debt issues. The Subordinated Notes do not limit the amount of deposit liabilities or other liabilities ranking *pari passu* with or senior to the Subordinated Notes, which may be thereafter incurred or assumed by the New York Branch or the Issuer.

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<sup>1</sup> Excluding debt represented by Subordinated Notes, insurance company underwriting provisions and provisions for liabilities and charges.

## TAXATION

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### United States

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS BASE PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

*The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below). This summary does not address the material U.S. federal income tax consequences of every type of Note which may be issued under the Programme, and the relevant Final Terms will contain additional or modified disclosure concerning the material U.S. federal income tax consequences relevant to such type of Note as appropriate. This summary deals only with purchasers of Notes that are U.S. Holders and that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors, and does not address state, local, foreign or other tax laws. In particular, this summary does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. dollar). Moreover, the summary deals only with Notes with a term of 30 years or less. The U.S. federal income tax consequences of owning Notes with a longer term will be discussed in the applicable Final Terms.*

*As used herein, the term “U.S. Holder” means a beneficial owner of Notes that is for U.S. federal income tax purposes, (i) a citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes.*

*The U.S. federal income tax treatment of a partner in a partnership that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their tax adviser concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of Notes by the partnership.*

*The summary is based on the tax laws of the United States including the Internal Revenue Code of 1986, as amended (the “Code”), its legislative history, existing and proposed regulations thereunder, published rulings and court decisions all as currently in effect and all subject to change at any time, possibly with retroactive effect.*

*Bearer Notes (including Exchangeable Bearer Notes while in bearer form) are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the United States Internal Revenue Code.*

## U.S. Holders

**THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.**

### Payments of Interest

#### *General*

Interest on a Note, whether payable in U.S. dollars or a currency, composite currency or basket of currencies other than U.S. dollars (a “**foreign currency**”), other than interest on a “Discount Note” that is not “qualified stated interest” (each as defined below under “Original Issue Discount — General”), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder’s method of accounting for tax purposes. Interest paid by the Issuer on the Notes and OID, if any, accrued with respect to the Notes (as described below under “Original Issue Discount”) generally will constitute, in the case of Notes issued by an Issuer other than by NPB acting through its New York Branch (a “**Non-U.S. Issuer**”), income from sources outside the United States, or, in the case of the Issuer acting through the New York Branch (the “**U.S. Issuer**”), from sources within the United States. Prospective purchasers should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Notes.

### Original Issue Discount

#### *General*

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with original issue discount (“**OID**”). The following summary does not discuss Notes that are characterized as contingent payment debt instruments for U.S. federal income tax purposes. In the event the Issuer issues contingent payment debt instruments the applicable Final Terms will describe the material U.S. federal income tax consequences thereof.

A Note, other than a Note with a term of one year or less (a “**Short-Term Note**”), will be treated as issued with OID (a “**Discount Note**”) if the excess of the Note’s “stated redemption price at maturity” over its issue price is equal to or more than a de minimis amount (0.25 per cent. of the Note’s stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an “**instalment obligation**”) will be treated as a Discount Note if the excess of the Note’s stated redemption price at maturity over its issue price is greater than 0.25 per cent. of the Note’s stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note’s weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note’s stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of “qualified stated interest.” A qualified stated interest payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under “Variable Interest Rate Notes”), applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note.

U.S. Holders of Discount Notes must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note (“**accrued OID**”). The daily portion is determined by allocating to each day in any “accrual period” a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note’s adjusted issue price at the beginning of the accrual period and the Discount Note’s yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The “adjusted issue price” of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

#### *Acquisition Premium*

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being “acquisition premium”) and that does not make the election described below under “Election to Treat All Interest as Original Issue Discount”, is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder’s adjusted basis in the Note immediately after its purchase over the Note’s adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note’s adjusted issue price.

#### *Market Discount*

A Note, other than a Short-Term Note, generally will be treated as purchased at a market discount (a “**Market Discount Note**”) if the Note’s stated redemption price at maturity or, in the case of a Discount Note, the Note’s “revised issue price”, exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25 per cent. of the Note’s stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note’s maturity (or, in the case of a Note that is an instalment obligation, the Note’s weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes “de minimis market discount”. For this purpose, the “revised issue price” of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments.

Under current law, any gain recognised on the maturity or disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election shall apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the Internal Revenue Service (the “**IRS**”). A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Note includible in the U.S. Holder’s income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Under current law, market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

### *Election to Treat All Interest as Original Issue Discount*

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under “Original Issue Discount — General,” with certain modifications. For purposes of this election, interest includes stated interest, OID, de minimis OID, market discount, de minimis market discount and unstated interest, as adjusted by any amortisable bond premium (described below under “Notes Purchased at a Premium”) or acquisition premium. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on a Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election discussed above under “Market Discount” to include market discount in income currently over the life of all debt instruments with market discount held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

### *Variable Interest Rate Notes*

Notes that provide for interest at variable rates (“**Variable Interest Rate Notes**”) generally will bear interest at a “qualified floating rate” and thus will be treated as “variable rate debt instruments” under Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a “variable rate debt instrument” if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified *de minimis* amount and (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A “qualified floating rate” is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate unless the cap or floor is fixed throughout the term of the Note.

An “objective rate” is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer's stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note's term. A “qualified inverse floating rate” is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the

Variable Interest Rate Note's issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate. A "current value" of a rate is the value of the rate on any day that is no earlier than 3 months prior to the first day on which that value is in effect and no later than 1 year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument", then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a "true" discount (i.e., at a price below the Note's stated principal amount) in excess of a specified *de minimis* amount. OID on a Variable Interest Rate Note arising from "true" discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general OID rules to the "equivalent" fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the "equivalent" fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a "variable rate debt instrument", then the Variable Interest Rate Note will be treated as a contingent payment debt obligation. The proper U.S. federal income tax treatment of Variable Interest Rate

Notes that are treated as contingent payment debt obligations will be more fully described in the applicable Final Terms.

#### *Short-Term Notes*

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realised on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realised.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election shall apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

#### *Fungible Issue*

The Issuer may, without the consent of the Holders of outstanding Notes, issue additional Notes with identical terms. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such a case, the additional Notes may be considered to have been issued with OID even if the original Notes had no OID, or the additional Notes may have a greater amount of OID than the original Notes. These differences may affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes.

### **Notes Purchased at a Premium**

A U.S. Holder that purchases a Note for an amount in excess of its principal amount, or for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as "amortisable bond premium", in which case the amount required to be included in the U.S. Holder's income each year with respect to interest on the Note will be reduced by the amount of amortisable bond premium allocable (based on the Note's yield to maturity) to that year. Any election to amortise bond premium shall apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also "Original Issue Discount — Election to Treat All Interest as Original Issue Discount".

### **Purchase, Sale and Retirement of Notes**

A U.S. Holder's tax basis in a Note will generally be its cost, increased by the amount of any OID or market discount included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder's income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortisable bond premium applied to reduce interest on the Note.

A U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and the tax basis of the Note. The amount realised does not include the amount attributable to be accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income. Except to the extent described above under “Original Issue Discount — Market Discount” or “Original Issue Discount — Short Term Notes” or attributable to changes in exchange rates (as discussed below), gain or loss recognised on the sale or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder’s holding period in the Notes exceeds one year.

Gain or loss realised by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source.

## **Foreign Currency Notes**

### *Interest*

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognised with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign currency, the U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

### *OID*

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale of the Note), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

### *Market Discount*

Market Discount on a Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder’s taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (which will be taxable as

ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the disposition or maturity of the Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

#### *Bond Premium*

Bond premium (including acquisition premium) on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income in units of the foreign currency. On the date bond premium offsets interest income, a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) measured by the difference between the spot rate in effect on that date, and on the date the Notes were acquired by the U.S. Holder. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognise a market loss when the Note matures.

#### *Sale or Retirement*

As discussed above under “Purchase, Sale and Retirement of Notes”, a U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and its tax basis in the Note. A U.S. Holder’s tax basis in a Note that is denominated in a foreign currency will be determined by reference to the U.S. dollar cost of the Note. The U.S. dollar cost of a Note purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects).

The amount realised on a sale or retirement for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or retirement, or the settlement date for the sale, in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder’s purchase price for the Note (or, if less, the principal amount of the Note) (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss will be realised only to the extent of total gain or loss realised on the sale or retirement.

#### *Disposition of Foreign Currency*

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. dollar value at the time the interest is received or at the time of the sale or retirement. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

### **Backup Withholding and Information Reporting**

In general, payments of interest and accrued OID on, and the proceeds of a sale, redemption or other disposition of, the Notes, payable to a U.S. Holder by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding will apply to these payments and to accruals of OID if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S. Holders (including, among others, corporations) are not subject to

backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

### **Non-U.S. Holders**

Under current United States federal income and estate tax law, and subject to the discussion of backup withholding in the following section:

- (a) Payments of principal, OID, if any, and interest by the Issuer or any paying agent to any holder of a Note who is a United States Alien (as defined below) will not be subject to U.S. federal withholding tax, provided that, in the case of amounts treated as interest or OID with respect to Notes issued by the U.S. Issuer with a maturity of more than 183 days (i) the amount of the payment is not determined by reference to any receipts, sales or other cash flow, income or profits, change in value of any property of, or dividend or similar payment made by, the U.S. Issuer or a person related to the U.S. Issuer (a “**Contingent Payment**”), (ii) the holder does not actually or constructively own 10 per cent. or more of the total combined voting power of all classes of stock of the Issuer entitled to vote, (iii) the holder is not a bank receiving interest described in Section 881(c)(3)(A) of the Code and (iv) if the Note is a Registered Note, the beneficial owner provides the U.S. Issuer with a U.S. Internal Revenue Service (“**IRS**”) Form W-8.
- (b) A United States Alien holder of a Note will not be subject to U.S. federal income tax on any gain or income realised upon the sale, exchange, retirement or other disposition of a Note or Coupon, provided that in the case of Notes issued by the U.S. Issuer (i) if the Notes have a maturity of more than 183 days, the Notes do not provide for any Contingent Payments, (ii) if the Notes are Registered Notes, the holder has provided the U.S. Issuer or its paying agent an IRS Form W-8 and (iii) neither the holder, nor a partner, fiduciary, settlor or beneficiary of the holder, if the holder is a partnership or an estate or trust, or a person holding a power over an estate or trust administered by a fiduciary holder, is considered as:
  - (i) being or having been present or engaged in a trade or business in the United States or having or having had a permanent establishment therein;
  - (ii) having a current or former relationship with the United States including a relationship as a citizen or resident thereof;
  - (iii) being or having been for U.S. federal income tax purposes a foreign or domestic personal holding company, a passive foreign investment company or a controlled foreign corporation or a corporation that has accumulated earnings to avoid U.S. federal income tax; or
  - (iv) in the case of Notes issued by the U.S. Issuer with a maturity of more than 183 days, actually or constructively owning or having owned 10 per cent. or more of the total combined voting power of all classes of stock of the Issuer entitled to vote.
- (c) A Note or Coupon held by an individual who is a United States Alien at the time of death will not be subject to U.S. federal estate tax as a result of the individual’s death if (i) at the time of such individual’s death payments with respect to the Note would not have been effectively connected with a United States trade or business of the individual, (ii) the Note has a maturity of more than 183 days, (iii) the holder does not own, actually or constructively, 10 per cent. or more of the total combined voting power of all classes of stock of the Issuer entitled to vote and (iv) the Note does not provide for any Contingent Payment.
- (d) A beneficial owner of a Bearer Note or Coupon that is a United States Alien will not be required to disclose its nationality, residence, or identity to the Issuer, a paying agent, or any U.S. governmental authority in order to receive payment on the Bearer Note or Coupon from the Issuer or a paying agent outside the United States (although the beneficial owner of an interest in a temporary Global Note will be required to provide a Certificate of Non-U.S. Beneficial Ownership to Euroclear or Clearstream, Luxembourg in order to receive a beneficial interest in a Permanent Global Note or definitive Notes and Coupons and interest thereon).

For purposes of this discussion, “United States Alien” means any corporation, partnership, individual or estate or trust that, for U.S. federal income tax purposes, is (i) a foreign corporation, (ii) a foreign partnership all of whose partners are United States Aliens, (iii) a non-resident alien individual or (iv) a foreign estate or trust all of whose beneficiaries are United States Aliens.

## **Backup Withholding and Information Reporting**

Unless the Issuer or the paying agent has actual knowledge or reason to know that the holder or beneficial owner, as the case may be, is a U.S. person (as defined in the Code), payments of principal, OID, if any, and interest on Registered Notes made to a United States Alien will not be subject to backup withholding, provided the United States Alien provides the payor with an IRS Form W-8 (or successor form), but interest and OID paid on Registered Notes with a maturity of more than 183 days will be reported to the IRS as required under applicable regulations.

Payments of principal, OID, if any, and interest on Bearer Notes made outside the United States to a United States Alien by a non-U.S. payor will not be subject to information reporting and backup withholding.

In addition, except as provided in the following sentence, if principal, OID, if any, or interest payments made with respect to a Bearer Note are collected outside the United States on behalf of a beneficial owner by a foreign office of a custodian, nominee or other agent who is not a U.S. Controlled Person (as defined below), the custodian, nominee or other agent will not be required to apply backup withholding to these payments when remitted to the beneficial owner and will not be subject to information reporting. However, if the custodian, nominee or other agent is a U.S. Controlled Person, payments collected by its United States or foreign office may be subject to information reporting and backup withholding unless the custodian, nominee or other agent has in its records documentary evidence that the beneficial owner is not a U.S. person or the beneficial owner otherwise establishes an exemption from information reporting and the custodian, nominee or other agent has no actual knowledge or reason to know that any of the information or certifications associated with this documentation is incorrect.

Payments on the sale, exchange or other disposition of a Bearer Note made to or through a foreign office of a broker will generally not be subject to information reporting and backup withholding. However, if the broker is a U.S. Controlled Person, payments on the sale, exchange or other disposition of a Bearer Note made to or through the United States or foreign office of a broker will be subject to backup withholding and information reporting unless the holder certifies under penalties of perjury to its status as a non-U.S. person or otherwise establishes an exemption from information reporting and the custodian, nominee or other agent has no actual knowledge or reason to know that any of the information or certifications associated with this documentation is incorrect.

For purposes of this discussion, a “U.S. Controlled Person” means (i) a U.S. person (as defined in the Code), (ii) a controlled foreign corporation for U.S. federal income tax purposes, (iii) a foreign person 50 per cent. or more of whose gross income was effectively connected with the conduct of a United States trade or business for a specified three-year period, or (iv) a foreign partnership, if at any time during its tax year, one or more of its partners are U.S. persons who, in the aggregate, hold more than 50 per cent. of the partnership’s income or capital interest or if, at any time during its tax year, it is engaged in the conduct of a trade or business in the United States.

Any amounts withheld under the backup withholding rules may be allowed as a credit against the holder’s U.S. federal income tax liability and may entitle the holder to a refund, provided that the required information is furnished to the U.S. Internal Revenue Service.

Holders should consult their tax advisers regarding the application of information reporting and backup withholding to their particular situations, the availability of an exemption therefrom, and the procedure for obtaining such an exemption, if available.

A holder of a Bearer Note with a maturity of more than one year who is a U.S. person will generally be required to treat any gain on disposal as ordinary income rather than as capital gain, and no deduction will be allowed in respect of any loss.

## Reportable Transactions

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if the loss exceeds U.S.\$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders. In the event the acquisition, holding or disposition of Notes constitutes participation in a "reportable transaction" for purposes of these rules, a U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS and the Issuer and its advisers may also be required to disclose the transaction to the IRS. In addition, the Issuer and its advisers may be required to maintain a list of U.S. Holders, and to furnish this list and certain other information to the IRS upon written request. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules to the acquisition, holding or disposition of Notes.

## ERISA considerations

A purchase of the Notes by an employee benefit plan subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or by any entity whose assets are treated as assets of such a plan, could result in severe penalties or other liabilities for the purchaser or the Issuer. Each purchaser or transferee of a Note will be deemed to have represented by its purchase or receipt of the Note that either (a) it is not an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to Section 406 of ERISA, a "Plan" described in Section 4975(e)(1) of the Code, or an entity whose underlying assets include "Plan Assets" by reason of any such employee benefit plan's or Plan's investment in the entity or otherwise, or a governmental plan or church plan which is subject to any federal, state or local law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code or (b) its purchase, holding and disposition of the Notes, or any interest therein, will not constitute or result in a non-exempt Prohibited Transaction under Section 406 of ERISA and/or Section 4975 of the Code (or, in the case of governmental plan or church plan, a violation of any substantially similar federal, state or local law) by reason of an applicable or administrative exemption.

## EU Taxation

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC on 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, products, 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 defined widely 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, unless the relevant beneficial owner of such payment elects for the Disclosure of Information Method, withhold an amount on interest payments. The rate of such withholding tax equals 15 per cent. during the first three years, 20 per cent. during the subsequent three years and 35 per cent. 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 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 countries of a withholding tax on such payments at the rate applicable for the corresponding periods mentioned above and (ii)

the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the 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**

*The comments below are intended as a basic summary of certain tax consequences in relation to the purchase, ownership and disposition of the Notes under Luxembourg law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.*

### **Withholding tax**

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

### **Luxembourg non-resident individuals**

Under the Luxembourg laws dated 21 June 2005 implementing the European Council Directive 2003/48/EC on the taxation of savings income (the “Savings Directive”) and several agreements concluded between Luxembourg and certain dependent territories of the European Union, a Luxembourg based paying agent (within the meaning of the Savings 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, unless the beneficiary of the interest payments elects for an exchange of information. The same regime applies to payments to individuals resident in certain EU dependent territories.

The withholding tax rate is initially 15 per cent., increasing steadily to 20 per cent. and to 35 per cent. 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 third countries.

### **Luxembourg resident individuals**

A 10 per cent. withholding tax has been introduced, as from 1 January 2006, on interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents.

## **France**

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

Payments of interest and other revenues with respect to Notes which constitute *obligations* under French law and are issued or deemed to be issued by the Issuers outside the Republic of France benefit from the exemption from deduction of the withholding tax set out under Article 125 A III of the French *Code Général des Impôts*, as provided for in Article 131 *quater* of the French *Code Général des Impôts*. Accordingly, such payments do not give the right to any tax credit from any French source.

Notes constituting *obligations* under French law will be issued (or deemed to be issued) outside France by the Issuers (i) in the case of syndicated or non-syndicated issues of Notes, if such Notes are denominated in euro, (ii) in the case of syndicated issues of Notes denominated in currencies other than euro, if, *inter alia*, the relevant Issuer and the relevant Dealers agree not to offer the Notes to the public in the Republic of France and such Notes are offered in the Republic of France through an international syndicate only to qualified investors (*investisseurs qualifiés*) as described in Article L. 411-2 of the French *Code monétaire et financier* or (iii) in the case of non-syndicated issues of Notes denominated in currencies other than euro, if each of the subscribers of the Notes is domiciled or resident for tax purposes outside the Republic of France and does not act through a permanent establishment or fixed base therein, in each case as more fully set out in the Circular 5 I-11-98 of the *Direction Générale des Impôts* dated 30 September 1998.

However, if so provided in the relevant Final Terms, Notes constituting *obligations* under French law denominated in currencies other than euro may be issued on a non-syndicated basis and placed with subscribers not all of whom are resident outside the Republic of France. In such cases, the Notes will not benefit from the exemption from deduction of tax at source provided for in Article 131 *quater* of the French *Code Général des Impôts* and interest payments under such Notes made to a non-French resident will be exempt from withholding or deduction of tax at source imposed by or on behalf of the Republic of France only if the beneficiary of the payment provides certification that he is not resident in the Republic of France, all in accordance with the provisions of Article 125 A III of the French *Code Général des Impôts*, as more fully described in Condition 7. See “*Terms and Conditions of the Notes – Taxation*”.

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

## TRANSFER RESTRICTIONS

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### **Rule 144A Notes:**

Each Purchaser of Registered Notes within the United States pursuant to Rule 144A, by accepting delivery of this Base Prospectus, will be deemed to have represented, agreed and acknowledged that:

- (1) it is (a) a qualified institutional buyer within the meaning of Rule 144A ("**QIB**"), (b) acquiring such Notes for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A;
- (2) such Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States;
- (3) such Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following effect:

THIS NOTE [HAS] NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND ACCORDINGLY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS NOTE;

- (4) it understands that the Issuer and the Dealers will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that, if any of the acknowledgements, representations, warranties and agreements deemed to have been made upon its purchase of the Notes is no longer accurate, it shall promptly notify the Issuer and the Dealers. If it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such investor account, and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account; and
- (5) it understands that Registered Notes offered in reliance on Rule 144A will be represented by the Restricted Global Certificate. Before any interest in the Restricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Unrestricted Global Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

**Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.**

**Regulation S Notes:**

Each purchaser of Registered Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes in resales prior to the expiration of the Distribution Compliance Period (as defined in "Plan of Distribution"), by accepting delivery of this Base Prospectus and the Notes, will be deemed to have represented, agreed and acknowledged that:

- (1) it is, or at the time Notes are purchased will be, the beneficial owner of such Notes and (a) it is not a US person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate;
- (2) it understands that such Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the Distribution Compliance Period it will not offer, sell, pledge or otherwise transfer such Notes except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB or, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States;
- (3) it understands that such Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following effect:

THIS NOTE [HAS] NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT;

- (4) it understands that the Notes offered in reliance on Regulation S will be represented by the Unrestricted Global Certificate. Prior to the expiration of the Distribution Compliance Period, before any interest in the Unrestricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Restricted Global Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws; and
- (5) the Issuer and the Dealers will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that, if any of the acknowledgements, representations, warranties and agreements deemed to have been made upon its purchase of the Notes is no longer accurate, it shall promptly notify the Issuer and the Dealers.

## PLAN OF DISTRIBUTION

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Subject to the terms and conditions contained in an amended and restated distribution agreement dated 29 June 2007 (the “**Distribution Agreement**”) between the Issuer, the Co-Arrangers and the Permanent Dealers, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of that Issuer. The Distribution Agreement also provides for Notes to be issued in Tranches which are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each Relevant Dealer a commission on the nominal amount of the Notes, depending upon maturity in respect of Notes subscribed or procured for subscription by it. The Issuer has agreed to reimburse Goldman Sachs International as Co-Arranger for certain of its expenses incurred in connection with the update of the Programme. In respect of an issue of Notes on a syndicated basis the commission will be stated in the Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Distribution Agreement may be terminated in relation to all the Dealers or any of them by the Issuer or, in relation to itself and the Issuer, by any Dealer at any time on giving not less than ten business days’ notice.

### **Selling Restrictions**

#### **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**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form (other than Notes with a maturity of one year) are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has agreed (and each further Dealer appointed under the Programme will be required to agree) that, except as permitted by the Distribution Agreement, it will not offer, sell or, in the case of bearer notes, deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time, or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer and each relevant Dealer, by the Fiscal Agent or, in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period (other than resales pursuant to Rule 144A) 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 the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. The Distribution Agreement provides that the Dealers may, directly or through their respective U.S. broker-dealer affiliates, arrange for the offer and resale of Notes within the United States only to qualified institutional buyers in reliance on Rule 144A.

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

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States and for the resale of the Notes in the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States or to any U.S. person, other than any qualified institutional buyer within the meaning of Rule 144A to whom an offer has been made directly by one of the Dealers or its U.S. broker-dealer affiliate. Distribution of this Base Prospectus by any non-U.S. person outside the United States or by any qualified institutional buyer in the United States to any U.S. person or to any other person within the United States, other than any qualified institutional buyer and those persons, if any, retained to advise such non-U.S. person or qualified institutional buyer with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, other than any qualified institutional buyer and those persons, if any, retained to advise such non-U.S. person or qualified institutional buyer, is prohibited.

#### **European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as contemplated by the final terms in relation thereto in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of these notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “Non-exempt Offer”), in the period beginning on the date of publication of a prospectus in relation to such offer which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, or the final terms in relation to such offer, as applicable, all in accordance with the Prospectus Directive and ending on the date specified in such prospectus or final terms as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstances falling within Article 3 (2) of the Prospectus Directive (or any local implementing legislation),

provided that no such offer of Notes referred to in (b) to (e) above require the publication by the Issuer or any Dealer of a prospectus pursuant to Article 3 of the Prospectus Directive or a supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the

Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

#### **United Kingdom**

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that:

- (a) *Investment considerations*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) *General compliance*: it has complied with and shall 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.

#### **France**

##### **(a) Notes denominated in euro:**

In respect of Notes constituting *obligations* denominated in euro whether issued on a syndicated or non-syndicated basis, each of the Dealers and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to qualified investors (*investisseurs qualifiés*) as defined in, and in accordance with, Articles L.411-1, L.411-2, and D.411-1 to D.411-3 of the French *Code monétaire et financier*, but excluding individuals referred to in Article D.411-1 II 2° of the French *Code monétaire et financier*.

##### **(b) Syndicated issues of Notes denominated in currencies other than euro:**

In respect of Notes constituting *obligations* denominated in currencies other than euro issued on a syndicated basis, each of the Dealers and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms 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 through an international syndicate to qualified investors (*investisseurs qualifiés*), as defined in, and in accordance with, Articles L.411-1, L.411-2, and D.411-1 to D.411-3 of the French *Code monétaire et financier*, but excluding individuals referred to in Article D.411-1 II 2° of the French *Code monétaire et financier*.

##### **(c) Non-syndicated issues of Notes denominated in currencies other than euro:**

In respect of Notes constituting *obligations* denominated in currencies other than euro issued on a non-syndicated basis, each of the Dealers and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Notes in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes, and each subscriber of the Notes will be domiciled or resident for tax purposes outside France.

To the extent that the Notes do not constitute *obligations* under French law, these selling restrictions will be amended in the relevant Final Terms.

If necessary these selling restrictions will be supplemented in the relevant Final Terms.

## Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the “**Securities and Exchange Law**”). Accordingly, each of the Dealers has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and other relevant laws and regulations of Japan. As used in this paragraph, “resident of Japan” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## The Netherlands

Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that Notes (including rights representing an interest in a global Note) with a maturity of less than 12 months that qualify as money market instruments may and will only be offered, directly or indirectly, in or from the Netherlands (i) if they have a minimum denomination (or minimum aggregate purchase price) of €50,000 or the equivalent thereof in another currency, or (ii) solely to persons who trade or invest in securities in the conduct of their profession or business (which includes banks, securities firms, investment institutions, insurance companies, pension funds, other institutional investors, and finance companies and large enterprises which as an ancillary activity regularly invest in securities), or (iii) in circumstances where another exception to or exemption or dispensation from the prohibition of section 3 subsection 4 of the Dutch Act on the Supervision of the Securities Trade 1995 (Wet toezicht effectenverkeer 1995) applies.

Zero coupon Notes in definitive bearer form on which interest does not become due and payable during their term but only at maturity (savings certificates or spaarbewijzen as defined in the Dutch Savings Certificates Act or Wet inzake spaarbewijzen; the ‘SCA’) may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such Notes to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business, and (iii) the issue and trading of such Notes if they are physically issued outside the Netherlands and are not immediately thereafter distributed in the Netherlands.

## Italy

Each Dealer has acknowledged that the offer of the Notes has not been registered with the Commissione Nazionale per le Società e la Borsa (“**CONSOB**”) (the Italian Securities and Exchange Commission) pursuant to Italian securities legislation and, accordingly, Notes may not be offered, sold or delivered, nor may copies of this document or of any other document relating to the Notes be distributed in the Republic of Italy in a solicitation to the public at large (*sollecitazione all’investimento*) within the meaning of Article 1, paragraph 1, letter (t) of Legislative Decree no. 58 of 24 February 1998, unless an exemption applies. Accordingly, in the Republic of Italy, the Notes:

- (a) shall only be offered or sold to professional investors (*operatori qualificati*), as defined in Article 31, second paragraph, of CONSOB Regulation No. 11522 of 1 July 1998, as amended and effected in compliance with the terms and procedures provided therein (“**Regulation No. 11522**”); or
- (b) shall only be offered or sold in circumstances which are exempted from the rules on solicitations of investments pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998 (the “**Financial Services Act**”) and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14 May 1999, as amended.

Moreover, and subject to the foregoing, each Dealer has acknowledged that any offer, sale or delivery of the Notes or distribution of copies of this document or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the “**Banking Act**”), Regulation No. 11522 and any other applicable laws and regulations; and
- (ii) in compliance with any other applicable laws and regulations including any relevant limitations which may be imposed by CONSOB or the Bank of Italy.

Insofar as the requirements above are based on laws which are superseded at any time pursuant to the implementation of the EU Directive No 2003/71 (the “**Prospectus Directive**”), such requirements shall be replaced by the applicable requirements under the Prospectus Directive or the relevant implementing provisions.

**General**

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

No representation is made that any action has been or will be taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives, and obtain all relevant consents, approvals or permissions, in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility therefor.

**PRO FORMA FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF SECURITIES  
WITH A DENOMINATION OF LESS THAN €50,000 TO BE ADMITTED TO TRADING ON  
AN EU REGULATED MARKET AND/OR OFFERED TO THE PUBLIC IN THE EUROPEAN  
ECONOMIC AREA**

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**Final Terms dated •**

**NATIXIS**

**Issue of [Aggregate Nominal Amount of Tranche] Medium-Term Notes  
under the EURO 20,000,000,000  
Euro Medium Term Note Programme**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [●] [and the supplement to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing at [address] [and] [website] and copies may be obtained from [address].]

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [original date] [and the supplement to the Base Prospectus dated [●] ]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] [and the supplement to the Base Prospectus dated [●]] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated [original date] and [current date] [and the supplements to the Base Prospectuses dated [●] and [●]]. [The Base Prospectuses [and the supplements to the Base Prospectuses] are available for viewing at [address] [and] [website] and copies may be obtained from [address].]

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

*[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]*

1. [(i)] Issuer: [ ]  
[(ii)] Notes to be issued through New York Branch: Yes  
*Delete if Not Applicable]*
2. [(i)] Series Number: [ ]

- [(ii) Tranche Number: [ ]  
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount: [ ]  
    [(i) Series: [ ]  
    [(ii) Tranche: [ ]]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
6. (i) Specified Denominations: [ ]  
    [ ]  
(ii) Calculation Amount: [ ]  
*[If only one Specified Denomination, insert the Specified Denomination.*  
*If more than one Specified Denomination, insert the highest common amount by which the multiple denominations may be divided (for example €1,000 in the case of €51,000, €52,000 or €53,000)].*
7. [(i) Issue Date: [ ]  
    [(ii) Interest Commencement Date [ ]]
8. Maturity Date: [specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
9. Interest Basis: [• % Fixed Rate]  
    [[specify reference rate] +/- • % Floating Rate]  
    [Zero Coupon]  
    [Index Linked Interest]  
    [Other (specify)]  
    (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
    [Index Linked Redemption]  
    [Dual Currency]  
    [Partly Paid]  
    [Instalment]  
    [Other (specify)]
11. Change of Interest or Redemption/Payment Basis: [Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]
12. Put/Call Options: [Investor Put]  
    [Issuer Call]  
    [(further particulars specified below)]
13. [(i) Status of the Notes: [Senior/[Dated/Perpetual]/ Subordinated]  
    [(ii) [Date [Board] approval for issuance of Notes obtained: [ ] [and [ ], respectively]]  
    (N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)]
14. Method of distribution: [Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. Fixed Rate Note Provisions [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Rate[(s)] of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [ ] in each year [adjusted in accordance with *[specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]*/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [ ] per Calculation Amount
- (iv) Broken Amount(s): [ ] per Calculation Amount payable on the Interest Payment Date falling in/on [ ]
- (v) Day Count Fraction: [30/360 / Actual/Actual ([ICMA] /ISDA) / other]
- (vi) Determination Dates: [ ] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ([ICMA])*)
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]

**16. Floating Rate Note Provisions**

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Interest Period(s) [ ]
- (ii) Specified Interest Payment Dates: [ ]
- (iii) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (*give details*)]
- (iv) Business Centre(s): [ ]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate  
Determination/ISDA  
Determination/other (*give details*)]
- (vi) Interest Period Date(s): [Not applicable / *specify dates*]
- (vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Calculation Agent]): [ ]
- (viii) Screen Rate Determination:
- Relevant Time: [ ].
  - Interest Determination Date: [*•*] [*TARGET*] Business Days in [*specify city*] for [*specify currency*] prior to [*the first day in each Interest Accrual Period/each Interest Payment Date*]
  - Primary Source for Floating Rate: [Specify relevant screen page or "Reference Banks"]
  - Reference Banks (if Primary Source is "Reference Banks"): [*Specify four*]
  - Relevant Financial Centre: [*The financial centre most closely connected to the Benchmark - specify if not London*]
  - Benchmark: [*LIBOR, LIBID, LIMEAN, EURIBOR or other benchmark*]
  - Representative Amount: [*Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount*]

- Effective Date: *[Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]*
- Specified Duration: *[Specify period for quotation if not duration of Interest Accrual Period]*
- (ix) ISDA Determination: *[The financial centre most closely connected to the Benchmark - specify if not London]*
  - Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
  - ISDA Definitions: (if different from those set out in the Conditions) [ ]
- (x) Margin(s): [+/-][ ] per cent. per annum
- (xi) Minimum Rate of Interest: [ ] per cent. per annum
- (xii) Maximum Rate of Interest: [ ] per cent. per annum
- (xiii) Day Count Fraction: [ ]
- (xiv) Rate Multiplier: [ ]
- (xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
- 17. Zero Coupon Note Provisions** *[Applicable/Not Applicable]*  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (i) Amortisation Yield: [ ] per cent. per annum
  - (ii) Day Count Fraction: [ ]
  - (iii) Any other formula/basis of determining amount payable: [ ]
- 18. Index-Linked Interest Note/other variable-linked interest Note Provisions** *[Applicable/Not Applicable]*  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (i) Index/Formula/other variable: *[give or annex details]*
  - (ii) Calculation Agent responsible for calculating the interest due: [ ]
  - (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: [ ]
  - (iv) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [ ]
  - (v) Interest Periods or calculation period(s): [ ]
  - (vi) Specified Interest Payment Dates: [ ]
  - (vii) Business Day Convention: *[Floating Rate Business Day Convention/ Following Business*

- Day Convention/Modified Following Business Day  
Convention/Preceding Business Day Convention/other (*give details*)
- (viii) Business Centre(s): [ ]
- (ix) Minimum Rate/Amount of Interest: [ ] per cent. per annum
- (x) Maximum Rate/Amount of Interest: [ ] per cent. per annum
- (xi) Day Count Fraction: [ ]
- 19. Dual Currency Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate of Exchange/Method of calculating Rate of Exchange: [*give details*]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: [ ]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [ ]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [ ]
- (v) Day Count Fraction: [ ]
- PROVISIONS RELATING TO REDEMPTION**
- 20. Call Option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum nominal amount to be redeemed: [ ]
- (b) Maximum nominal amount to be redeemed: [ ]
- (iv) Option Exercise Date(s): [ ]
- (v) Description of any other Issuer's option: [ ]
- (vi) Notice period [ ]
- 21. Put Option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
- (iii) Option Exercise Date(s): [ ]
- (iv) Description of any other Noteholders' option: [ ]

(v) Notice period [ ]

## 22. Final Redemption Amount of each Note

In cases where the Final Redemption Amount is Index-Linked or other variable-linked:

(i) Index/Formula/variable: [[ ] per Calculation Amount /other/see Appendix]

(ii) Calculation Agent responsible for calculating the Final Redemption Amount: [give or annex details]

(iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [ ]

(iv) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [ ]

(v) Minimum Final Redemption Amount: [ ] per Calculation Amount

(vi) Maximum Final Redemption Amount: [ ] per Calculation Amount

## 23. Early Redemption Amount

(i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [ ] per Calculation Amount

(ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates: [Yes/No]

(iii) Unmatured Coupons to become void upon early redemption (Bearer Notes only): [Yes/No/Not Applicable]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: [Bearer Notes / Exchangeable Bearer Notes / Registered Notes]:

[Delete as appropriate]

(i) Temporary or permanent Global Note / Certificate: [Temporary Global Note/Certificate exchangeable for a Permanent Global Note/Certificate which is exchangeable for Definitive Notes//Certificate on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note/Certificate]

[Temporary Global Note/Certificate exchangeable for Definitive Notes on [ ] days' notice]

[Permanent Global Note/Certificate exchangeable for Definitive Notes/Certificate on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

[Registered Notes]

(ii) Applicable TEFRA exemption [C Rules / D Rules / Not applicable]

25. Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 15(ii), 16(iv) and 18(viii) relate]

26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: [Not Applicable/*give details*]
28. Details relating to Instalment Notes: [Not Applicable/*give details*]
- (i) Instalment Amount(s): [ ]
- (ii) Instalment Date(s): [ ]
- (iii) Minimum Instalment Amount: [ ]
- (iv) Maximum Instalment Amount: [ ]
29. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition •] [annexed to the applicable Final Terms] apply]
30. Consolidation provisions: [Not Applicable/The provisions [in Condition •] [annexed to the applicable Final Terms] apply]
31. Other final terms: [Not Applicable/*give details*]
- (When adding any other final terms or special conditions consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)*

## DISTRIBUTION

32. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/*give names, addresses and underwriting commitments*]
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and n and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- (ii) Date of [Subscription] Agreement: [ ]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
- (iv) Dealer's Commission: [ ]
33. If non-syndicated, name and address of Dealer: [Not Applicable/*give name and address*]
34. Total commission and concession: [ ] per cent. of the Aggregate Nominal Amount
35. Additional selling restrictions: [Not Applicable/*give details*]
36. Additional steps that may only be taken following approval by an Extraordinary Resolution: [Not Applicable/*give details*]
37. The aggregate principal amount of Notes issued has been translated into Euro at the rate of [•], producing a sum of (for Notes not denominated in Euro): [Not Applicable/Euro[•]]

**[LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the EURO 20,000,000,000 Euro Medium Term Note Programme of [•.]

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. [• has been extracted from •. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by •, no facts have been omitted which would render the reproduced inaccurate or misleading.]

Signed on behalf of the Issuer:

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Official List of the Luxembourg Stock Exchange/other (specify)/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [ ] with effect from [ ].] [Not Applicable.]  
*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*
- (iii) Estimate of total expenses related to admission to trading [ ]

### 2. RATINGS

- Ratings: The Notes to be issued have been rated:  
[S & P: [ ]]  
[Moody's: [ ]]  
[Fitch: [ ]]  
[[Other]: [ ]]  
*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]  
(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 3. [NOTIFICATION]

The [include name of competent authority in EEA home Member State] [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.]

### 4. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in "Plan of Distribution", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

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

- [(i) Reasons for the offer: [ ]  
*(See ["Use of Proceeds"] wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)*

[(ii)] Estimated net proceeds: ●  
*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

[(iii)] Estimated total expenses: ● *[Include breakdown of expenses.]*  
*(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

**6. [Fixed Rate Notes only – YIELD**

Indication of yield: ●  
Calculated as *[include details of method of calculation in summary form]* on the Issue Date.  
As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. ]

**7. [Floating Rate Notes only - HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [●].]

**8. [Index-Linked or other variable-linked Notes only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

*Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]\* ]*

**9. [Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]*

**10. [Derivatives only – OTHER INFORMATION CONCERNING THE SECURITIES TO BE [OFFERED]/[ADMITTED TO TRADING]]<sup>1</sup>**

Name of the issuer of the underlying security: [ ]  
ISIN Code: [ ]

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<sup>1</sup> Required for derivatives securities

Underlying interest rate: [ ]

Relevant weightings of each underlying in the basket: [ ]

Name and addresses of entities which have a firm commitment to act as intermediaries in secondary trading: [ ]

Adjustment rules with relation to events concerning the underlying: [ ]

Details of any market disruption / settlement disruption events affecting the underlying: [ ]

Exercise price / find reference price of underlying: [ ]

Details of how the value of investment is affected by the value of the underlying instrument(s): [ ]

Details of settlement procedure of derivative securities: [ ]

Details of how any return on derivative securities take place, payment or delivery date, and manner of calculation: [ ]

**11. [TERMS AND CONDITIONS OF THE OFFER]**

The time period, including any possible amendments, during which the offer will be open and description of the application process: [ ]

Details of the minimum and/or maximum amount of application:<sup>1</sup> [ ]

Details of method and time limits for paying up and delivering Securities: [ ]

Details of any post-issuance information to be provided: [ ]  
(pursuant to Annex XII item 7.5 of Commission Regulation (EC) 809/2004)

Manner and date in which results of the offer are to be made public: [ ]

Categories of potential investors to which the securities are offered:<sup>2</sup> [ ]

[For example:

*“Legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities.*

*Any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts.”]*

The procedure of the exercise of any right of pre-emption, the negotiability of subscription [ ]

<sup>1</sup> Whether in number of securities or aggregate amount to invest.

<sup>2</sup> If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche.

rights and treatment of subscription rights not exercised:

Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made: [ ]

**12. [PLACING AND UNDERWRITING]<sup>1</sup>**

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer:<sup>2</sup> [ ]

Name and address of any paying agents and depositary agents in each country (in addition to the Principal Paying Agent): [ ]

Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under “best efforts” arrangements:<sup>3</sup> [ ]

When the underwriting agreement has been or will be reached: [ ]

**13. OPERATIONAL INFORMATION**

ISIN Code: [ ]

Common Code: [ ]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Societe Anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [ ]

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<sup>1</sup> Required for derivative securities.

<sup>2</sup> To the extent known to the Issuer, of the placers in the various countries where the offer takes place.

<sup>3</sup> Where not all of the issue is underwritten, a statement of the portion not covered.

**PRO FORMA FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF SECURITIES  
WITH A DENOMINATION OF AT LEAST €50,000 TO BE ADMITTED TO TRADING ON AN  
EU REGULATED MARKET**

---

**Final Terms dated •**

**NATIXIS**

**Issue of [Aggregate Nominal Amount of Tranche] Medium Term Notes  
under the [EURO 20,000,000,000]  
Euro Medium Term Note Programme**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [•] [and the supplement to the Base Prospectus dated •] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing at [address] [and] [website] and copies may be obtained from [address].]

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [original date] [and the supplement to the Base Prospectus dated •]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated •], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] [and the supplement to the Base Prospectus dated •] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated [original date] and [current date] [and the supplements to the Base Prospectuses dated • and •]. [The Base Prospectuses [and the supplements to the Base Prospectuses] are available for viewing at [address] [and] [website] and copies may be obtained from [address].]

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

*[When completing final terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]*

- |    |  |  |
|----|--|--|
| 1. | [(i)] Issuer:                                      | [ ]                                    |
|    | [(ii)] Notes to be issued through New York Branch: | Yes<br><i>Delete if Not Applicable</i> |
| 2. | [(i)] Series Number:                               | [ ]                                    |

- [(ii) Tranche Number: [ ]  
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount: [ ]  
    [(i) Series: [ ]  
    [(ii) Tranche: [ ]]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]
6. (i) Specified Denominations: [ ]  
    [ ]  
*[Note - where multiple denominations above €50,000 (or equivalent) are being used the following sample wording should be followed:  
[€50,000] and integral multiples of [€1,000] in excess thereof [up to and including [€99,000]. No notes in definitive form will be issued with a denomination above [€99,000]].]*
- (ii) Calculation Amount: [ ]  
*[If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common amount by which the multiple denominations may be divided (for example €1,000 in the case of €51,000, €52,000 or €53,000).]*
7. [(i) Issue Date: [ ]  
    [(ii) Interest Commencement Date: [ ]]
8. Maturity Date: [*specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
9. Interest Basis: [• % Fixed Rate]  
    [[*specify reference rate*] +/- • % Floating Rate]  
    [Zero Coupon]  
    [Index Linked Interest]  
    [Other (*specify*)]  
    (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
    [Index Linked Redemption]  
    [Dual Currency]  
    [Partly Paid]  
    [Instalment]  
    [Other (*specify*)]
11. Change of Interest or Redemption/Payment Basis: [*Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis*]
12. Put/Call Options: [Investor Put]  
    [Issuer Call]  
    [(further particulars specified below)]
13. [(i) Status of the Notes: [Senior/[Dated/Perpetual]/ Subordinated]  
    [(ii) [Date [Board] approval for issuance of Notes obtained: [ ] [and [ ]], respectively]]  
    (*N.B Only relevant where Board (or similar) authorisati*)

- of Notes obtained: *required for the particular tranche of Notes)]*
14. Method of distribution: [Syndicated/Non-syndicated]
- PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**
15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [ ] in each year [adjusted in accordance with *[specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]*]/not adjusted]
- (iii) Fixed Coupon Amount(s): [ ] per Calculation Amount
- (iv) Broken Amount(s): [ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ]
- (v) Day Count Fraction: [30/360 / Actual/Actual ([ICMA] /ISDA) / other]
- (vi) Determination Dates: [ ] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ([ICMA])*)
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]
16. **Floating Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s) [ ]
- (ii) Specified Interest Payment Dates: [ ]
- (iii) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (*give details*)]
- (iv) Business Centre(s): [ ]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate  
Determination/ISDA  
Determination/other (*give details*)]
- (vi) Interest Period Date(s): [Not Applicable/*specify dates*]
- (vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Calculation Agent]): [ ]
- (viii) Screen Rate Determination:
- Relevant Time: [ ]
  - Interest Determination Date: [*[•] [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]*]
  - Primary Source for Floating Rate: [Specify relevant screen page or “Reference Banks”]
  - Reference Banks (if Primary *[Specify four]*)

	Source is “Reference Banks”):	
	– Relevant Financial Centre:	<i>[The financial centre most closely connected to the Benchmark - specify if not London]</i>
	– Benchmark:	<i>[LIBOR, LIBID, LIMEAN, EURIBOR or other benchmark]</i>
	– Representative Amount:	<i>[Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]</i>
	– Effective Date:	<i>[Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]</i>
	– Specified Duration:	<i>[Specify period for quotation if not duration of Interest Accrual Period]</i>
(ix)	ISDA Determination:	<i>[The financial centre most closely connected to the Benchmark - specify if not London]</i>
	– Floating Rate Option:	[ ]
	– Designated Maturity:	[ ]
	– Reset Date:	[ ]
	– ISDA Definitions: (if different from those set out in the Conditions)	[ ]
(x)	Margin(s):	[+/-][ ] per cent. per annum
(xi)	Minimum Rate of Interest:	[ ] per cent. per annum
(xii)	Maximum Rate of Interest:	[ ] per cent. per annum
(xiii)	Day Count Fraction:	[ ]
(xiv)	Rate Multiplier	[ ]
(xv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[ ]
<b>17.</b>	<b>Zero Coupon Note Provisions</b>	<i>[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Amortisation Yield:	[ ] per cent. per annum
(ii)	Day Count Fraction:	[ ]
(iii)	Any other formula/basis of determining amount payable:	[ ]
<b>18.</b>	<b>Index-Linked Interest Note/other variable-linked interest Note Provisions</b>	<i>[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Index/Formula/other variable:	<i>[give or annex details]</i>
(ii)	Calculation Agent responsible for calculating the interest due:	[ ]
(iii)	Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:	[ ]
(iv)	Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other	[ ]

Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:

- (v) Interest Periods or calculation period(s): [ ]
- (vi) Specified Interest Payment Dates: [ ]
- (vii) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (viii) Business Centre(s): [ ]
- (ix) Minimum Rate/Amount of Interest: [ ] per cent. per annum
- (x) Maximum Rate/Amount of Interest: [ ] per cent. per annum
- (xi) Day Count Fraction: [ ]

**19. Dual Currency Note Provisions**

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Rate of Exchange/Method of calculating Rate of Exchange: [*give details*]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: [ ]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [ ]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [ ]
- (v) Day Count Fraction: [ ]

**PROVISIONS RELATING TO REDEMPTION**

**20. Call Option**

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
- (iii) If redeemable in part:
  - (a) Minimum nominal amount to be redeemed: [ ]
  - (b) Maximum nominal amount to be redeemed: [ ]
- (iv) Option Exercise Date(s): [ ]
- (v) Description of any other Issuer's option: [ ]
- (vi) Notice period: [ ]

**21. Put Option**

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

*paragraph)*

- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
- (iii) Option Exercise Date(s): [ ]
- (iv) Description of any other Noteholders' option: [ ]
- (v) Notice period [ ]

**22. Final Redemption Amount of each Note** [ ] per Calculation Amount

In cases where the Final Redemption Amount is Index-Linked or other variable-linked:

- (i) Index/Formula/variable: [give or annex details]
- (ii) Calculation Agent responsible for calculating the Final Redemption Amount: [ ]
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [ ]
- (iv) Determination Date [ ]
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [ ] per Calculation Amount
- (vi) Minimum Final Redemption Amount: [ ] per Calculation Amount
- (vii) Maximum Final Redemption Amount:

**23. Early Redemption Amount**

- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [ ] per Calculation Amount
- (ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates: [Yes/No]
- (iii) Unmatured Coupons to become void upon early redemption (Bearer Notes only): [Yes/No/Not Applicable]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

**24. Form of Notes:** [Bearer Notes/Exchangeable Bearer Notes/Registered Notes]:

[Delete as appropriate]

- (i) Temporary or permanent Global [Temporary Global Note/Certificate exchangeable for a

- Note: Permanent Global Note/Certificate which is exchangeable for Definitive Notes/Certificate on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note/Certificate]
- [Temporary Global Note/Certificate exchangeable for Definitive Notes on [ ] days' notice]
- [Permanent Global Note/ Certificate exchangeable for Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
- [Registered Notes]
- (ii) Applicable TEFRA exemption: [C Rules/D Rules/Not Applicable]
25. Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 15 (ii), 16(iv) and 18(viii) relate]
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details]
28. Details relating to Instalment Notes: [Not Applicable/give details]
- (i) Instalment Amount(s): [•]
- (ii) Instalment Date(s): [•]
- (iii) Minimum Instalment Amount: [•]
- (iv) Maximum Instalment Amount: [•]
29. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition •] annexed to the applicable Final Terms apply]
30. Consolidation provisions: [Not Applicable/The provisions [in Condition •] annexes to the applicable Final Terms apply]
31. Other final terms: [Not Applicable/give details]
- (When adding any other final terms or special conditions consideration should be given as to whether such terms constitute a "significant new factor" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)*

## DISTRIBUTION

32. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names]
- (ii) Date of [Subscription Agreement]: [ ]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
- (iv) Dealer's Commission: [ ]
33. If non-syndicated, name of Dealer: [Not Applicable/give name]
34. Additional selling restrictions: [Not Applicable/give details]
35. Additional steps that may only be taken [Not Applicable/give details]

following approval by an Extraordinary Resolution:

36. The aggregate principal amount of Notes issued has been translated into Euro at the rate of [•], producing a sum of (for Notes not denominated in Euro): [Not Applicable/Euro[•]]

#### **[LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the EURO 20,000,000,000 Euro Medium Term Note Programme of [•]. ]

#### **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. [[•] has been extracted from •. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by •, no facts have been omitted which would render the reproduced inaccurate or misleading.]

Signed on behalf of the Issuer:

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Official List of the Luxembourg Stock Exchange/other (specify)/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [ ] with effect from [ ].] [Not Applicable.]
- (iii) Estimate of total expenses related to admission to trading: ●

### 2. RATINGS

- Ratings: The Notes to be issued have been rated:  
[S & P: [ ]]  
[Moody's: [ ]]  
[Fitch: [ ]]  
[[Other]: [ ]]  
*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 3. [NOTIFICATION]

The [include name of competent authority in EEA home Member State] [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.]

### 4. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in [ "Plan of Distribution"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

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

- (i) Reasons for the offer [ ]  
*(See ["Use of Proceeds"] wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)*
- (ii) Estimated net proceeds: ●  
*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*
- (iii) Estimated total expenses: ● [Include breakdown of expenses.]

*(Only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.) ]\**

**6. [FIXED RATE NOTES ONLY – YIELD**

Indication of yield:



The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. ]

**7. [FLOATING RATE NOTES ONLY - HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [●].]

**8. [INDEX-LINKED OR OTHER VARIABLE-LINKED NOTES ONLY – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING**

*Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.] \**

**9. [DUAL CURRENCY NOTES ONLY – PERFORMANCE OF RATE[S] OF EXCHANGE**

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained.]\**

**10. [Derivatives only – OTHER INFORMATION CONCERNING THE SECURITIES TO BE [OFFERED]/[ADMITTED TO TRADING]]<sup>1</sup>**

Name of the issuer of the underlying security: [ ]

ISIN Code: [ ]

Underlying interest rate: [ ]

Relevant weightings of each underlying in the basket: [ ]

Adjustments rules with relation to events concerning the underlying: [ ]

Details of any market disruption/ settlement disruption events affecting the underlying: [ ]

**11. [TERMS AND CONDITIONS OF THE OFFER]**

The time period, including any possible amendments, during which the offer will be open and description of the application process: [ ]

Details of the minimum and/or maximum amount of application:<sup>2</sup> [ ]

Details of method and time limits for paying up and delivering Securities: [ ]

Details of any post-issuance information to be provided: [ ]

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<sup>1</sup> Required for derivatives securities.

<sup>2</sup> Whether in number of securities or aggregate amount to invest.

(pursuant to Annex XII item 7.5 of Commission Regulation (EC) 809/2004)

Manner and date in which results of the offer are to be made public: [ ]

Categories of potential investors to which the securities are offered:<sup>1</sup> [ ]

[For example:

*“Legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities.*

*Any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts.”]*

The procedure of the exercise of any right of pre-emption, the negotiability of subscription rights and treatment of subscription rights not exercised: [ ]

Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made: [ ]

## 12. [PLACING AND UNDERWRITING]<sup>2</sup>

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer:<sup>3</sup> [ ]

Name and address of any paying agents and depositary agents in each country (in addition to the Principal Paying Agent): [ ]

Entities agreeing to underwrite the issue on a firm commitments basis, and entities agreeing to place the issue without a firm commitment or under “best efforts” arrangements:<sup>4</sup> [ ]

When the underwriting agreements has been or will be reached: [ ]

## 13. OPERATIONAL INFORMATION

ISIN Code: [ ]

Common Code: [ ]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Societe Anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [ ]

<sup>1</sup> If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche.

<sup>2</sup> Required for derivative securities.

<sup>3</sup> To the extent known to the Issuer, of the placers in the various countries where the offer takes place.

<sup>4</sup> Where not all of the issue is underwritten, a statement of the portion not covered.

## GENERAL INFORMATION

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- (1) The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

The creation of the Programme was authorised by the *Président* of the Issuer on 19 July 2000. To the extent that Notes issued under the Programme may constitute *obligations* under French law, the issue of such Notes by the Issuer will be authorised in accordance with French law. The issue of *obligations* by the Issuer has been authorised by a resolution of its Management Board (*Directoire*) passed on 17 November 2006. The update of the Programme was authorised by a decision of the *Directeur Général* on 25 June 2007.

- (2) The Issuer is a bank under French law and has had its application to be recognised as a European Authorised Institution approved by the *Banque de France*. The Financial Services Authority has also recognised Natixis as a European Authorised Institution, meaning it is able to accept the proceeds of Notes in the United Kingdom.
- (3) In relation to Notes issued by the Issuer with a maturity of more than one year and Notes issued through the New York Branch, with a maturity in excess of 183 days or a maturity of 183 days or less with a face amount of less than U.S.\$500,000 or its equivalent, each Bearer Note, Receipt, Coupon and Talon will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 155(j) and 1287(a) of the Internal Revenue Code”. In relation to Notes issued by the Issuer through its New York Branch, with a maturity of less than 183 days and with a face amount of less than U.S.\$500,000 or its equivalent, each Bearer Note, Receipt, Coupon and Talon will, in addition to the foregoing legend, bear the following legend: “By accepting this obligation, the holder represents and warrants that it is not a United States person (other than an exempt recipient described in Section 6049(b)(4) of the Internal Revenue Code and the regulations thereunder) and that it is not acting for or on behalf of a United States person (other than an exempt recipient described in Section 6049(b)(4) of the Internal Revenue Code and the regulations thereunder).”
- (4) 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.
- (5) To the knowledge of the Bank, the duties owned by the members of the Management Board (*Directoire*) of the Issuer do not give rise to any potential conflicts of interest with such member’s private interests or other duties.
- (6) There are no, nor have there been any governmental, legal or arbitration actions, suits or proceedings involving the Issuer and its subsidiaries, during the 12 months prior to the date hereof, individually or in the aggregate, a significant effect on the financial position or profitability of its subsidiaries and, to the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), no such actions, suits or proceedings are threatened or contemplated.
- (7) Except as disclosed in this Base Prospectus, there has been no adverse change in the financial or trading position of the Issuer or of the Issuer and its consolidated subsidiaries (the “**Group**”) since 31 December 2006 and no material adverse change in the prospects of the Group since 31 December 2006.
- (8) Bearer Notes and Registered Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and (where applicable) Euroclear France. The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system, for each Series of Notes will be set out in the relevant Final Terms.

- (9) The Co-Arrangers, the Dealers and the Issuer will, in relation to issues of Notes listed on Eurolist of Euronext Paris S.A., comply with the guidelines provided by the letter dated 1 October 1998 from the Minister of the Economy, Finance and Industry to the President of the *Association française des établissements de crédit et des entreprises d'investissement*. Each Series of Notes admitted to trading and listed on Eurolist of Euronext Paris S.A. must be issued in compliance with the *Principes Généraux* published from time to time by the *Autorité des marchés financiers*.
- (10) From the date hereof and for so long as the Programme remains in effect or any Notes remain outstanding, the following documents (including English translations where applicable) will be available free of charge, in the case of the documents referred to in subparagraphs (v)-(vii) inclusive below, during usual business hours on any weekday (Saturdays and public holidays excepted) from the date hereof at the registered office of the Issuer and the specified office of the Fiscal Agent, the Registrar and the Paying Agents:
- (i) the Agency Agreement (which includes the form of the Global Notes, the Definitive Notes, the Coupons, the Receipts and the Talons);
  - (ii) the Distribution Agreement;
  - (iii) the Deed of Covenant;
  - (iv) the constitutive documents of the Issuer;
  - (v) the published annual report and audited consolidated accounts of the Issuer for the financial years ending 31 December 2006, 31 December 2005 and 31 December 2004, together with any published interim financial statements for the period ended 30 June for each year;
  - (vi) a copy of this Base Prospectus or further Base Prospectus; and
  - (vii) any Final Terms.
- Copies of the Base Prospectus, further Base Prospectus and any final terms will be published on the website of the Luxembourg Stock Exchange (“*www.bourse.lu*”).
- (11) The Issuer has agreed that, for so long as any Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, it will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934 (the “**Exchange Act**”) nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner in each case upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act.
- (12) Salustro Reydel, a member of KPMG International, Deloitte & Associés and Mazars & Guérard, statutory auditors of the Issuer, have audited and rendered an unqualified audit report on the accounts of the Issuer for the year ending 31 December 2006. RSM Salustro Reydel, a member of KPMG International, Deloitte & Associés and Barbier Frinault et Autres have audited and rendered an unqualified audit report on the accounts of the Issuer for the year ending 31 December 2005. The French auditors carry out their duties in accordance with the principles of *Compagnie Nationale des Commissaires aux Comptes* (CNCC).
- (13) In respect of derivative securities as defined in Article 15.2 of Commission Regulation no.809/2004, the Final Terms will indicate whether or not the relevant Issuer intends to provide post-issuance information concerning the underlying. If the relevant Issuer intends to report such information, the Final Terms will specify what information will be reported and where such information can be obtained.

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**REGISTERED OFFICE OF NATIXIS**

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45, rue Saint-Dominique  
75007 Paris  
Telephone number: +33 1 58 32 30 00

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**CO-ARRANGERS**

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**Goldman Sachs International**  
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133 Fleet Street  
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**DEALERS**

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**Morgan Stanley & Co. International plc**  
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Canary Wharf  
London E14 4QA

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75007 Paris

**Natixis Funding**  
115 rue Montmartre  
75002 Paris

**UBS Limited**  
1 Finsbury Avenue  
London EC2M 2PP

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**STATUTORY AUDITORS OF THE ISSUER**

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**Mazars & Guérard**  
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**FISCAL AGENT, PRINCIPAL PAYING AGENT, REGISTRAR,  
CALCULATION AGENT AND TRANSFER AGENT**

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**PAYING AGENT**

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**Natixis**  
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**LEGAL ADVISERS**

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**To the Issuer**  
*as to French law*  
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**To the Dealers**  
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