



# COMPAGNIE DE FINANCEMENT FONCIER

## COMPAGNIE DE FINANCEMENT FONCIER

**Euro 125,000,000,000**

### **Euro Medium Term Note Programme**

#### **for the issue of *Obligations Foncières* due from one month from the date of original issue**

Under the Euro Medium Term Note Programme (the “**Programme**”) described in this base prospectus (the “**Base Prospectus**”), Compagnie de Financement Foncier (the “**Issuer**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue *obligations foncières* (the “**Obligations Foncières**” or the “**Notes**”), benefiting from the statutory *privilège* created by Article L. 513-11 of the French *Code monétaire et financier*, as more fully described herein. No credit linked Notes will be issued under the Programme.

The aggregate nominal amount of Notes outstanding will not at any time exceed Euro 125,000,000,000 (or the equivalent in other currencies).

This Base Prospectus replaces and supersedes the base prospectus dated 15 June 2016 and the supplements thereto and shall be in force for a period of one year as of the date of its approval by the *Autorité des marchés financiers* (the “**AMF**”).

Application has been made to the AMF in France for approval of this Base Prospectus, in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* and, at the same time for the notification of a certificate of approval released to the *Commission de surveillance du secteur financier* in Luxembourg for Notes issued under the Programme to be listed and admitted to trading on the Regulated Market (as defined below) of the Luxembourg Stock Exchange, both of approval and notification being made in its capacity as competent authority under Article 212-2 of the *Règlement Général* of the AMF which implements the Directive 2003/71/EC of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading, as amended (the “**Prospectus Directive**”).

Application may be made to Euronext Paris for Notes issued under the Programme for the period of 12 months from the date of this Base Prospectus to be listed and admitted to trading on Euronext Paris. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EEC, as amended, appearing on the list of regulated markets issued by the European Commission (a “**Regulated Market**”). Application may also be made for Notes to be listed and admitted to trading on a Regulated Market of any other Member State of the European Economic Area (the “**EEA**”) (subject to the notification of a certificate of approval released to the competent authority of such other Member State). Notes which are not listed or admitted to trading on a Regulated Market, or which are not offered to the public, in a Member State of the EEA may be issued under the Programme and may also be listed on an alternative stock exchange or may not be listed at all. The relevant final terms (the “**Final Terms**”) (as defined in “Summary of the Programme”) in respect of the issue of any Notes will specify whether or not such Notes will be listed and admitted to trading and/or offered to the public and, if so, the relevant Regulated Market in the EEA where the Notes will be listed and admitted to trading and/or the Member State(s) in the EEA where the Notes will be offered to the public and will be published, if relevant, on the website of the Regulated Market where the admission to trading is sought, if the rules applicable to such regulated market so require.

Each time the Notes will be admitted to trading on Euronext Paris, the Notes will also be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange.

Notes may be issued either in dematerialised form (“**Dematerialised Notes**”) or in materialised form (“**Materialised Notes**”) as more fully described herein.

Dematerialised Notes will at all times be in book entry form in compliance with Articles L. 211-3 and R. 211-1 of the French *Code monétaire et financier*. No physical documents of title will be issued in respect of the Dematerialised Notes.

Dematerialised Notes may, at the option of the Issuer, be in bearer dematerialised form (*au porteur*) inscribed as from the issue date in the books of Euroclear France (“**Euroclear France**”) (acting as central depository) which shall credit the accounts of Account Holders (as defined in “Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination”) including, Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depository bank for Clearstream Banking S.A. (“**Clearstream**”), or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant holder, in either fully registered dematerialised form (*nominatif pur*), in which case they will be inscribed with a registration agent (appointed in the relevant Final Terms) for the Issuer, or in administered registered dematerialised form (*nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders (as defined in “Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination”) designated by the relevant holder of Notes.

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a “**Temporary Global Certificate**”) will initially be issued in relation to Materialised Notes. Such Temporary Global Certificate will subsequently be exchanged for definitive Materialised Notes in bearer form (the “**Definitive Materialised Notes**”) on or after a date expected to be on or about the 40<sup>th</sup> day after the issue date of the Notes (subject to postponement as described in “Temporary Global Certificates issued in respect of Materialised Notes”) upon certification as to non-US beneficial ownership with, where applicable, coupons for interest attached.

The Programme has been rated Aaa by Moody’s Investors Service (“**Moody’s**”), AAA by Standard & Poor’s Ratings Services (“**S&P**”) and AAA by Scope Ratings AG (“**Scope**”). It is expected that the Notes issued under the Programme will be rated AAA by S&P, Aaa by Moody’s and AAA by Scope. Each of S&P, Moody’s and Scope is established in the European Union, registered under Regulation (EC) No.1060/2009 on credit ratings agencies, as amended (the “**CRA Regulation**”) and included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority ([www.esma.europa.eu/supervision/credit-rating-agencies/risk](http://www.esma.europa.eu/supervision/credit-rating-agencies/risk)). The relevant Final Terms will specify whether or not such credit ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

The final terms of the Notes will be determined at the time of the offering of each Tranche and will be set out in the relevant Final Terms.

Copies of the documents incorporated by reference can be obtained without charge from the registered office of the Issuer and are also published on the Issuer’s website ([www.foncier.fr](http://www.foncier.fr)).

Arranger  
**DEUTSCHE BANK**  
Dealers

**BARCLAYS**  
**BoFA MERRILL LYNCH**  
**CRÉDIT AGRICOLE CIB**  
**CREDIT SUISSE**  
**HSBC**

**MORGAN STANLEY**  
**NATWEST MARKETS**

**SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING**

**BNP PARIBAS**  
**COMMERZBANK**  
**CRÉDIT FONCIER DE FRANCE**  
**DEUTSCHE BANK**  
**J.P. MORGAN**  
**NATIXIS**  
**NOMURA**  
**UBS INVESTMENT BANK**

The prospectus as defined in Article 5.4 of the Prospectus Directive consists in (a) this base prospectus containing the base terms and conditions of the Notes to be issued under the Programme, together with any supplements thereto published from time to time (each a “Supplement” and together the “Supplements”) and (b) the Final Terms of the Notes.

This Base Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “Documents Incorporated by Reference”).

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 Arranger (as defined in “Summary”). 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 position 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 Issuer has undertaken with the Dealers to amend or supplement this Base Prospectus or publish a new Base Prospectus if and when the information herein should become materially inaccurate or incomplete.

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 Arranger to inform themselves about and to observe any such restriction.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or with any security regulation authority of any state or other jurisdiction of the United States and include Materialised Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered or sold to U.S. persons (as defined in Regulation S under the Securities Act (“Regulation S”)) or, in the case of Materialised Notes in bearer form, delivered within the United States or to United States persons (as defined under the U.S. Internal Revenue Code of 1986, as amended).

**THE NOTES ARE BEING OFFERED OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S.**

For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see “Subscription and Sale”.

**IMPORTANT – EEA RETAIL INVESTORS** - If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“MiFID II”); (ii) a customer within the meaning of Directive 2002/92/EC (“IMD”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the

EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

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

The Arranger and the Dealers have not separately verified the information or representations contained in this Base Prospectus. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the sincerity, accuracy or completeness of any of the information or representations in this Base Prospectus. Neither this Base Prospectus nor any other financial statements nor any other information incorporated by reference are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements or any information incorporated by reference 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 Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger has reviewed or 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 Arranger.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “€”, “Euro”, “EUR” are to the currency which was introduced as of 1 January 1999 with the start of the third stage of the European Economic and Monetary Union by which date the Euro became the legal currency in eleven Member States of the European Union, references to “£”, “pounds sterling”, “GBP” and “Sterling” are to the lawful currency of the United Kingdom, references to “\$”, “USD” and “US Dollars” are to the lawful currency of the United States of America, references to “HKD”, “Hong Kong Dollars” are to the lawful currency of Hong Kong, “¥”, “JPY” and “Yen” are to the lawful currency of Japan, references to “CHF” and “Swiss Francs” are to the lawful currency of the Helvetic Confederation, references to “NOK” are to the lawful currency of Norway and references to “CAD” and “Canadian Dollars” are to the lawful currency of Canada.

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## SUMMARY

*Summaries are made up of disclosure requirements known as “Elements” the communication of which is required by Annex XXII of Regulation (EC) No 809/2004 of 29 April 2004, as amended. These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and for Compagnie de Financement Foncier (the “**Issuer**”). Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding such Element. In this case a short description of the Element is included in the summary and marked as “Not applicable”.*

*This summary is provided for purposes of the issue by the Issuer of the Notes of a denomination of less than Euro 100,000 which are offered to the public or admitted to trading on a Regulated Market of the European Economic Area (the “**EEA**”). The issue specific summary relating to this type of Notes will be annexed to the relevant Final Terms and will comprise (i) the information below with respect to the summary of the Base Prospectus and (ii) the information below included in the items “issue specific summary” and which will be completed at the time of each issue.*

| Section A - Introduction and warnings |                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A.1</b>                            | <b>General disclaimer regarding the summary</b>                                 | This summary must be read as an introduction to the Base Prospectus. Any decision to invest in the Notes should be based on a consideration by any investor of the Base Prospectus as a whole, including any documents incorporated by reference and any supplement from time to time. Where a claim relating to information contained in the Base Prospectus is brought before a court, the plaintiff may, under the national legislation of the Member State of the EEA where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>A.2</b>                            | <b>Information regarding consent by the Issuer to the use of the Prospectus</b> | <p>In the context of any offer of Notes in France, in the Grand Duchy of Luxembourg and/or any other Member State of the EEA specified in the applicable Final Terms (the “<b>Public Offer Jurisdictions</b>”) that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended, (a “<b>Public Offer</b>”), the Issuer consents to the use of the Base Prospectus and the relevant Final Terms (together with the Base Prospectus, the “<b>Prospectus</b>”) in connection with a Public Offer of any Notes during the offer period specified in the relevant Final Terms (the “<b>Offer Period</b>”) and in the Public Offer Jurisdiction(s) specified in the relevant Final Terms by (i) any financial intermediary duly authorised designated in such Final Terms or (ii) if so specified in the relevant Final Terms, any financial intermediary (each an “<b>Authorised Offeror</b>”). The consent referred to above relates to Offer Periods (if any) ending no later than the date falling 12 months from the date of the approval of the Base Prospectus by the <i>Autorité des marchés financiers</i>.</p> <p><b>The Terms and Conditions of the Public Offer shall be provided to investors by that Authorised Offeror at the time of the Public Offer. Neither the Issuer nor any of the Dealers (as defined below) or other Authorised Offerors has any responsibility or liability for such information.</b></p> <p>References in the Base Prospectus to “<b>Permanent Dealers</b>” are to the persons listed as Dealers (as defined below) and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to “<b>Dealers</b>” are to all Permanent Dealers and all</p> |

|  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |  | persons appointed as a dealer in respect of one or more Tranches.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|  |  | <p><b>Issue specific Summary:</b></p> <p>[In the context of the offer of the Notes in [.] (“<b>Public Offer Jurisdiction[s]</b>”) which is not made within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended (the “<b>Public Offer</b>”), the Issuer consents to the use of the Prospectus in connection with such Public Offer of any Notes during the period from [.] until [.] (the “<b>Offer Period</b>”) and in the Public Offer Jurisdiction[s] by [.] / [any financial intermediary] (the “<b>Authorised Offeror[s]</b>”). [The Authorised Offeror[s] must satisfy the following conditions: [.] ]]</p> <p><b>The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the time of the Public Offer. Neither the Issuer nor any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.]/</b></p> <p>[Not applicable]]</p> |

| Section B – Issuer |                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>B.1</b>         | <b>Legal and commercial name of the Issuer</b>                                                                                 | Compagnie de Financement Foncier (“ <b>Compagnie de Financement Foncier</b> ” or the “ <b>Issuer</b> ” or the “ <b>Company</b> ”).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>B.2</b>         | <b>Domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation</b> | <p>Compagnie de Financement Foncier is a credit institution authorised as a financial company and a <i>société de crédit foncier</i> by a decision of the French Credit Institutions and Investment Companies Committee (<i>CECEI - Comité des Etablissements de Crédit et des Entreprises d’Investissements</i>, now known as <i>Autorité de contrôle prudentiel et de résolution</i>) on 23 July 1999. It is therefore governed by the legislation applicable to credit institutions and, as a <i>société de crédit foncier</i>, it is also governed by Articles L. 513-2 to L. 513-27 of the French <i>Code monétaire et financier</i>.</p> <p>Its registered office is located at 19, rue des Capucines, 75001 Paris.</p>                                        |
| <b>B.4b</b>        | <b>Description of any known trends affecting the Issuer and the industries in which it operates</b>                            | <p>Not Applicable.</p> <p>No significant deterioration has affected the outlook of the Company since its last financial report was audited and published.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>B.5</b>         | <b>A description of the Issuer’s Group and the Issuer’s position within the Group</b>                                          | <p>Compagnie de Financement Foncier is a wholly-owned subsidiary of Crédit Foncier de France (A-/A2/A) and an affiliate of BPCE (A/A2/A), the “central body” of Groupe BPCE, which, with 15 Banques Populaires and 17 Caisses d’Epargne, constitutes one of France’s largest banking groups.</p> <p>Since the merger of holding companies previously owned by Banques Populaires (BP Participations) and Caisses d’Epargne (CE Participations) on 5 August 2010 within the Central body (BPCE), Crédit Foncier de France’s is wholly owned by Groupe BPCE, the second banking group in France (<i>market shares: 21.6% of market share for customer savings and 20.7% for customer credits (source: Banque de France Q3-2016 – all non-financial customers).</i></p> |
| <b>B.9</b>         | <b>Profit forecast or estimate</b>                                                                                             | <p>Not Applicable.</p> <p>Compagnie de Financement Foncier does not disclose any profit forecast or estimate.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

|                                                                                                        |                                               |                                                                                                                                                                                                                                                                                                                                                                                                                          |             |                 |                                                                        |             |                 |
|--------------------------------------------------------------------------------------------------------|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------------|------------------------------------------------------------------------|-------------|-----------------|
| B.10                                                                                                   | Qualifications in the auditors' report        | Not Applicable.<br>The statutory auditors' reports on the financial statements of Compagnie de Financement Foncier for the years ended 31 December 2016 and 31 December 2015 do not contain any qualifications.                                                                                                                                                                                                          |             |                 |                                                                        |             |                 |
| B.12                                                                                                   | Selected historical key financial information | There has been no material adverse change in the financial position or prospects of the Compagnie de Financement Foncier since the date of its last published audited financial statements.<br>There has been no significant changes in the financial or trading position of the Compagnie de Financement Foncier since the end of the last financial period for which audited financial information has been published. |             |                 |                                                                        |             |                 |
|                                                                                                        |                                               | The following tables show the key figures related to the balance sheet of the Compagnie de Financement Foncier as at 31 December 2015 and 31 December 2016:                                                                                                                                                                                                                                                              |             |                 |                                                                        |             |                 |
|                                                                                                        |                                               | <u>Simplified economic balance sheet at 31 December 2015 (total balance sheet: euro 87.6 billion)</u>                                                                                                                                                                                                                                                                                                                    |             |                 |                                                                        |             |                 |
|                                                                                                        |                                               |                                                                                                                                                                                                                                                                                                                                                                                                                          | € Billion   | % Balance sheet |                                                                        | € Billion   | % Balance sheet |
|                                                                                                        |                                               | Mortgage loans or equivalent                                                                                                                                                                                                                                                                                                                                                                                             | <u>38.0</u> | 43.3%           | Privileged resources                                                   | <u>68.0</u> | 77.7%           |
|                                                                                                        |                                               | Public sector exposures                                                                                                                                                                                                                                                                                                                                                                                                  | <u>39.3</u> | 44.9%           | Obligations foncières                                                  | <u>69.0</u> | 78.8%           |
|                                                                                                        |                                               | French Public sector <sup>1</sup>                                                                                                                                                                                                                                                                                                                                                                                        | 29.3        | 33.5%           | Foreign exchange rate difference on obligations foncières              | <u>-1.2</u> | -1.3%           |
|                                                                                                        |                                               | Foreign public sector                                                                                                                                                                                                                                                                                                                                                                                                    | <u>10.0</u> | 11.4%           | Other privileged resources                                             | <u>0.2</u>  | 0.3%            |
|                                                                                                        |                                               | Replacement values and other assets                                                                                                                                                                                                                                                                                                                                                                                      | <u>10.3</u> | 11.8%           | Difference associated with hedging balance sheet item                  | <u>1.5</u>  | 1.7%            |
|                                                                                                        |                                               | Replacement values                                                                                                                                                                                                                                                                                                                                                                                                       | <u>7.1</u>  | 8.1%            | Non-privileged resources                                               | <u>18.1</u> | 20.7%           |
|                                                                                                        |                                               | Other assets                                                                                                                                                                                                                                                                                                                                                                                                             | <u>3.2</u>  | 3.7%            | Unsecured debt                                                         | <u>12.6</u> | 14.4%           |
|                                                                                                        |                                               |                                                                                                                                                                                                                                                                                                                                                                                                                          |             |                 | Subordinated debt or equivalent                                        | <u>2.2</u>  | 2.6%            |
|                                                                                                        |                                               |                                                                                                                                                                                                                                                                                                                                                                                                                          |             |                 | Shareholder's equity, provisions and reserve for general banking risks | <u>3.2</u>  | 3.7%            |
|                                                                                                        |                                               | TOTAL ASSETS                                                                                                                                                                                                                                                                                                                                                                                                             | <u>87.6</u> | 100.0%          | TOTAL LIABILITIES                                                      | <u>87.6</u> | 100.0%          |
|                                                                                                        |                                               | <sup>1</sup> Including deposits and short term loans at Banque de France of €5.4 billion at the end of 2015 and €1.2 billion at the end of 2014.                                                                                                                                                                                                                                                                         |             |                 |                                                                        |             |                 |
| <u>Liabilities benefiting from the <i>privilège (obligations foncières)</i> as at 31 December 2015</u> |                                               |                                                                                                                                                                                                                                                                                                                                                                                                                          |             |                 |                                                                        |             |                 |
| - Issued in 2015: Euro 8.4 billion                                                                     |                                               |                                                                                                                                                                                                                                                                                                                                                                                                                          |             |                 |                                                                        |             |                 |
| - Liabilities benefiting from the <i>privilège</i> : Euro 69 billion in <i>obligations foncières</i> . |                                               |                                                                                                                                                                                                                                                                                                                                                                                                                          |             |                 |                                                                        |             |                 |
| <u>Simplified balance sheet at 31 December 2016 (total balance sheet:</u>                              |                                               |                                                                                                                                                                                                                                                                                                                                                                                                                          |             |                 |                                                                        |             |                 |

**euro 84.3 billion)**

|                                            | € Billion   | %<br>Balance<br>sheet |                                                                        | € Billion   | %<br>Balance<br>sheet |
|--------------------------------------------|-------------|-----------------------|------------------------------------------------------------------------|-------------|-----------------------|
| <b>Mortgage loans or equivalent</b>        | <b>39.4</b> | <b>46.7%</b>          | <b>Privileged resources</b>                                            | <b>66.8</b> | <b>79.2%</b>          |
| <b>Public sector exposures</b>             | <b>34.7</b> | <b>41.2%</b>          | <i>Obligations foncières</i>                                           | 67.4        | 80.0%                 |
| French Public sector <sup>1</sup>          | 25.0        | 29.6%                 | Foreign exchange rate difference on <i>obligations foncières</i>       | -0.8        | -1.0%                 |
| Foreign public sector                      | 9.7         | 11.5%                 | Other privileged resources                                             | 0.2         | 0.2%                  |
| <b>Replacement values and other assets</b> | <b>10.3</b> | <b>12.2%</b>          | <b>Difference associated with hedging balance sheet item</b>           | 1.6         | 1.9%                  |
| Replacement values                         | 6.8         | 8.1%                  | <b>Non-privileged resources</b>                                        | 15.9        | 18.9%                 |
| Other assets                               | 3.4         | 4.0%                  | Unsecured debt                                                         | 10.5        | 12.5%                 |
|                                            |             |                       | Subordinated debt or equivalent                                        | 2.2         | 2.6%                  |
|                                            |             |                       | Shareholder's equity, provisions and reserve for general banking risks | 3.2         | 3.8%                  |
| <b>TOTAL ASSETS</b>                        | <b>84.3</b> | <b>100.0%</b>         | <b>TOTAL LIABILITIES</b>                                               | <b>84.3</b> | <b>100.0%</b>         |

<sup>1</sup> Including deposits and short term loans at Banque de France of €2.4 billion at the end of 2016 and €5.4 billion at the end of 2015.

**Liabilities benefiting from the *privilège (obligations foncières)* as at 31 December 2016**

- Issued in 2016: Euro 5.2 billion
- Liabilities benefiting from the *privilège*: Euro 67 billion in *obligations foncières*.

**The following table shows certain key performance indicators of the Compagnie de Financement Foncier as at 31 December 2016 and 31 December 2015:**

|                                        | 2016        | 2015         |
|----------------------------------------|-------------|--------------|
| Net income                             | €94 million | €132 million |
| Regulatory overcollateralization ratio | 117.6%      | 122.1%       |
| Average LTV of mortgage loans          | 74.9%       | 75.5%        |

**The following tables show key figures related to the eligible assets of the Compagnie de Financement Foncier as at 31 December 2015 and 31 December 2016:**

**Eligible assets as at 31 December 2015 (total: euro 87.6 billion)**

|                                     | € billion   | %            |
|-------------------------------------|-------------|--------------|
| <b>Mortgage loans or equivalent</b> | <b>38.0</b> | <b>43.3%</b> |

|  |  |                                                                                                                                                  |                        |                      |
|--|--|--------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------------|
|  |  | <b>Public sector exposures</b>                                                                                                                   | <b>39.3</b>            | <b>44.9%</b>         |
|  |  | French public sector loans <sup>1</sup>                                                                                                          | 29.3                   | 33.5%                |
|  |  | Foreign public sector                                                                                                                            | 10.0                   | 11.4%                |
|  |  | <b>Replacement values and other assets</b>                                                                                                       | <b>10.3</b>            | <b>11.8%</b>         |
|  |  | Replacement securities                                                                                                                           | 7.1                    | 8.1%                 |
|  |  | Other assets                                                                                                                                     | 3.2                    | 3.7%                 |
|  |  | <b>Total assets</b>                                                                                                                              | <b>87.6</b>            | <b>100.00%</b>       |
|  |  | <sup>1</sup> Including deposits and short term loans at Banque de France of €5.4 billion at the end of 2015 and €1.2 billion at the end of 2014. |                        |                      |
|  |  |                                                                                                                                                  |                        |                      |
|  |  | <b><u>Eligible assets as at 31 December 2016 (total: euro 84.3 billion)</u></b>                                                                  |                        |                      |
|  |  |                                                                                                                                                  | <b>€ billion</b>       | <b>%</b>             |
|  |  | <b>Mortgage loans or equivalent</b>                                                                                                              | <b>39.4</b>            | <b>46.7%</b>         |
|  |  | <b>Public sector exposures</b>                                                                                                                   | <b>34.7</b>            | <b>41.2%</b>         |
|  |  | French public sector loans <sup>1</sup>                                                                                                          | 25.0                   | 29.6%                |
|  |  | Foreign public sector                                                                                                                            | 9.7                    | 11.5%                |
|  |  | <b>Replacement values and other assets</b>                                                                                                       | <b>10.3</b>            | <b>12.2%</b>         |
|  |  | Replacement securities                                                                                                                           | 6.8                    | 8.1%                 |
|  |  | Other assets                                                                                                                                     | 3.4                    | 4.0%                 |
|  |  | <b>Total assets</b>                                                                                                                              | <b>84.3</b>            | <b>100.00%</b>       |
|  |  | <sup>1</sup> Including deposits and short term loans at Banque de France of €2.4 billion at the end of 2016 and €5.4 billion at the end of 2015. |                        |                      |
|  |  | <b>The following quarterly financial information is unaudited and has not been reviewed:</b>                                                     |                        |                      |
|  |  | <b><u>Financial information as at 31 March 2017 and as at 31 March 2016</u></b>                                                                  |                        |                      |
|  |  | <b>Assets</b>                                                                                                                                    | <b>31 March 2017</b>   | <b>31 March 2016</b> |
|  |  |                                                                                                                                                  | <b>(EUR thousands)</b> |                      |
|  |  | Cash due from central banks and post office accounts                                                                                             | 1,520,000              | 2,300,018            |
|  |  | Treasury notes and similar securities                                                                                                            | 3,467,389              | 3,615,098            |
|  |  | Due from banks                                                                                                                                   | 29,420,046             | 21,245,410           |
|  |  | Customers loans                                                                                                                                  | 39,372,426             | 41,453,608           |
|  |  | Bonds and other fixed income securities                                                                                                          | 5,921,613              | 12,389,935           |
|  |  | Other long term securities                                                                                                                       | 0                      | 4                    |
|  |  | Shares / fixed assets                                                                                                                            |                        |                      |
|  |  | Other assets                                                                                                                                     | 16,127                 | 42,627               |
|  |  | Prepayments deferred charges and accrued income                                                                                                  | 2,669,692              | 3,125,546            |
|  |  | <b>Total Assets</b>                                                                                                                              | <b>82,387,293</b>      | <b>84,172,246</b>    |

|             |                                                                                     | Liabilities and Equity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 31 March 2017        | 31 March 2016        |
|-------------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
|             |                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (EUR thousands)      |                      |
|             |                                                                                     | Cash due to central banks and post office accounts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | –                    | –                    |
|             |                                                                                     | Due to banks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 8,718,815            | 8,862,976            |
|             |                                                                                     | Customer deposits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 8                    | 17                   |
|             |                                                                                     | Debt securities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 66,018,419           | 66,467,534           |
|             |                                                                                     | Other liabilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2,040,320            | 3,242,599            |
|             |                                                                                     | Accruals and deferred income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2,388,573            | 2,349,289            |
|             |                                                                                     | Provisions for liabilities and charges                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 20,663               | 16,139               |
|             |                                                                                     | Subordinated debt                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 0                    | 0                    |
|             |                                                                                     | Fund for general banking risks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 20,000               | 20,000               |
|             |                                                                                     | Equity excluding fund for general banking risks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 3,180,495            | 3,213,692            |
|             |                                                                                     | <b>Total Liabilities and Equity</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>82,387,293</b>    | <b>84,172,246</b>    |
|             |                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                      |                      |
|             |                                                                                     | <b>Off-Balance Sheet</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>31 March 2017</b> | <b>31 March 2016</b> |
|             |                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (EUR thousands)      |                      |
|             |                                                                                     | Commitments given                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 873,405              | 819,783              |
|             |                                                                                     | Commitments received                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 9,705,067            | 9,028,025            |
|             |                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                      |                      |
| <b>B.13</b> | <b>Recent material events relevant to the evaluation of the Issuer's solvency</b>   | <p>Not Applicable.</p> <p>Compagnie de Financement Foncier did not record any recent events that significantly impact the evaluation of its solvency.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                      |                      |
| <b>B.14</b> | <b>Extent to which the Issuer is dependent upon other entities within the Group</b> | <p>As stipulated by law, Compagnie de Financement Foncier draws on the technical and human resources of its parent company under agreements binding the two companies. These agreements, which are regulated (<i>réglementés</i>) as defined by Article L. 225-38 of the French <i>Code de commerce</i>, cover all of the Compagnie de Financement Foncier's activities.</p> <p>The texts are drafted taking into account the special nature of the relationship between Crédit Foncier de France and its subsidiary Compagnie de Financement Foncier.</p> <p>The principal business of Crédit Foncier de France is to grant mortgage loans to individuals and real estate professionals, grant loans to local authorities, provide structured financing and to issue bonds to finance these loans.</p> <p>Crédit Foncier de France transferred to Compagnie de Financement Foncier all its property commitments and pledged assets to the CECEI pursuant to Article 110 of law 99-532 of 25 June 1999.</p> <p>After having been affiliated with the Groupe Caisse d'Epargne between 1999 and 2009, Crédit Foncier de France became affiliated in 2009 with Groupe BPCE, which resulted from the merger of Caisses d'Epargne and Banque Populaire networks. Since 5 August 2010, Crédit Foncier de France has been fully owned by the Central body of BPCE.</p> <p>Sixteen agreements are signed between Crédit Foncier de France and its subsidiary Compagnie de Financement Foncier, namely:</p> |                      |                      |

|             |                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|             |                                           | <ul style="list-style-type: none"> <li>- a framework agreement, setting forth the general principles;</li> </ul> <hr/> <ul style="list-style-type: none"> <li>- an agreement for loan assignments;</li> <li>- an agreement for loan servicing and recovery;</li> <li>- an agreement governing financial services;</li> <li>- an asset/liability management (ALM) agreement;</li> <li>- an administrative and accounting management agreement;</li> <li>- a service agreement on internal control and compliance;</li> <li>- an agreement related to the implementation of information technology services;</li> <li>- an agreement concerning human resources;</li> <li>- an agreement concerning compensation for services;</li> <li>- an agreement related to settlement bank services;</li> <li>- a guarantee agreement for adjustable-rate loans;</li> <li>- a guarantee and compensation agreement;</li> <li>- a paying agent agreement;</li> <li>- an agreement related to shareholder's account advance effective as of 15 September 2015, the date that the account was established;</li> <li>- an agreement relating to the assignment of mortgage ranking/priority;</li> </ul> <p>and two agreements between Crédit Foncier de France, Compagnie de Financement Foncier and a third party:</p> <ul style="list-style-type: none"> <li>- an agreement relating to management and recovery of loans subsidized by the French State;</li> <li>- the renewal of the broker agreement (with BPCE, Caisses d'Epargne and Crédit Foncier de France).</li> </ul> |
| <b>B.15</b> | <b>Principal activities of the Issuer</b> | <p>Compagnie de Financement Foncier's sole activity is to acquire and refinance eligible assets.</p> <p>The eligibility criteria for <i>sociétés de crédit foncier's</i> assets are defined in Articles L. 513-3 to L. 513-7 of the French <i>Code monétaire et financier</i>. The following assets are eligible:</p> <ul style="list-style-type: none"> <li>- loans guaranteed by a first-rank mortgage or equivalent guarantee, when the underlying assets are located in the EEA or in a country with the highest credit rating;</li> <li>- exposures on public entities such as loans or off-balance sheet commitments, when they concern public entities or entities that are totally guaranteed by them (central administrations, central banks, public institutions, local authorities or their associations, etc.), and having the highest credit quality step established by an <i>organisme externe d'évaluation de crédit</i> recognised by the French <i>Autorité de contrôle prudentiel et de résolution</i> in accordance with Article L. 511-44 of the French <i>Code monétaire et financier</i>. Exposures to public entities particularly include debt securities issued or totally guaranteed by one or more public entities. Shares and debt securities issued by securitisation vehicles as well as those issued</li> </ul>                                                                                                                                                                                                                    |

|                 |                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |                                                                              |  |            |  |              |
|-----------------|------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------------------------------------------------------------------------|--|------------|--|--------------|
|                 |                                                                              | <p>by similar entities are considered as loans and exposures;</p> <p>- replacement values (limited to 15% of the face value of the privileged resources): securities and deposits that are adequately safe and liquid.</p> <p>All eligible assets are held by the <i>société de crédit foncier</i> in a dedicated balance sheet separated from the parent company’s.</p> <p>In order to refinance these assets, the Compagnie de Financement Foncier issues <i>obligations foncières</i> and raises other resources which may or may not benefit from the <i>privilège</i> as defined by Article L. 513-11 of the French <i>Code monétaire et financier</i>.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                 |                                                                              |  |            |  |              |
| B.16            | Extent to which the Issuer is directly or indirectly owned or controlled     | Nearly all of the share capital of the Company is held by Crédit Foncier de France. As required by the by-laws of the Company, each member of the Board of Directors must own at least one share during his or her term of office.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                 |                                                                              |  |            |  |              |
| B.17            | Credit ratings assigned to the Issuer or its debt securities                 | <p>The Programme has been rated Aaa by Moody’s Investors Services (“<b>Moody’s</b>”), AAA by Standard &amp; Poor’s Ratings Services (“<b>S&amp;P</b>”) and AAA by Scope Ratings AG (“<b>Scope</b>”). It is expected that the Notes issued under the Programme will be rated AAA by S&amp;P, Aaa by Moody’s and AAA by Scope.</p> <p>S&amp;P, Moody’s and Scope, which are established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit ratings agencies (the “<b>CRA Regulation</b>”), as amended, and included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority’s website</p> <p>The rating (if any) of the Notes will be specified in the Final Terms.</p> <p>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 the assigning rating agency.</p> <p><b>Issue specific summary:</b></p> <table><tr><td>Credit ratings:</td><td>[Not applicable/The Notes to be issued [have been/are expected to be] rated:</td></tr><tr><td></td><td>[S&amp;P: [●]]</td></tr><tr><td></td><td>[Scope: [●]]</td></tr></table> | Credit ratings: | [Not applicable/The Notes to be issued [have been/are expected to be] rated: |  | [S&P: [●]] |  | [Scope: [●]] |
| Credit ratings: | [Not applicable/The Notes to be issued [have been/are expected to be] rated: |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |                                                                              |  |            |  |              |
|                 | [S&P: [●]]                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |                                                                              |  |            |  |              |
|                 | [Scope: [●]]                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |                                                                              |  |            |  |              |

| Section C - Securities |                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| C.1                    | Type, class and identification number of the Notes | <p>Up to Euro 125,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time pursuant to the Euro Medium Term Note Programme arranged by Deutsche Bank AG, Paris Branch (the “<b>Programme</b>”).</p> <p>The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “<b>Series</b>”) having one or more issue dates and on terms otherwise identical, the Notes of each Series being intended to be interchangeable or identical (other than in respect of the first payment of interest, the issue date, the issue price and the nominal amount) with all other Notes of that Series. Each Series may be issued in tranches (each a “<b>Tranche</b>”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the relevant final terms to the Base Prospectus (the “<b>Final Terms</b>”).</p> <p>Notes may be issued in either dematerialised form (“<b>Dematerialised Notes</b>”) or materialised form (“<b>Materialised Notes</b>”).</p> <p>Dematerialised Notes may, at the option of the Issuer be issued in bearer dematerialised form (<i>au porteur</i>) or in registered dematerialised form (<i>au nominatif</i>) and, in such latter case, at the option of the relevant holder, either in fully registered form (<i>au nominatif pur</i>) or in administered registered form (<i>au nominatif administré</i>). No physical documents of title will be issued in respect of Dematerialised Notes. Materialised Notes may be in bearer materialised form (“<b>Bearer Materialised Notes</b>”) only. A Temporary Global Certificate will initially be issued in respect of each Tranche of Bearer Materialised Notes. Materialised Notes may only be issued outside France.</p> <p>The Notes have been accepted for clearance through Euroclear France as central depository in relation to Dematerialised Notes and Clearstream Banking S.A. (“<b>Clearstream</b>”), Euroclear Bank S.A./N.V. (“<b>Euroclear</b>”) or any other clearing system that may be agreed between the Issuer, the fiscal agent in respect of the Programme (the “<b>Fiscal Agent</b>”) and the relevant Dealer in relation to Materialised Notes.</p> <p>Identification number of the Notes: the International Securities Identification Number (ISIN) and a common code will be specified in the relevant Final Terms.</p> |
|                        |                                                    | <b>Issue specific summary:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                        |                                                    | Series Number: [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                        |                                                    | Tranche Number: [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                        |                                                    | Aggregate Nominal Amount: [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                        |                                                    | Series: [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                        |                                                    | Tranche: [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|                        |                                                    | Form of Notes: [Dematerialised Notes / Materialised Notes].                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                        |                                                    | [If the Notes are Dematerialised Notes: Dematerialised Notes are [in bearer dematerialised form ( <i>au porteur</i> ) / in registered dematerialised                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                        |                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

|     |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                       |
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|     |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | form ( <i>au nominatif</i> )].                                                        |
|     |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | [If the Notes are Materialised Notes: Materialised Notes will be in bearer form only] |
|     |                                                                          | ISIN:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | [•]                                                                                   |
|     |                                                                          | Common Code:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | [•]                                                                                   |
|     |                                                                          | Central Depository:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | [•]                                                                                   |
|     |                                                                          | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking S.A. and the relevant identification number(s):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | [Not applicable]/[give name(s) and number(s) [and address(es)]]                       |
| C.2 | Currencies of the Notes                                                  | Notes may be issued in Euros, U.S. dollars, Hong Kong dollars, Japanese yen, Swiss francs, Sterling, Canadian dollars, Norwegian krone and in any other currency agreed between the Issuer and the relevant Dealers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                       |
|     |                                                                          | <b>Issue specific summary:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                       |
|     |                                                                          | The currency of the Notes is:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | [•]                                                                                   |
| C.5 | Description of any restrictions on the free transferability of the Notes | Save certain restrictions regarding the purchase, offer, sale and delivery of the Notes, or possession or distribution of the Base Prospectus, any other offering material or any Final Terms, there is no restriction on the free transferability of the Notes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                       |
| C.8 | Description of rights attached to the Notes                              | <ul style="list-style-type: none"> <li><b><u>Arranger</u></b><br/>The arranger in respect of the Programme (the “<b>Arranger</b>”) is:<br/>Deutsche Bank AG, Paris Branch</li> <li><b><u>Dealers under the Programme</u></b><br/>The dealers in respect of the Programme (the “<b>Dealers</b>”) are:<br/>Barclays Bank PLC<br/>BNP Paribas<br/>Commerzbank Aktiengesellschaft<br/>Crédit Agricole Corporate and Investment Bank<br/>Crédit Foncier de France<br/>Credit Suisse Securities (Europe) Limited<br/>Deutsche Bank Aktiengesellschaft<br/>HSBC France<br/>J.P. Morgan Securities plc<br/>Merrill Lynch International<br/>Morgan Stanley &amp; Co. International plc<br/>NATIXIS<br/>Nomura International plc<br/>Société Générale<br/>The Royal Bank of Scotland plc (trading as NatWest Markets)<br/>UBS Limited</li> </ul> <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.</p> <ul style="list-style-type: none"> <li><b><u>Issue price</u></b><br/>The Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.</li> </ul> |                                                                                       |

|                                |                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                |  |              |                                                                                                          |                            |     |
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|                                |                                                                                                          | <ul style="list-style-type: none"><li>• <u><b>Specified Denomination</b></u><br/>The Notes will be issued in such denominations as may be specified in the relevant Final Terms provided that such denomination shall be equal to such minimum amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.<br/>Dematerialised Notes shall be issued in one Specified Denomination only.</li><li>• <u><b>Status of the Notes</b></u><br/>The Notes (<i>obligations foncières</i>) constitute direct, unconditional and privileged obligations of the Issuer and rank and will rank <i>pari passu</i> and without any preference among themselves and equally and rateably with all other present or future notes and other resources raised by the Issuer benefiting from the <i>privilège</i> created by Article L. 513-11 of the French <i>Code monétaire et financier</i>.</li><li>• <u><b>Privilège</b></u><br/>The Notes benefit from the <i>privilège</i> (priority right of payment) created by Article L. 513-11 of the French <i>Code monétaire et financier</i>.</li><li>• <u><b>Negative pledge</b></u><br/>None.</li><li>• <u><b>Events of default, including cross default</b></u><br/>None.</li><li>• <u><b>Tax exemption</b></u><br/>All payments of principal, interest and other assimilated revenues by or on behalf of the Issuer in respect of the Notes or Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.</li><li>• <u><b>Governing law</b></u><br/>French law.</li></ul> <table><tr><td colspan="2"><b>Issue specific summary:</b></td></tr><tr><td>Issue Price:</td><td>[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]</td></tr><tr><td>Specified Denomination[s]:</td><td>[●]</td></tr></table> | <b>Issue specific summary:</b> |  | Issue Price: | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)] | Specified Denomination[s]: | [●] |
| <b>Issue specific summary:</b> |                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                |  |              |                                                                                                          |                            |     |
| Issue Price:                   | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)] |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                |  |              |                                                                                                          |                            |     |
| Specified Denomination[s]:     | [●]                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                |  |              |                                                                                                          |                            |     |
| C.9                            | <b>Interest, maturity and redemption provisions, yield and representation of the holders of Notes</b>    | <p>Please also refer to the information provided in item C.8 above.</p> <ul style="list-style-type: none"><li>• <u><b>Interest rates and interest periods</b></u><br/>The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.</li><li>• <u><b>Fixed Rate Notes</b></u><br/>Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                |  |              |                                                                                                          |                            |     |

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|  |  | <ul style="list-style-type: none"> <li>• <b><u>Floating Rate Notes</u></b></li> </ul> <p>Floating Rate Notes will bear interest determined separately for each Series as follows:</p> <ul style="list-style-type: none"> <li>(i) on the same basis as the floating rate under an interest rate swap transaction in the relevant Specified Currency pursuant to the 2001 FBF Master Agreement relating to transactions on forward financial instruments, as supplemented by the Technical Schedules published by the <i>Fédération Bancaire Française</i> or the FBF, or</li> <li>(ii) on 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</li> <li>(iii) by reference to LIBOR, EURIBOR, EONIA, CMS Rate or TEC10, in each case as adjusted for any applicable margin.</li> </ul> <ul style="list-style-type: none"> <li>• <b><u>Fixed/Floating Rate Notes</u></b></li> </ul> <p>Fixed/Floating Rate Notes for which a change of interest basis is specified to be applicable may be issued by the Issuer, such change of interest being either at the option of the Issuer or automatic.</p> <ul style="list-style-type: none"> <li>• <b><u>Zero Coupon Notes</u></b></li> </ul> <p>Zero Coupon Notes may be issued at their nominal amount or at a discount and will not bear interest.</p> <ul style="list-style-type: none"> <li>• <b><u>Inflation Linked Notes</u></b></li> </ul> <p>Inflation Linked Notes may be issued by the Issuer where the interest and/or principal in respect of such Notes will be calculated by reference to an inflation index ratio (in each case, the “<b>Inflation Index Ratio</b>”) derived from:</p> <ul style="list-style-type: none"> <li>- the consumer price index (excluding tobacco) for all households in France or the relevant substitute index, as calculated and published monthly by the <i>Institut National de la Statistique et des Etudes Economiques</i> (“<b>INSEE</b>”) (the “<b>CPI</b>”) (the “<b>CPI Linked Notes</b>”); or</li> <li>- the harmonised index of consumer prices (excluding tobacco), or the relevant substitute index, measuring the rate of inflation in the European Monetary Union as calculated and published monthly by Eurostat (the “<b>HICP</b>”) (the “<b>HICP Linked Notes</b>”).</li> </ul> <p>The rate of interest for Inflation Linked Notes can be calculated on the same basis as for the Fixed Rate Notes or in accordance with the CPI or HICP.</p> <ul style="list-style-type: none"> <li>• <b><u>Issuer Rate Switch Option and Rate Lock-In</u></b></li> </ul> <p>The Final Terms issued in respect of each issue of Notes will specify whether the Issuer will have an interest rate switch option and/or whether interest rate lock-in will apply.</p> <ul style="list-style-type: none"> <li>• <b><u>Maturities</u></b></li> </ul> <p>Subject to compliance with all relevant laws, regulations and directives, any maturity from one month from the date of the original issue. An extended maturity date may be specified for a Series of Notes (the “<b>Extendible Notes</b>”).</p> <ul style="list-style-type: none"> <li>• <b><u>Redemption</u></b></li> </ul> |
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|                                       | <p>The Notes shall be redeemed on their stated maturity or prior to maturity at the option of the Issuer or of the Noteholders. The Final Terms will specify the basis for calculating the redemption amounts payable.</p> <ul style="list-style-type: none"> <li>• <b><u>Optional Redemption</u></b></li> </ul> <p>The Final Terms issued in respect of each issue of Notes will specify whether a call option or put option is applicable pursuant to which the Notes may be redeemed prior to their stated maturity at the option of the Issuer and or the Noteholders (in each case, either in whole or in part) and if so, the terms applicable to such redemption.</p> <ul style="list-style-type: none"> <li>• <b><u>Yield</u></b></li> </ul> <p>The Final Terms issued in respect of each issue of Fixed Rate Notes will set out an indication of the yield of the Notes.</p> <ul style="list-style-type: none"> <li>• <b><u>Representation of the holders of Notes</u></b></li> </ul> <p>In respect of the representation of the Noteholders, the following shall apply:</p> <p>(a) If the Notes are issued in France, the relevant Final Terms will specify that “Full <i>Masse</i>” is applicable and the holders of Notes will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a <i>Masse</i> and the provisions of the French <i>Code de Commerce</i> relating to the <i>Masse</i> shall apply; and</p> <p>(b) If the Notes are issued outside France for the purpose of Article L.228-90 of the French <i>Code de Commerce</i>, the relevant Final Terms will specify that “Contractual <i>Masse</i>” is applicable and the holders of Notes will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a <i>Masse</i>. The <i>Masse</i> will be governed by the provisions of the French <i>Code de Commerce</i> with the exception of Articles L. 228-48, L. 228-59, R.228-63, R.228-67, R.228-69 and R. 228-76.</p> <p>If either paragraph (a) or (b) above is provided as applicable in the relevant Final Terms, the <i>Masse</i> will act in part through a representative (the “<b>Representative</b>”) and in part through general meetings of the holders of Notes. The names and addresses of the initial Representative and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the representative of the single <i>Masse</i> of all Tranches in such Series.</p> |                                       |  |                      |                                                                                                                                                                                                               |                             |                                     |                |                                                                                                                  |
|                                       | <table> <tr> <td colspan="2"><b><i>Issue specific summary:</i></b></td></tr> <tr> <td>Rate[s] of Interest:</td><td> [[●] per cent. Fixed Rate]<br/> [[EURIBOR/LIBOR/EONIA/CMS Rate/TEC10] +/- [●] per cent. Floating Rate]<br/> [Fixed/Floating Rate]<br/> [Zero Coupon]<br/> [Inflation Linked Note – Fixed Interest/Inflation Interest] </td></tr> <tr> <td>Interest Commencement Date:</td><td>[Specify/Issue Date/Not applicable]</td></tr> <tr> <td>Maturity Date:</td><td>[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and</td></tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b><i>Issue specific summary:</i></b> |  | Rate[s] of Interest: | [[●] per cent. Fixed Rate]<br>[[EURIBOR/LIBOR/EONIA/CMS Rate/TEC10] +/- [●] per cent. Floating Rate]<br>[Fixed/Floating Rate]<br>[Zero Coupon]<br>[Inflation Linked Note – Fixed Interest/Inflation Interest] | Interest Commencement Date: | [Specify/Issue Date/Not applicable] | Maturity Date: | [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and |
| <b><i>Issue specific summary:</i></b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                       |  |                      |                                                                                                                                                                                                               |                             |                                     |                |                                                                                                                  |
| Rate[s] of Interest:                  | [[●] per cent. Fixed Rate]<br>[[EURIBOR/LIBOR/EONIA/CMS Rate/TEC10] +/- [●] per cent. Floating Rate]<br>[Fixed/Floating Rate]<br>[Zero Coupon]<br>[Inflation Linked Note – Fixed Interest/Inflation Interest]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                       |  |                      |                                                                                                                                                                                                               |                             |                                     |                |                                                                                                                  |
| Interest Commencement Date:           | [Specify/Issue Date/Not applicable]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                       |  |                      |                                                                                                                                                                                                               |                             |                                     |                |                                                                                                                  |
| Maturity Date:                        | [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                       |  |                      |                                                                                                                                                                                                               |                             |                                     |                |                                                                                                                  |

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|  |  |                                         | year]                                                                                                                                                                                                                                                                |
|  |  | Extended Maturity Date:                 | [●]/[Not applicable]                                                                                                                                                                                                                                                 |
|  |  | Redemption Basis:                       | [Inflation Linked Notes – [Redemption at par/Inflation Redemption]] [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date (or the Extended Maturity Date, if any) at [●] per cent. of their nominal amount] |
|  |  | Change of Interest Basis:               | [Applicable - Fixed/Floating Rate ] / [Not Applicable]                                                                                                                                                                                                               |
|  |  | Call Option:                            | [Applicable]/[Not applicable]                                                                                                                                                                                                                                        |
|  |  | Put Option:                             | [Applicable]/[Not applicable]                                                                                                                                                                                                                                        |
|  |  | Issuer Rate Switch Option:              | [Applicable]/[Not applicable]                                                                                                                                                                                                                                        |
|  |  | Rate Lock-In:                           | [Applicable]/[Not applicable]                                                                                                                                                                                                                                        |
|  |  | Maximum Rate of Interest:               | [Applicable]/[Not applicable]                                                                                                                                                                                                                                        |
|  |  | Minimum Rate of Interest:               | [Applicable]/[Not applicable]                                                                                                                                                                                                                                        |
|  |  | Maximum Final Redemption Amount:        | [●]/[Not applicable]                                                                                                                                                                                                                                                 |
|  |  | Minimum Final Redemption Amount:        | [●]/[Not applicable]                                                                                                                                                                                                                                                 |
|  |  | Maximum Optional Redemption Amount:     | [●]/[Not applicable]                                                                                                                                                                                                                                                 |
|  |  | Minimum Optional Redemption Amount:     | [●/] [Not applicable]                                                                                                                                                                                                                                                |
|  |  | Final Redemption Amount of each Note:   | [[●]] per Note of [●] Specified Denomination ( <i>for fungible issues of Notes only</i> ))[Redemption at par][Inflation Linked Notes – Redemption at par][Inflation Linked Notes – Inflation Redemption]                                                             |
|  |  | Optional Redemption Amount:             | [Redemption at par/Zero Coupon Redemption/ Inflation Linked Notes – Inflation Redemption / Not applicable] [●] per Note of [●] Specified Denomination                                                                                                                |
|  |  | Yield (in respect of Fixed Rate Notes): | [Applicable]/[Not applicable] / [●]                                                                                                                                                                                                                                  |
|  |  | Representation of the holders of Notes: | [Full <i>Masse</i> /Contractual <i>Masse</i> ]                                                                                                                                                                                                                       |

|      |                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                |
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|      |                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | The <i>Masse</i> will act in part through a representative (the “ <b>Representative</b> ”) and in part through general meetings of the holders of Notes. The name and address of the initial Representative are [●] and of its alternate are [●]. The Representative(s) appointed in respect of the first Tranche of any Series of Notes will be the representative of the single <i>Masse</i> of all Tranches in such Series. |
| C.10 | <b>Derivative component in interest payments</b>                                                        | Other than Inflation Linked Notes, Notes issued under the Programme do not contain any derivative components. Inflation Linked Notes are Notes in respect of which the principal and/or the interest amount is linked to:<br>- the consumer price index (excluding tobacco) for all households in France or the relevant substitute index, as calculated and published monthly by the INSEE (CPI); or<br>- the harmonised index of consumer prices (excluding tobacco), or the relevant substitute index, measuring the rate of inflation in the European Monetary Union as calculated and published monthly by Eurostat (HICP).<br>The value of the investment in the Inflation Linked Notes may be affected by the value of the CPI or HICP, as the case may be, as described in item C.15 below.                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                |
| C.11 | <b>Listing and admission to trading</b>                                                                 | As specified in the relevant Final Terms, a Series of Notes may or may not be listed and admitted to trading on Euronext Paris and/or any Regulated Market or other stock exchange.<br><br><i>Issue specific summary:</i><br><br>[[Application has been made]/[Application is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed and admitted to trading [on [Euronext Paris] / [the Official List of the Luxembourg Stock Exchange] / [●]] with effect from [●]]/[Not applicable]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                |
| C.15 | <b>Description of how the value of investment is affected by the value of the underlying instrument</b> | Inflation Linked Notes are debt securities which do not provide for predetermined interest payments and/or redemption amount. Interest amounts and/or principal is linked to:<br><br>(i) the consumer price index (excluding tobacco) for all households in France or the relevant substitute index, as calculated and published monthly by the INSEE;<br><br>(ii) the harmonised index of consumer prices (excluding tobacco), or the relevant substitute index, measuring the rate of inflation in the European Monetary Union as calculated and published monthly by Eurostat.<br><br>If, at maturity, the level of the relevant Inflation Index Ratio is less than 1.00, the Notes will be redeemed at par.<br><br><i>Issue specific summary:</i><br><br>The value of the investment in the Inflation Linked Notes may be affected by the level of the [CPI/HICP]. Indeed, this inflation index affects the redemption amount and/or interest amount calculated as specified in item C.9 above. |                                                                                                                                                                                                                                                                                                                                                                                                                                |
| C.16 | <b>Inflation Linked Notes - Maturity</b>                                                                | Subject to compliance with all relevant laws, regulations and directives, any maturity set out in the Final Terms.<br><br><i>Issue specific summary:</i><br><br>The maturity date of Inflation Linked Notes is [●].                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                |

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| <b>C.17</b> | <b>Inflation Linked Notes – Settlement procedure</b>                  | The Inflation Linked Notes will be cash settled.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>C.18</b> | <b>Return on Inflation Linked Notes</b>                               | <p>Payments of interest in respect of any Inflation Linked Notes shall be determined by multiplying the outstanding nominal amount of such Notes by the product of the rate <i>per annum</i> specified in the Final Terms and the relevant Inflation Index Ratio.</p> <p>Payment of principal in respect of Inflation Linked Notes where the principal amount is indexed shall be determined by multiplying the outstanding nominal amount of such Notes by the relevant Inflation Index Ratio. However, if, at maturity, the level of the relevant Inflation Index Ratio is less than 1.00, the Notes will be redeemed at par.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>C.19</b> | <b>Inflation Linked Notes – Exercise price/ Final reference price</b> | <p>The final redemption amount in respect of Inflation Linked Notes will be calculated on the basis of the ratio between the index on the Maturity Date (or the Extended Maturity Date, if any) and the Base Reference specified in the relevant Final Terms.</p> <p>Please also refer to item C.9 above.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>C.20</b> | <b>Inflation Linked Notes – Description of Underlying</b>             | <p>Inflation Linked Notes are Notes where the coupons and/or the principal are indexed. In the case of Inflation Linked Notes in respect of which interest is indexed, the coupon pays the annual change in inflation, applied in percentage to the issue's nominal amount. In the case of Inflation Linked Notes where the principal is indexed, the principal is indexed to the variation of inflation between the value of the relevant index (i.e. the CPI or the HICP) on the issue date and on the redemption date.</p> <p><b><i>Issue Specific Summary</i></b></p> <p><i>[Insert for CPI Linked Notes]</i></p> <p><b><i>CPI Linked Notes</i></b></p> <p>CPI Linked Notes are linked to the consumer price index (excluding tobacco) for all households in France, as calculated and published monthly by the INSEE: the CPI. The CPI is the official instrument for measuring inflation. It allows an estimation between two given periods of the average change in prices of goods and services consumed by households on French territory. It is a summary gauge of movements in prices of products on a constant-quality basis. Information regarding the CPI can be found at <i>Agence France Trésor</i> Reuters page OATINFLATION01 or on Bloomberg TRESOR &lt;GO&gt; pages and on the website <a href="http://www.aft.gouv.fr">www.aft.gouv.fr</a>.</p> <p><i>[Insert for HICP Linked Notes]</i></p> <p><b><i>HICP Linked Notes</i></b></p> <p>HICP Linked Notes are linked to the Eurozone harmonised index of consumer prices (excluding tobacco), as calculated and published monthly by Eurostat and the national statistical institutes in accordance with harmonised statistical methods: the HICP. The HICP is an economic indicator constructed to measure the changes over time in the prices of consumer goods and services acquired by households in Europe. Information regarding HICP can be found at <i>Agence France Trésor</i> Reuters page OATEI01, on the website <a href="http://www.aft.gouv.fr">www.aft.gouv.fr</a> and on Bloomberg page TRESOR.</p> |
| <b>C.21</b> | <b>Negotiation</b>                                                    | The Notes may (or not) be listed and admitted to trading on Euronext Paris and on the Official List of the Luxembourg Stock Exchange or any other                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

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|  | <b>Market(s)</b>              | regulated market, as may be specified in the relevant Final Terms. The Base Prospectus will be published for the purposes of this or these regulated market(s). |
|  | <b>Issue Specific Summary</b> | [The Notes will be listed and admitted to trading on [Euronext Paris and the Official List of the Luxembourg Stock Exchange] / [●].]/[Not applicable.]          |

| Section D –Risk Factors |                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| <b>D.2</b>              | <b>Key information on the key risks that are specific to the Issuer</b> | <p>Prospective investors should consider, among other factors, the risk factors relating to the Company and its operation that may affect the Company's ability to fulfill its obligations under the Securities issued under the Program.</p> <p>These risk factors include the following:</p> <ul style="list-style-type: none"> <li>- <u>Credit risk</u></li> </ul> <p>Credit risk arises when a counterparty is unable to meet its obligations and it may result in a change in credit quality or default by the counterparty.</p> <ul style="list-style-type: none"> <li>- <u>Interest rate risk</u></li> </ul> <p>Interest rate risk is the risk incurred in the event of interest rate fluctuations stemming from all balance sheet and off-balance sheet transactions.</p> <p>Compagnie de Financement Foncier's exposure to interest rate risk is assessed mainly by determining an interest rate gap.</p> <ul style="list-style-type: none"> <li>- <u>Currency risk</u></li> </ul> <p>Foreign exchange risk is the risk incurred in the event of exchange rate fluctuations (against the euro) stemming from all balance sheet and off-balance sheet transactions. Monitoring and measurement indicators correspond to measurement of foreign exchange positions by currencies.</p> <ul style="list-style-type: none"> <li>- <u>Liquidity risk</u></li> </ul> <p>Liquidity risk is the risk of not being able to honour one's commitments or not being able to unwind or offset a position, within a given period and at a reasonable cost, subject to market condition. Compagnie de Financement Foncier's exposure to liquidity risk is assessed mainly by determining a liquidity gap.</p> <ul style="list-style-type: none"> <li>- <u>Counterparty risk</u></li> </ul> <p>Counterparty risk is the risk that the counterparty to a transaction might default before settling all cash payments, whether the transaction is classified in the banking or trading portfolio.</p> <ul style="list-style-type: none"> <li>- <u>Operating risk</u></li> </ul> <p>Within Groupe BPCE, operating risks are defined as the risk of loss resulting from inadequate or faulty procedures, personnel, information systems or external events. Operational risks include in-house and external fraud, reputational risk, model risk, risk related to the Contingency And Business Continuity Plan (CBCP), information technology risk, insurance risk and legal risk .</p> |

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|  |  | <p>- <u>Settlement risk</u></p> <p>Settlement risk is the risk for non compliance by a counterparty of its payment commitments, while the second has met his.</p> <p>Compagnie de Financement Foncier's risks also include:</p> <ul style="list-style-type: none"> <li>- non-compliance risk;</li> <li>- early repayments risk;</li> <li>- risks relating to macro-economic conditions and to strengthened regulatory requirements;</li> <li>- risk related to potential impact of a sudden and significant decline in the real estate market on Compagnie de Financement Foncier's activities and financial results;</li> <li>- risk related to potential impact of concentration risk in the hedging portfolio;</li> <li>- risk related to the EU Resolution and Recovery Directive.</li> </ul> <p>The objective of the BRRD and associated MRU resolution is to provide resolution authorities common tools and powers that allow them to intervene sufficiently early and rapidly in the event that an establishment appears unstable or failing: this is to ensure the continuity of critical financial and economic functions of the latter, while minimizing the overall impact of a possible failure on the financial system, and the Member State on which the institution depends making much less likely the need for recourse to a public bailout. Four resolution tools are provided for this purpose: the transfer of some activities, the use of a bridge bank, the separation of assets and a bail-in. This last option provides resolution authorities with the ability to depreciate (even down to zero) certain rights of subordinated creditors of a failing institution and to convert certain subordinated debt into equity. The <i>obligations foncières</i> issued by Compagnie de Financement Foncier are explicitly excluded from this bail-in mechanism, except where necessary for the fraction of the issuer's <i>obligations foncières</i> outstanding, which would exceed the value of the hedging portfolio guaranteeing them. This amount should be zero in the vast majority of possible scenarios, due to the existing collateralization between the hedging portfolio and the <i>obligations foncières</i> outstanding, and to this portfolio's margin. However, the occurrence of the risk cannot be excluded at a given time, the hedging portfolio being no longer sufficient to ensure all the <i>obligations foncières</i> outstanding. This risk, if it were to materialize, could nevertheless only concern a insignificant fraction of the outstanding <i>obligations foncières</i> involved</p> |
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| D.3 | <p><b>Key information on the key risks that are specific to the Notes</b></p> | <p>There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes issued under the Programme, including:</p> <p><u>General risks relating to the Notes such as:</u></p> <ul style="list-style-type: none"> <li>- Investors must independently review and obtain professional advice with respect to the acquisition of the Notes.</li> <li>- Potential conflicts of interest may arise.</li> <li>- Neither the Issuer, the Dealer(s) nor any of their affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor.</li> <li>- Modification, waivers and substitution of conditions affecting the Notes that are not desired by all holders can be effected by a majority.</li> <li>- Taxation: potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions.</li> <li>- The draft directive on the proposed common financial transaction tax has a very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.</li> <li>- Risks related to withholding taxes: if French law should require that any payments in respect of any Note or Coupon be subject to deduction or withholding in respect of any taxes or duties whatsoever, the Issuer will not pay any additional amounts.</li> <li>- Risks related to a change of law or regulation: no assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of the Base Prospectus.</li> <li>- Currency risk: prospective investors of the Notes should be aware that an investment in the Notes may involve exchange rate risks.</li> <li>- Credit ratings may not reflect all risks.</li> <li>- No active secondary/trading market for the Notes may develop.</li> <li>- The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors such as market interest and yield rates, or time to maturity and more generally all economic, financial, and political events in any country, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded (if any).</li> <li>- Implementation of Basel II and Basel III Risk-Weighted Asset Framework - the implementation of Basel II and Basel III has and will continue to bring about a number of substantial changes to the current capital requirements, prudential oversight and risk-management systems, including those of the Issuer.</li> </ul> <p><u>Risks related to the structure of a particular issue of Notes:</u></p> <ul style="list-style-type: none"> <li>- If the Notes are redeemable at the Issuer's option in certain</li> </ul> |
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|  |  | <p>circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low.</p> <ul style="list-style-type: none"> <li>- The value of Fixed Rate Notes may change.</li> <li>- The market value of Floating Rate Notes may be volatile.</li> <li>- The conversion of the interest rate for Fixed/Floating Rate Notes will affect the secondary market and the market value of the Notes since the conversion may lead to a lower overall cost of borrowing.</li> <li>- The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities.</li> <li>- Zero Coupon Notes are subject to higher price fluctuations than non-discounted bonds, because the discounted issue prices are substantially below par.</li> <li>- Holders may be exposed to risk on Inflation Linked Notes which are dependent upon the performance of an index.</li> <li>- Extendible Notes may be redeemed after their initial maturity.</li> <li>- Variable rate Notes with a multiplier or other leverage factor: a leverage factor will magnify any negative performance of the underlying. Notes with variable interest rates can be volatile investments.</li> <li>- An investment in Notes, the premium and/or the interest on or principal of which is determined by reference to one or more values, interest rates or other indices or formulae, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security.</li> </ul> |
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|            |                     | <ul style="list-style-type: none"> <li>- The market values of Notes subject to inverse exposure are typically more volatile than market values of other conventional debt securities based on the same underlying rate.</li> <li>- The investor will not fully participate in the positive performance of the underlying rate where the cap applies and the interest rate and/or redemption amount may be lower than it would have been without a cap.</li> <li>- Investors will have no control over whether or not the Issuer Rate Switch Option is exercised where it is applicable, and if it is exercised, it may negatively affect the relevant interest rate.</li> <li>- Investors have no control over whether or not a Rate Lock-In will occur where it is applicable, and if it does occur, it may or may not be beneficial for investors.</li> </ul> <p>An investment in the Notes involves certain risks which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. While all of these risk factors are contingencies which may or may not occur, potential investors should be aware that the risks involved with investing in the Notes may lead to volatility and/or a decrease in the market value of the relevant Tranche of Notes whereby the market value falls short of the expectations (financial or otherwise) of an investor who has made an investment in such Notes.</p> <p>However, each prospective investor in Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and conditions, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.</p> |
| <b>D.6</b> | <b>Risk warning</b> | <p>Potential investors in Inflation Linked Notes should be aware that such Notes are debt securities which do not provide for predetermined interest and/or principal payments, principal and/or interest amounts will be dependent upon the performance of the CPI or the HICP, as described in C.9 above. The amount of principal and/or interest payable by the Issuer may vary and Noteholders may receive no interest.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

| Section E - Offer |                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| E.2b              | Reasons for the offer and use of proceeds                                 | <p>The net proceeds of the issue of each Tranche of Notes, unless otherwise indicated, will be used by the Issuer for its general corporate purposes. If in respect of any particular issue of Notes, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.</p> <p><b>Issue Specific Summary</b></p> <p>[The net proceeds of the issue of the Notes will be used by the Issuer for its general corporate purposes./specify other]</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| E.3               | Terms and conditions of the offer                                         | <p>Notes may be offered to the public, in France, in the Grand Duchy of Luxembourg and/or in any other Member State of the EEA in which the Base Prospectus has been passported which shall be specified in the applicable Final Terms.</p> <p>There are certain restrictions regarding the purchase, offer, sale and delivery of the Notes, or possession or distribution of the Base Prospectus, any other offering material or any Final Terms.</p> <p>Other than as set out in section A.2 above, neither the Issuer nor any of the Dealers has authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use the Base Prospectus in connection with its offer of any Notes. Any such offers are not made on behalf of the Issuer or by any of the Dealers or Authorised Offerors and none of the Issuer or any of the Dealers or Authorised Offerors has any responsibility or liability for the actions of any person making such offers.</p> <p><b>Issue Specific Summary</b></p> <p>[Not applicable. The Notes are not offered to the public.]/</p> <p>[[The Notes are offered to the public in: [France]/[the Grand Duchy of Luxembourg] / [●]]</p> <p>Offer Price: [Issue Price/Specify]</p> <p>Conditions to which the offer is subject: [Not applicable/give details]</p> <p>Offer Period (including any possible amendments): [●]</p> <p>Description of the application process: [Not applicable/give details]</p> <p>Details of the minimum and/or maximum amount of the application: [Not applicable/give details]</p> <p>Manner in and date on which results of the offer are made public: [Not applicable/give details]]</p> |
| E.4               | Interests of natural and legal persons involved in the issue of the Notes | <p>The relevant Final Terms will specify any interest of natural and legal persons involved in the issue of the Notes.</p> <p><b>Issue Specific Summary</b></p> <p>[So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.] / [The Dealers will be paid an aggregate commission equal to [●] per cent. of the nominal amount of the Notes. So far as the Issuer is aware, no other person involved in the issue of the Notes has an interest material to the offer (Amend as appropriate if there are other interests)].</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

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| E.7 | <b>Estimated expenses charged to investor by the Issuer or the offeror</b> | <p>The relevant Final Terms will specify as the case may be the estimated expenses applicable to any Tranche of Notes.</p> <p><i>Issue Specific Summary</i></p> <p>[Not applicable / The estimated expenses charged to the investor(s) amount to [●].]</p> |
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## **RÉSUMÉ EN FRANÇAIS** **(FRENCH SUMMARY)**

*Les résumés contiennent des exigences de publicité appelées « Éléments » dont la communication est requise par l'Annexe XXII du Règlement (CE) N° 809/2004 du 29 avril 2004 telle que modifiée. Ces Éléments sont numérotés dans les sections A à E (A.1 - E.7). Ce résumé contient tous les Éléments devant être inclus dans un résumé pour ce type de valeurs mobilières et pour Compagnie de Financement Foncier (l'« **Émetteur** »). La numérotation des Éléments peut ne pas se suivre en raison du fait que certains Éléments n'ont pas à être inclus. Bien qu'un Éléments doive être inclus dans le résumé du fait du type de valeur mobilière et d'émetteur concerné, il se peut qu'aucune information pertinente ne puisse être donnée sur cet Éléments. Dans ce cas, une brève description de l'Éléments est incluse dans le résumé suivie de la mention « Sans objet ».*

*Ce résumé est fourni dans le cadre de l'émission par l'Émetteur de Titres ayant une valeur nominale unitaire inférieure à 100.000 euros qui sont offerts au public ou admis à la négociation sur un marché réglementé de l'Espace Economique Européen (l'« **EEE** »). Le résumé spécifique à ce type d'émission de Titres figurera en annexe des Conditions Définitives applicables et comprendra (i) les informations relatives au résumé du Prospectus de Base et (ii) les informations contenues dans les rubriques « résumé spécifique à l'émission » figurant ci-dessous et qui seront complétées au moment de chaque émission.*

| <b>Section A - Introduction et avertissements</b> |                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <b>A.1</b>                                        | <b>Avertissement général concernant le résumé</b>                                                | <p>Ce résumé doit être lu comme une introduction au Prospectus de Base. Toute décision d'investir dans les Titres doit être fondée sur un examen exhaustif du Prospectus de Base par les investisseurs, y compris les documents qui y sont incorporés par référence et tout supplément qui pourrait être publié à l'avenir. Lorsqu'une action concernant l'information contenue dans le Prospectus de Base est intentée devant un tribunal, le plaignant peut, selon la législation nationale de l'État Membre de l'EEE, avoir à supporter les frais de traduction du Prospectus de Base avant le début de la procédure judiciaire. Seule peut être engagée la responsabilité civile des personnes qui ont présenté le résumé ou la traduction de ce dernier, mais seulement si le contenu du résumé est trompeur, inexact ou contradictoire par rapport aux autres parties du Prospectus de Base ou s'il ne fournit pas, lu en combinaison avec les autres parties du Prospectus de Base, les informations clés permettant d'aider les investisseurs lorsqu'ils envisagent d'investir dans les Titres.</p>                                                                                                                                                                                                                                                                     |
| <b>A.2</b>                                        | <b>Information relative au consentement de l'Émetteur concernant l'utilisation du Prospectus</b> | <p>Dans le cadre de toute offre de Titres en France, au Grand-Duché de Luxembourg et/ou dans tout autre État Membre de l'EEE indiqué dans les Conditions Définitives applicables (les « <b>Pays de l'Offre Publique</b> ») qui ne bénéficie pas de l'exemption à l'obligation de publication d'un prospectus en vertu de la Directive Prospectus, telle que modifiée, (une « <b>Offre au Public</b> »), l'Émetteur consent à l'utilisation du Prospectus de Base et des Conditions Définitives applicables (ensemble, le « <b>Prospectus</b> ») dans le cadre d'une Offre au Public des Titres durant la période d'offre indiquée dans les Conditions Définitives concernées (la « <b>Période d'Offre</b> ») et dans les Pays de l'Offre Publique indiqué(s) dans les Conditions Définitives concernées (i) par tout intermédiaire financier désigné dans ces Conditions Définitives ou (ii) si cela est indiqué dans les Conditions Définitives concernées, tout intermédiaire financier (chacun un « <b>Établissement Autorisé</b> »). Le consentement mentionné ci-dessus s'applique à des Périodes d'Offre (le cas échéant) se terminant au plus tard à l'issue d'une période de 12 mois à compter de la date d'approbation du Prospectus de Base par l'Autorité des marchés financiers.</p> <p><b>Les Modalités de l'Offre au Public devront être communiquées aux</b></p> |

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|                             |                                                                                                                           | <p><b>investisseurs par l'Établissement Autorisé au moment de l'Offre au Public. Ni l'Émetteur ni aucun des Agents Placeurs (tels que définis ci-dessous) ou des Établissements Autorisés ne sont responsables de cette information.</b></p> <p>Les références dans le présent résumé aux « <b>Agents Placeurs Permanents</b> » sont aux personnes nommées ci-dessus en qualité d'Agents Placeurs (tels que définis ci-dessous), ainsi qu'aux personnes additionnelles qui seraient nommées comme agents placeurs pour les besoins du Programme en sa totalité (et il n'a pas été mis fin à une telle nomination) et les références aux « <b>Agents Placeurs</b> » couvrent tous les Agents Placeurs Permanents ainsi que toutes les personnes nommées en qualité d'agents placeurs pour les besoins d'une ou plusieurs Tranches.</p>                                                                                                                                                                                   |
|                             |                                                                                                                           | <p><b>Résumé spécifique à l'émission :</b></p> <p>[Dans le cadre de toute offre de Titres en [●] (le[s] « <b>Pays de l'Offre Publique</b> ») qui ne bénéficie pas de l'exemption à l'obligation de publication d'un prospectus en vertu de la Directive Prospectus, telle que modifiée, (une « <b>Offre au Public</b> »), l'Émetteur consent à l'utilisation du Prospectus dans le cadre d'une Offre au Public de tous Titres de [●] à [●] (la « <b>Période d'Offre</b> ») et dans le[s] Pays de l'Offre Publique par [●] / [tout intermédiaire financier] (l'[/les] « <b>Établissement[s] Autorisé[s]</b> »). [L'[/Les] Établissement[s] autorisé[s] doit[/doivent] remplir les conditions suivantes : [●].]</p> <p><b>Les Modalités de l'Offre au Public devront être communiquées aux Investisseurs par l'Établissement Autorisé au moment de l'Offre au Public. Ni l'Émetteur ni aucun des Agents Placeurs ou des Établissements Autorisés ne sont responsables de cette information.]/</b></p> <p>[Sans objet]</p> |
| <b>Section B – Émetteur</b> |                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>B.1</b>                  | <b>Raison sociale et nom commercial de l'Émetteur</b>                                                                     | Compagnie de Financement Foncier (« <b>Compagnie de Financement Foncier</b> » ou l'« <b>Emetteur</b> ») ou la « <b>Société</b> »).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>B.2</b>                  | <b>Siège social et forme juridique de l'Émetteur, législation qui régit l'activité et le pays d'origine de l'Émetteur</b> | <p>La Compagnie de Financement Foncier est un établissement de crédit agréé en qualité de société financière et de société de crédit foncier par décision du Comité des établissements de crédit et des entreprises d'investissement (devenu en 2013, Autorité de contrôle prudentiel et de résolution) du 23 juillet 1999. La Compagnie de Financement Foncier est régie par la législation applicable aux établissements de crédit et, en tant que société de crédit foncier, par les articles L. 513-2 à L. 513-27 du Code monétaire et financier.</p> <p>Le siège social est situé au 19, rue des Capucines 75001 Paris.</p>                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>B.4b</b>                 | <b>Description de toutes les tendances connues l'ayant des répercussions sur l'Émetteur et ses secteurs d'activité</b>    | <p>Sans objet.</p> <p>Depuis la date de ses derniers états financiers vérifiés et publiés, aucune détérioration significative n'a affecté les perspectives de la Société.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

|                                          |                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                 |        |         |  |        |         |                                  |      |       |                         |      |       |                            |      |       |                       |      |       |                                       |      |       |                                           |      |       |                             |      |       |                                |     |      |                                          |      |       |                                                 |     |      |                         |     |      |                             |      |       |               |     |      |                        |      |       |  |  |  |                                   |     |      |  |  |  |                                      |     |      |             |      |        |              |      |        |
|------------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|--------|---------|--|--------|---------|----------------------------------|------|-------|-------------------------|------|-------|----------------------------|------|-------|-----------------------|------|-------|---------------------------------------|------|-------|-------------------------------------------|------|-------|-----------------------------|------|-------|--------------------------------|-----|------|------------------------------------------|------|-------|-------------------------------------------------|-----|------|-------------------------|-----|------|-----------------------------|------|-------|---------------|-----|------|------------------------|------|-------|--|--|--|-----------------------------------|-----|------|--|--|--|--------------------------------------|-----|------|-------------|------|--------|--------------|------|--------|
| B.5                                      | Description du Groupe de l'Émetteur et de la position de l'Émetteur au sein de son Groupe | <p>Compagnie de Financement Foncier est une filiale à 100 % du Crédit Foncier de France (A-/A2/A), affiliée à BPCE (A/A2/A), organe central du Groupe BPCE qui avec 15 Banques Populaires et 17 Caisses d'Épargne constitue l'un des principaux groupes bancaires français.</p> <p>Depuis la fusion-absorption, dans l'Organe central BPCE, des holdings de participation respectives détenues par les Banques Populaires (BP Participations) et par les Caisses d'Épargne (CE Participations) survenue le 5 août 2010, le Crédit Foncier de France est une filiale à 100 % de BPCE et fait ainsi partie intégrante du Groupe BPCE, deuxième groupe bancaire français (<i>Parts de marché : 21,6% de part de marché en épargne clientèle et 20,7% en crédit clientèle (source : Banque de France T3-2016 – toutes clientèles non financières)</i>).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                 |        |         |  |        |         |                                  |      |       |                         |      |       |                            |      |       |                       |      |       |                                       |      |       |                                           |      |       |                             |      |       |                                |     |      |                                          |      |       |                                                 |     |      |                         |     |      |                             |      |       |               |     |      |                        |      |       |  |  |  |                                   |     |      |  |  |  |                                      |     |      |             |      |        |              |      |        |
| B.9                                      | Prévision ou estimation du bénéfice                                                       | <p>Sans objet.</p> <p>La Compagnie de Financement Foncier ne communique pas de prévisions de bénéfice.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                 |        |         |  |        |         |                                  |      |       |                         |      |       |                            |      |       |                       |      |       |                                       |      |       |                                           |      |       |                             |      |       |                                |     |      |                                          |      |       |                                                 |     |      |                         |     |      |                             |      |       |               |     |      |                        |      |       |  |  |  |                                   |     |      |  |  |  |                                      |     |      |             |      |        |              |      |        |
| B.10                                     | Réserves contenues dans le rapport des commissaires aux comptes                           | <p>Sans objet.</p> <p>Les rapports d'audit sur les comptes individuels de Compagnie de Financement Foncier pour les exercices clos le 31 décembre 2016 et le 31 décembre 2015 ne contiennent aucune réserve.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                 |        |         |  |        |         |                                  |      |       |                         |      |       |                            |      |       |                       |      |       |                                       |      |       |                                           |      |       |                             |      |       |                                |     |      |                                          |      |       |                                                 |     |      |                         |     |      |                             |      |       |               |     |      |                        |      |       |  |  |  |                                   |     |      |  |  |  |                                      |     |      |             |      |        |              |      |        |
| B.12                                     | Informations financières sélectionnées                                                    | <p>Aucune détérioration significative n'a eu de répercussion sur la situation financière ou les perspectives de Compagnie de Financement Foncier depuis la date de publication de ses derniers états financiers.</p> <p>Aucun changement significatif de la situation financière et commerciale de Compagnie de Financement Foncier n'est survenu depuis la clôture du dernier exercice comptable pour lequel des informations financières auditées ont été publiées.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                 |        |         |  |        |         |                                  |      |       |                         |      |       |                            |      |       |                       |      |       |                                       |      |       |                                           |      |       |                             |      |       |                                |     |      |                                          |      |       |                                                 |     |      |                         |     |      |                             |      |       |               |     |      |                        |      |       |  |  |  |                                   |     |      |  |  |  |                                      |     |      |             |      |        |              |      |        |
|                                          |                                                                                           | <p><b>Les tableaux ci-dessous font état des chiffres clés concernant le bilan de la Compagnie de Financement Foncier au 31 décembre 2015 et au 31 décembre 2016:</b></p> <p><b><u>Chiffres clés du bilan au 31 décembre 2015 (total bilan : 87,6 Md€)</u></b></p> <table><tr><td></td><td>en Md€</td><td>% bilan</td><td></td><td>en Md€</td><td>% bilan</td></tr><tr><td>Prêts hypothécaires et assimilés</td><td>38,0</td><td>43,3%</td><td>Ressources privilégiées</td><td>68,0</td><td>77,7%</td></tr><tr><td>Expositions secteur public</td><td>39,3</td><td>44,9%</td><td>Obligations foncières</td><td>69,0</td><td>78,8%</td></tr><tr><td>Secteur public en France<sup>1</sup></td><td>29,3</td><td>33,5%</td><td>Écart de change sur obligations foncières</td><td>-1,2</td><td>-1,3%</td></tr><tr><td>Secteur public à l'étranger</td><td>10,0</td><td>11,4%</td><td>Autres ressources privilégiées</td><td>0,2</td><td>0,3%</td></tr><tr><td>Valeurs de remplacement et autres actifs</td><td>10,3</td><td>11,8%</td><td>Écart lié à la couverture des éléments de bilan</td><td>1,5</td><td>1,7%</td></tr><tr><td>Valeurs de remplacement</td><td>7,1</td><td>8,1%</td><td>Ressources non privilégiées</td><td>18,1</td><td>20,7%</td></tr><tr><td>Autres actifs</td><td>3,2</td><td>3,7%</td><td>Dettes chirographaires</td><td>12,6</td><td>14,4%</td></tr><tr><td></td><td></td><td></td><td>Dettes subordonnées et assimilées</td><td>2,2</td><td>2,6%</td></tr><tr><td></td><td></td><td></td><td>Capitaux propres, provisions et FRBG</td><td>3,3</td><td>3,7%</td></tr><tr><td>TOTAL ACTIF</td><td>87,6</td><td>100,0%</td><td>TOTAL PASSIF</td><td>87,6</td><td>100,0%</td></tr></table> |                                                 | en Md€ | % bilan |  | en Md€ | % bilan | Prêts hypothécaires et assimilés | 38,0 | 43,3% | Ressources privilégiées | 68,0 | 77,7% | Expositions secteur public | 39,3 | 44,9% | Obligations foncières | 69,0 | 78,8% | Secteur public en France <sup>1</sup> | 29,3 | 33,5% | Écart de change sur obligations foncières | -1,2 | -1,3% | Secteur public à l'étranger | 10,0 | 11,4% | Autres ressources privilégiées | 0,2 | 0,3% | Valeurs de remplacement et autres actifs | 10,3 | 11,8% | Écart lié à la couverture des éléments de bilan | 1,5 | 1,7% | Valeurs de remplacement | 7,1 | 8,1% | Ressources non privilégiées | 18,1 | 20,7% | Autres actifs | 3,2 | 3,7% | Dettes chirographaires | 12,6 | 14,4% |  |  |  | Dettes subordonnées et assimilées | 2,2 | 2,6% |  |  |  | Capitaux propres, provisions et FRBG | 3,3 | 3,7% | TOTAL ACTIF | 87,6 | 100,0% | TOTAL PASSIF | 87,6 | 100,0% |
|                                          | en Md€                                                                                    | % bilan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                 | en Md€ | % bilan |  |        |         |                                  |      |       |                         |      |       |                            |      |       |                       |      |       |                                       |      |       |                                           |      |       |                             |      |       |                                |     |      |                                          |      |       |                                                 |     |      |                         |     |      |                             |      |       |               |     |      |                        |      |       |  |  |  |                                   |     |      |  |  |  |                                      |     |      |             |      |        |              |      |        |
| Prêts hypothécaires et assimilés         | 38,0                                                                                      | 43,3%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Ressources privilégiées                         | 68,0   | 77,7%   |  |        |         |                                  |      |       |                         |      |       |                            |      |       |                       |      |       |                                       |      |       |                                           |      |       |                             |      |       |                                |     |      |                                          |      |       |                                                 |     |      |                         |     |      |                             |      |       |               |     |      |                        |      |       |  |  |  |                                   |     |      |  |  |  |                                      |     |      |             |      |        |              |      |        |
| Expositions secteur public               | 39,3                                                                                      | 44,9%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Obligations foncières                           | 69,0   | 78,8%   |  |        |         |                                  |      |       |                         |      |       |                            |      |       |                       |      |       |                                       |      |       |                                           |      |       |                             |      |       |                                |     |      |                                          |      |       |                                                 |     |      |                         |     |      |                             |      |       |               |     |      |                        |      |       |  |  |  |                                   |     |      |  |  |  |                                      |     |      |             |      |        |              |      |        |
| Secteur public en France <sup>1</sup>    | 29,3                                                                                      | 33,5%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Écart de change sur obligations foncières       | -1,2   | -1,3%   |  |        |         |                                  |      |       |                         |      |       |                            |      |       |                       |      |       |                                       |      |       |                                           |      |       |                             |      |       |                                |     |      |                                          |      |       |                                                 |     |      |                         |     |      |                             |      |       |               |     |      |                        |      |       |  |  |  |                                   |     |      |  |  |  |                                      |     |      |             |      |        |              |      |        |
| Secteur public à l'étranger              | 10,0                                                                                      | 11,4%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Autres ressources privilégiées                  | 0,2    | 0,3%    |  |        |         |                                  |      |       |                         |      |       |                            |      |       |                       |      |       |                                       |      |       |                                           |      |       |                             |      |       |                                |     |      |                                          |      |       |                                                 |     |      |                         |     |      |                             |      |       |               |     |      |                        |      |       |  |  |  |                                   |     |      |  |  |  |                                      |     |      |             |      |        |              |      |        |
| Valeurs de remplacement et autres actifs | 10,3                                                                                      | 11,8%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Écart lié à la couverture des éléments de bilan | 1,5    | 1,7%    |  |        |         |                                  |      |       |                         |      |       |                            |      |       |                       |      |       |                                       |      |       |                                           |      |       |                             |      |       |                                |     |      |                                          |      |       |                                                 |     |      |                         |     |      |                             |      |       |               |     |      |                        |      |       |  |  |  |                                   |     |      |  |  |  |                                      |     |      |             |      |        |              |      |        |
| Valeurs de remplacement                  | 7,1                                                                                       | 8,1%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Ressources non privilégiées                     | 18,1   | 20,7%   |  |        |         |                                  |      |       |                         |      |       |                            |      |       |                       |      |       |                                       |      |       |                                           |      |       |                             |      |       |                                |     |      |                                          |      |       |                                                 |     |      |                         |     |      |                             |      |       |               |     |      |                        |      |       |  |  |  |                                   |     |      |  |  |  |                                      |     |      |             |      |        |              |      |        |
| Autres actifs                            | 3,2                                                                                       | 3,7%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Dettes chirographaires                          | 12,6   | 14,4%   |  |        |         |                                  |      |       |                         |      |       |                            |      |       |                       |      |       |                                       |      |       |                                           |      |       |                             |      |       |                                |     |      |                                          |      |       |                                                 |     |      |                         |     |      |                             |      |       |               |     |      |                        |      |       |  |  |  |                                   |     |      |  |  |  |                                      |     |      |             |      |        |              |      |        |
|                                          |                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Dettes subordonnées et assimilées               | 2,2    | 2,6%    |  |        |         |                                  |      |       |                         |      |       |                            |      |       |                       |      |       |                                       |      |       |                                           |      |       |                             |      |       |                                |     |      |                                          |      |       |                                                 |     |      |                         |     |      |                             |      |       |               |     |      |                        |      |       |  |  |  |                                   |     |      |  |  |  |                                      |     |      |             |      |        |              |      |        |
|                                          |                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Capitaux propres, provisions et FRBG            | 3,3    | 3,7%    |  |        |         |                                  |      |       |                         |      |       |                            |      |       |                       |      |       |                                       |      |       |                                           |      |       |                             |      |       |                                |     |      |                                          |      |       |                                                 |     |      |                         |     |      |                             |      |       |               |     |      |                        |      |       |  |  |  |                                   |     |      |  |  |  |                                      |     |      |             |      |        |              |      |        |
| TOTAL ACTIF                              | 87,6                                                                                      | 100,0%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | TOTAL PASSIF                                    | 87,6   | 100,0%  |  |        |         |                                  |      |       |                         |      |       |                            |      |       |                       |      |       |                                       |      |       |                                           |      |       |                             |      |       |                                |     |      |                                          |      |       |                                                 |     |      |                         |     |      |                             |      |       |               |     |      |                        |      |       |  |  |  |                                   |     |      |  |  |  |                                      |     |      |             |      |        |              |      |        |

<sup>1</sup> y compris les dépôts et prêts court terme à la Banque de France de 2,4 Md€ fin 2016 et 5,4 Md€ fin 2015.

**Passif privilégié (obligations foncières) au 31 décembre 2015**

- Emises en 2015: 8,4 Md€
- Passif privilégié: 69 Md€ d'obligations foncières.

**Chiffres clés du bilan au 31 décembre 2016 (total bilan : 84,3 Md€)**

|                                                 | en Md€      | % bilan       |                                                        | en Md€      | % bilan       |
|-------------------------------------------------|-------------|---------------|--------------------------------------------------------|-------------|---------------|
| <b>Prêts hypothécaires et assimilés</b>         | <b>39,4</b> | <b>46,7%</b>  | <b>Ressources privilégiées</b>                         | <b>66,8</b> | <b>79,2%</b>  |
| <b>Expositions secteur public</b>               | <b>34,7</b> | <b>41,2%</b>  | Obligations foncières                                  | 67,4        | 80,0%         |
| Secteur public en France <sup>1</sup>           | 25,0        | 29,6%         | Écart de sur obligations foncières                     | -0,8        | -1,0%         |
| Secteur public à l'étranger                     | 9,7         | 11,5%         | Autres Ressources privilégiées                         | 0,2         | 0,2%          |
| <b>Valeurs de remplacement et autres actifs</b> | <b>10,3</b> | <b>12,2%</b>  | <b>Ecart lié à la couverture des éléments de bilan</b> | <b>1,6</b>  | <b>1,9%</b>   |
| Valeurs de remplacement                         | 6,8         | 8,1%          | <b>Ressources non privilégiées</b>                     | <b>15,9</b> | <b>18,9%</b>  |
| Autres actifs                                   | 3,4         | 4,0%          | Dettes chirographaires                                 | 10,5        | 12,5%         |
|                                                 |             |               | Dettes subordonnées et assimilées                      | 2,2         | 2,6%          |
|                                                 |             |               | Capitaux propres, provisions et FRBG                   | 3,2         | 3,8%          |
| <b>TOTAL ACTIF</b>                              | <b>84,3</b> | <b>100,0%</b> | <b>TOTAL PASSIF</b>                                    | <b>84,3</b> | <b>100,0%</b> |

<sup>1</sup> y compris les dépôts et prêts court terme à la Banque de France de 2,4 Md€ fin 2016 et 5,4 Md€ fin 2015.

**Passif privilégié (obligations foncières) au 31 décembre 2016**

- Emises en 2016 : 5,2 Md€
- Passif privilégié : 67 Md€ d'obligations foncières.

**Le tableau qui suit contient certains indicateurs de performance de la Compagnie de Financement Foncier au 31 décembre 2016 et au 31 décembre 2015 :**

|                                            | <b>2016</b>  | <b>2015</b>   |
|--------------------------------------------|--------------|---------------|
| Résultat net                               | €94 millions | €132 millions |
| Ratio de surdimensionnement réglementaire  | 117,6%       | 122,1%        |
| Quotité moyenne des créances hypothécaires | 74,9%        | 75,5%         |

**Les tableaux ci-dessous font état des chiffres clés concernant les actifs éligibles de la Compagnie de Financement Foncier au 31 décembre 2015 et au 31 décembre 2016 :**

**Actifs éligibles au 31 décembre 2015 (total : 87,6 Md€)**

|                                                                                                                                                                                 | en Md€            | % bilan           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Prêts hypothécaires et assimilés                                                                                                                                                | 38,0              | 43,3%             |
| <b>Expositions Secteur public</b>                                                                                                                                               | <b>39,3</b>       | <b>44,9%</b>      |
| Prêts au Secteur public en France <sup>1</sup>                                                                                                                                  | 29,3              | 33,5%             |
| Prêts et titres du Secteur public à l'étranger                                                                                                                                  | 10,0              | 11,4%             |
| <b>Valeurs de remplacement et autres actifs</b>                                                                                                                                 | <b>10,3</b>       | <b>11,8%</b>      |
| Valeur de remplacement                                                                                                                                                          | 7,1               | 8,1%              |
| Autres actifs                                                                                                                                                                   | 3,2               | 3,7%              |
| <b>TOTAL ACTIF</b>                                                                                                                                                              | <b>87,6</b>       | <b>100,0%</b>     |
| <sup>1</sup> y compris les dépôts et prêts court terme à la Banque de France de 5,4 Md€ fin 2015 et 1,2 Md€ fin 2014.                                                           |                   |                   |
| <b><u>Actifs éligibles au 31 décembre 2016 (total : 84,3 Md€)</u></b>                                                                                                           |                   |                   |
|                                                                                                                                                                                 | en Md€            | % bilan           |
| Prêts hypothécaires et assimilés                                                                                                                                                | 39,4              | 46,7%             |
| <b>Expositions secteur public</b>                                                                                                                                               | <b>34,7</b>       | <b>41,2%</b>      |
| Secteur public en France <sup>1</sup>                                                                                                                                           | 25,0              | 29,6%             |
| Secteur public à l'étranger                                                                                                                                                     | 9,7               | 11,5%             |
| <b>Valeurs de remplacement et autres actifs</b>                                                                                                                                 | <b>10,3</b>       | <b>12,2%</b>      |
| Valeur de remplacement                                                                                                                                                          | 6,8               | 8,1%              |
| Autres actifs                                                                                                                                                                   | 3,4               | 4,0%              |
| <b>TOTAL ACTIF</b>                                                                                                                                                              | <b>84,3</b>       | <b>100,0%</b>     |
| <sup>1</sup> y compris les dépôts et prêts court terme à la Banque de France de 2,4 Md€ fin 2016 et 5,4 Md€ fin 2015.                                                           |                   |                   |
| <b>Les informations financières trimestrielles suivantes ne sont pas auditées et n'ont pas fait l'objet d'une revue limitée par les commissaires aux comptes de l'Emetteur.</b> |                   |                   |
| <b><u>Informations financières au 31 mars 2017 et au 31 mars 2016</u></b>                                                                                                       |                   |                   |
| Actif                                                                                                                                                                           | 31 mars 2017      | 31 mars 2016      |
|                                                                                                                                                                                 | (milliers €)      |                   |
| Caisses, banques centrales, CCP                                                                                                                                                 | 1.520.000         | 2.300.018         |
| Effets publics et valeurs assimilées                                                                                                                                            | 3.467.389         | 3.615.098         |
| Créances sur les établissements de crédit                                                                                                                                       | 29.420.046        | 21.245.410        |
| Opérations avec la clientèle                                                                                                                                                    | 39.372.426        | 41.453.608        |
| Obligations et autres titres à revenu fixe                                                                                                                                      | 5.921.613         | 12.389.935        |
| Participations et autres titres détenus à LT                                                                                                                                    | 0                 | 4                 |
| Actions / Immobilisations                                                                                                                                                       |                   |                   |
| Autres actifs                                                                                                                                                                   | 16.127            | 42.627            |
| Comptes de régularisation                                                                                                                                                       | 2.669.692         | 3.125.546         |
| <b>Total Actif</b>                                                                                                                                                              | <b>82.387.293</b> | <b>84.172.246</b> |

|                                                             |                                                                                                                       | <table> <tr> <th>Passif</th><th>31 mars 2017</th><th>31 mars 2016</th></tr> <tr> <td></td><td colspan="2">(milliers €)</td></tr> <tr> <td>Banques centrales, CCP</td><td></td><td></td></tr> <tr> <td>Dettes envers les établissements de crédit</td><td>8.718.815</td><td>8.862.976</td></tr> <tr> <td>Opérations avec la clientèle</td><td>8</td><td>17</td></tr> <tr> <td>Dettes représentées par un titre</td><td>66.018.419</td><td>66.467.534</td></tr> <tr> <td>Autres passifs</td><td>2.040.320</td><td>3.242.599</td></tr> <tr> <td>Comptes de régularisation</td><td>2.388.573</td><td>2.349.289</td></tr> <tr> <td>Provisions</td><td>20.663</td><td>16.139</td></tr> <tr> <td>Dettes subordonnées</td><td>0</td><td>0</td></tr> <tr> <td>Fonds pour risques bancaires généraux</td><td>20.000</td><td>20.000</td></tr> <tr> <td>Capitaux propres hors Fonds pour risques bancaires généraux</td><td>3.180.495</td><td>3.213.692</td></tr> <tr> <td><b>Total Passif</b></td><td><b>82.387.293</b></td><td><b>84.172.246</b></td></tr> <tr> <td></td><td colspan="2"></td></tr> <tr> <th>Hors - Bilan</th><th>31 mars 2017</th><th>31 mars 2016</th></tr> <tr> <td></td><td colspan="2">(milliers €)</td></tr> <tr> <td>Engagements donnés</td><td>873.405</td><td>819.783</td></tr> <tr> <td>Engagements reçus</td><td>9.705.067</td><td>9.028.025</td></tr> <tr> <td></td><td colspan="2"></td></tr> </table> | Passif | 31 mars 2017 | 31 mars 2016 |  | (milliers €) |  | Banques centrales, CCP |  |  | Dettes envers les établissements de crédit | 8.718.815 | 8.862.976 | Opérations avec la clientèle | 8 | 17 | Dettes représentées par un titre | 66.018.419 | 66.467.534 | Autres passifs | 2.040.320 | 3.242.599 | Comptes de régularisation | 2.388.573 | 2.349.289 | Provisions | 20.663 | 16.139 | Dettes subordonnées | 0 | 0 | Fonds pour risques bancaires généraux | 20.000 | 20.000 | Capitaux propres hors Fonds pour risques bancaires généraux | 3.180.495 | 3.213.692 | <b>Total Passif</b> | <b>82.387.293</b> | <b>84.172.246</b> |  |  |  | Hors - Bilan | 31 mars 2017 | 31 mars 2016 |  | (milliers €) |  | Engagements donnés | 873.405 | 819.783 | Engagements reçus | 9.705.067 | 9.028.025 |  |  |  |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------------|--------------|--|--------------|--|------------------------|--|--|--------------------------------------------|-----------|-----------|------------------------------|---|----|----------------------------------|------------|------------|----------------|-----------|-----------|---------------------------|-----------|-----------|------------|--------|--------|---------------------|---|---|---------------------------------------|--------|--------|-------------------------------------------------------------|-----------|-----------|---------------------|-------------------|-------------------|--|--|--|--------------|--------------|--------------|--|--------------|--|--------------------|---------|---------|-------------------|-----------|-----------|--|--|--|
| Passif                                                      | 31 mars 2017                                                                                                          | 31 mars 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |        |              |              |  |              |  |                        |  |  |                                            |           |           |                              |   |    |                                  |            |            |                |           |           |                           |           |           |            |        |        |                     |   |   |                                       |        |        |                                                             |           |           |                     |                   |                   |  |  |  |              |              |              |  |              |  |                    |         |         |                   |           |           |  |  |  |
|                                                             | (milliers €)                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |        |              |              |  |              |  |                        |  |  |                                            |           |           |                              |   |    |                                  |            |            |                |           |           |                           |           |           |            |        |        |                     |   |   |                                       |        |        |                                                             |           |           |                     |                   |                   |  |  |  |              |              |              |  |              |  |                    |         |         |                   |           |           |  |  |  |
| Banques centrales, CCP                                      |                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |        |              |              |  |              |  |                        |  |  |                                            |           |           |                              |   |    |                                  |            |            |                |           |           |                           |           |           |            |        |        |                     |   |   |                                       |        |        |                                                             |           |           |                     |                   |                   |  |  |  |              |              |              |  |              |  |                    |         |         |                   |           |           |  |  |  |
| Dettes envers les établissements de crédit                  | 8.718.815                                                                                                             | 8.862.976                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |        |              |              |  |              |  |                        |  |  |                                            |           |           |                              |   |    |                                  |            |            |                |           |           |                           |           |           |            |        |        |                     |   |   |                                       |        |        |                                                             |           |           |                     |                   |                   |  |  |  |              |              |              |  |              |  |                    |         |         |                   |           |           |  |  |  |
| Opérations avec la clientèle                                | 8                                                                                                                     | 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |        |              |              |  |              |  |                        |  |  |                                            |           |           |                              |   |    |                                  |            |            |                |           |           |                           |           |           |            |        |        |                     |   |   |                                       |        |        |                                                             |           |           |                     |                   |                   |  |  |  |              |              |              |  |              |  |                    |         |         |                   |           |           |  |  |  |
| Dettes représentées par un titre                            | 66.018.419                                                                                                            | 66.467.534                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |        |              |              |  |              |  |                        |  |  |                                            |           |           |                              |   |    |                                  |            |            |                |           |           |                           |           |           |            |        |        |                     |   |   |                                       |        |        |                                                             |           |           |                     |                   |                   |  |  |  |              |              |              |  |              |  |                    |         |         |                   |           |           |  |  |  |
| Autres passifs                                              | 2.040.320                                                                                                             | 3.242.599                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |        |              |              |  |              |  |                        |  |  |                                            |           |           |                              |   |    |                                  |            |            |                |           |           |                           |           |           |            |        |        |                     |   |   |                                       |        |        |                                                             |           |           |                     |                   |                   |  |  |  |              |              |              |  |              |  |                    |         |         |                   |           |           |  |  |  |
| Comptes de régularisation                                   | 2.388.573                                                                                                             | 2.349.289                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |        |              |              |  |              |  |                        |  |  |                                            |           |           |                              |   |    |                                  |            |            |                |           |           |                           |           |           |            |        |        |                     |   |   |                                       |        |        |                                                             |           |           |                     |                   |                   |  |  |  |              |              |              |  |              |  |                    |         |         |                   |           |           |  |  |  |
| Provisions                                                  | 20.663                                                                                                                | 16.139                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |        |              |              |  |              |  |                        |  |  |                                            |           |           |                              |   |    |                                  |            |            |                |           |           |                           |           |           |            |        |        |                     |   |   |                                       |        |        |                                                             |           |           |                     |                   |                   |  |  |  |              |              |              |  |              |  |                    |         |         |                   |           |           |  |  |  |
| Dettes subordonnées                                         | 0                                                                                                                     | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |        |              |              |  |              |  |                        |  |  |                                            |           |           |                              |   |    |                                  |            |            |                |           |           |                           |           |           |            |        |        |                     |   |   |                                       |        |        |                                                             |           |           |                     |                   |                   |  |  |  |              |              |              |  |              |  |                    |         |         |                   |           |           |  |  |  |
| Fonds pour risques bancaires généraux                       | 20.000                                                                                                                | 20.000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |        |              |              |  |              |  |                        |  |  |                                            |           |           |                              |   |    |                                  |            |            |                |           |           |                           |           |           |            |        |        |                     |   |   |                                       |        |        |                                                             |           |           |                     |                   |                   |  |  |  |              |              |              |  |              |  |                    |         |         |                   |           |           |  |  |  |
| Capitaux propres hors Fonds pour risques bancaires généraux | 3.180.495                                                                                                             | 3.213.692                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |        |              |              |  |              |  |                        |  |  |                                            |           |           |                              |   |    |                                  |            |            |                |           |           |                           |           |           |            |        |        |                     |   |   |                                       |        |        |                                                             |           |           |                     |                   |                   |  |  |  |              |              |              |  |              |  |                    |         |         |                   |           |           |  |  |  |
| <b>Total Passif</b>                                         | <b>82.387.293</b>                                                                                                     | <b>84.172.246</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |        |              |              |  |              |  |                        |  |  |                                            |           |           |                              |   |    |                                  |            |            |                |           |           |                           |           |           |            |        |        |                     |   |   |                                       |        |        |                                                             |           |           |                     |                   |                   |  |  |  |              |              |              |  |              |  |                    |         |         |                   |           |           |  |  |  |
|                                                             |                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |        |              |              |  |              |  |                        |  |  |                                            |           |           |                              |   |    |                                  |            |            |                |           |           |                           |           |           |            |        |        |                     |   |   |                                       |        |        |                                                             |           |           |                     |                   |                   |  |  |  |              |              |              |  |              |  |                    |         |         |                   |           |           |  |  |  |
| Hors - Bilan                                                | 31 mars 2017                                                                                                          | 31 mars 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |        |              |              |  |              |  |                        |  |  |                                            |           |           |                              |   |    |                                  |            |            |                |           |           |                           |           |           |            |        |        |                     |   |   |                                       |        |        |                                                             |           |           |                     |                   |                   |  |  |  |              |              |              |  |              |  |                    |         |         |                   |           |           |  |  |  |
|                                                             | (milliers €)                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |        |              |              |  |              |  |                        |  |  |                                            |           |           |                              |   |    |                                  |            |            |                |           |           |                           |           |           |            |        |        |                     |   |   |                                       |        |        |                                                             |           |           |                     |                   |                   |  |  |  |              |              |              |  |              |  |                    |         |         |                   |           |           |  |  |  |
| Engagements donnés                                          | 873.405                                                                                                               | 819.783                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |        |              |              |  |              |  |                        |  |  |                                            |           |           |                              |   |    |                                  |            |            |                |           |           |                           |           |           |            |        |        |                     |   |   |                                       |        |        |                                                             |           |           |                     |                   |                   |  |  |  |              |              |              |  |              |  |                    |         |         |                   |           |           |  |  |  |
| Engagements reçus                                           | 9.705.067                                                                                                             | 9.028.025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |        |              |              |  |              |  |                        |  |  |                                            |           |           |                              |   |    |                                  |            |            |                |           |           |                           |           |           |            |        |        |                     |   |   |                                       |        |        |                                                             |           |           |                     |                   |                   |  |  |  |              |              |              |  |              |  |                    |         |         |                   |           |           |  |  |  |
|                                                             |                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |        |              |              |  |              |  |                        |  |  |                                            |           |           |                              |   |    |                                  |            |            |                |           |           |                           |           |           |            |        |        |                     |   |   |                                       |        |        |                                                             |           |           |                     |                   |                   |  |  |  |              |              |              |  |              |  |                    |         |         |                   |           |           |  |  |  |
| <b>B.13</b>                                                 | <b>Événement récent propre à l'Émetteur et présentant un intérêt significatif pour l'évaluation de sa solvabilité</b> | <p>Sans objet.</p> <p>La Compagnie de Financement Foncier n'a enregistré aucun événement récent qui impacterait de manière significative l'évaluation de sa solvabilité.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |        |              |              |  |              |  |                        |  |  |                                            |           |           |                              |   |    |                                  |            |            |                |           |           |                           |           |           |            |        |        |                     |   |   |                                       |        |        |                                                             |           |           |                     |                   |                   |  |  |  |              |              |              |  |              |  |                    |         |         |                   |           |           |  |  |  |
| <b>B.14</b>                                                 | <b>Degré de dépendance de l'Émetteur à l'égard d'autres entités de son Groupe</b>                                     | <p>Conformément à la loi, la Compagnie de Financement Foncier a recours aux moyens techniques et humains de la maison mère en vertu de conventions liant les deux sociétés ; ces conventions, qui sont des conventions réglementées au sens de l'article L. 225-38 du Code du commerce, couvrent l'ensemble des activités de l'entreprise.</p> <p>Les textes élaborés tiennent compte de la spécificité des relations existantes entre le Crédit Foncier de France et sa filiale, la Compagnie de Financement Foncier.</p> <p>Le Crédit Foncier de France a pour principale activité de consentir des concours immobiliers aux particuliers et aux professionnels de l'immobilier avec garantie hypothécaire, des prêts aux collectivités territoriales ainsi que des financements structurés, et d'émettre des obligations en représentation de ces prêts.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |        |              |              |  |              |  |                        |  |  |                                            |           |           |                              |   |    |                                  |            |            |                |           |           |                           |           |           |            |        |        |                     |   |   |                                       |        |        |                                                             |           |           |                     |                   |                   |  |  |  |              |              |              |  |              |  |                    |         |         |                   |           |           |  |  |  |

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|-------------|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|             |                                            | <p>Le Crédit Foncier de France a apporté à la Compagnie de Financement Foncier la totalité de ses obligations foncières et les actifs qui les garantissaient, en vertu des dispositions de l'article 110 de la loi du 25 juin 1999.</p> <p>Après avoir été adossé au Groupe Caisse d'Épargne entre 1999 et 2009, le Crédit Foncier de France est depuis 2009 affilié au Groupe BPCE, né du rapprochement des Groupes Caisse d'Épargne et Banque Populaire. Depuis le 5 août 2010, le Crédit Foncier de France est détenu à 100 % par l'Organe central de BPCE.</p> <p>Seize conventions sont signées au 31 décembre 2016 entre le Crédit Foncier de France et la Compagnie de Financement Foncier à savoir :</p> <ul style="list-style-type: none"> <li>• une convention cadre, posant les principes généraux ;</li> <li>• une convention de cession des prêts ;</li> <li>• une convention de gestion et de recouvrement des créances ;</li> <li>• une convention de prestations financières ;</li> <li>• une convention de gestion actif/passif (ALM) ;</li> <li>• une convention de gestion administrative et comptable ;</li> <li>• une convention de prestations en matière de contrôle interne et de conformité ;</li> <li>• une convention relative à la mise en oeuvre des outils informatiques ;</li> <li>• une convention de mise à disposition de personnels ;</li> <li>• une convention relative à la rémunération des prestations ;</li> <li>• une convention relative à la prestation de banque de règlement ;</li> <li>• une convention de garantie au titre des prêts à taux révisables ;</li> <li>• une convention de garantie et d'indemnisation ;</li> <li>• une convention d'agent payeur ;</li> <li>• une convention de compte courant d'associé, applicable à compter du 15 septembre 2015, date de mise en place de ce compte</li> <li>• une convention de cession de rang hypothécaire/d'antériorité ;</li> </ul> <p>et deux conventions tripartites entre le Crédit Foncier de France, la Compagnie de Financement Foncier et une tierce partie :</p> <ul style="list-style-type: none"> <li>• une convention de gestion et de recouvrement des prêts aidés par l'État, signée également par l'État ;</li> <li>• le renouvellement de la convention d'apporteur d'affaires (avec BPCE, les Caisses d'Épargne et le Crédit Foncier de France).</li> </ul> |
| <b>B.15</b> | <b>Principales activités de l'Émetteur</b> | <p>La Compagnie de Financement Foncier a pour unique activité d'acquérir des actifs éligibles et de les refinancer.</p> <p>Les critères d'éligibilité des actifs des sociétés de crédit foncier sont définis par les articles L. 513-3 à L. 513-7 du Code monétaire et financier. Sont ainsi éligibles :</p> <ul style="list-style-type: none"> <li>- les prêts garantis par une hypothèque de premier rang ou par une garantie au moins équivalente lorsque les biens sous-jacents sont situés dans un État de l'Espace économique européen ou dans un État bénéficiant de la meilleure notation de qualité de crédit ;</li> <li>- les expositions sur des personnes publiques telles que des prêts ou des engagements hors-bilan lorsqu'elles portent sur des personnes publiques ou totalement garanties par elles (administrations centrales, banques centrales, établissements publics, collectivités territoriales ou leurs groupements etc.), et bénéficiant du meilleur échelon de qualité de crédit établi par un organisme externe d'évaluation de crédit reconnu par l'Autorité de contrôle prudentiel et de résolution conformément à l'article L. 511-44 du Code monétaire et</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

|             |                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|             |                                                                                                | <p>financier. Les expositions sur des personnes publiques comprennent notamment les titres de créances émis, ou totalement garantis, par une ou plusieurs personnes publiques. Sont assimilés aux prêts et expositions, les parts et titres de créances émis par des organismes de titrisation ou des entités similaires ;</p> <ul style="list-style-type: none"> <li>- les valeurs de remplacement (plafonnées à 15 % du montant nominal des ressources privilégiées): titres, valeurs et dépôts suffisamment sûrs et liquides.</li> </ul> <p>L'ensemble des actifs éligibles est porté par la société de crédit foncier dans un bilan dédié, distinct de celui de sa maison mère.</p> <p>Pour refinancer ces actifs, la société de crédit foncier est autorisée à émettre des obligations foncières ainsi que d'autres instruments financiers bénéficiant ou non du privilège défini par l'article L. 513-11 du Code monétaire et financier.</p>                                                                                                                                                                                                                                                                                                                                                               |
| <b>B.16</b> | <b>Entité(s) ou personne(s) détenant ou contrôlant directement ou indirectement l'Émetteur</b> | <p>Le Crédit Foncier de France détient la quasi-totalité des actions de la Compagnie de Financement Foncier. Conformément aux statuts de la Compagnie de Financement Foncier, chaque membre du Conseil d'administration doit détenir au moins une action pendant la durée de son mandat.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>B.17</b> | <b>Notation assignée à l'Émetteur ou à ses titres d'emprunt</b>                                | <p>Le Programme a fait l'objet d'une notation de AAA par Standard &amp; Poor's Ratings Services (« <b>S&amp;P</b> »), Aaa par Moody's Investors Services (« <b>Moody's</b> ») et AAA par Scope Ratings AG (« <b>Scope</b> »). Il est prévu que les Titres émis dans le cadre de ce Programme seront notés AAA par S&amp;P, Aaa par Moody's et AAA par Scope. S&amp;P, Moody's et Scope, qui sont des agences de notation établies dans l'Union Européenne et enregistrées conformément au Règlement (CE) No. 1060/2009 relatif aux agences de notation (le « <b>Règlement CRA</b> »), tel que modifié, et qui apparaissent dans la liste des agences de notation enregistrées publiée par l'Autorité Européenne des Marchés Financiers (<i>European Securities and Market Authority</i>) sur son site Internet.</p> <p>La notation (le cas échéant) des Titres sera mentionnée dans les Conditions Définitives.</p> <p>Une notation n'est pas une recommandation d'achat, de vente ou de détention de titres et peut, à tout moment, être suspendue, modifiée, ou retirée par l'agence de notation concernée.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>Notation de crédit : [Sans objet/Les Titres qui seront émis [ont été/devraient être] notés :</p> <p>[S&amp;P : [●]]</p> <p>[Scope : [●]]</p> |

| Section C – Valeurs mobilières |                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| C.1                            | Nature, catégorie et numéro d'identification des Titres | <p>Jusqu'à 125.000.000.000 euros (ou la contre-valeur de ce montant dans d'autres devises à la date de l'émission) représentant le montant nominal total des Titres en circulation à tout moment dans le cadre du Programme <i>d'Euro Medium Term Notes</i> arrangé par Deutsche Bank AG, Paris Branch (le « <b>Programme</b> »).</p> <p>Les Titres seront émis sur une base syndiquée ou non syndiquée. Les Titres seront émis par souche (dénommée chacune « <b>Souche</b> ») à une même date ou à des dates d'émissions différentes et seront à tous autres égards identiques, les Titres d'une même Souche étant supposés être fongibles entre eux ou identiques à tous égards à l'exception du premier paiement d'intérêts, de la date d'émission, du prix d'émission et du montant nominal). Chaque Souche pourra être émise par tranches (dénommées chacune « <b>Tranche</b> ») aux mêmes dates d'émission ou à des dates d'émission différentes. Les conditions particulières de chaque Tranche (qui seront complétées, si nécessaire, par des conditions complémentaires et qui, sauf en ce qui concerne la date d'émission, le prix d'émission, le premier paiement d'intérêts et le montant nominal de la Tranche, seront identiques aux conditions des autres Tranches de la même Souche) seront indiquées dans les Conditions Définitives jointes au Prospectus de Base (les « <b>Conditions Définitives</b> »).</p> <p>Les Titres pourront être émis sous forme de titres dématérialisés (« <b>Titres Dématérialisés</b> ») ou matérialisés (« <b>Titres Matérialisés</b> »).</p> <p>Les Titres Dématérialisés peuvent, au choix de l'Emetteur, soit être émis au porteur, soit être nominatifs et, dans ce dernier cas, au choix du porteur concerné, être au nominatif pur ou au nominatif administré. Aucun titre papier ne sera émis pour les Titres Dématérialisés. Les Titres Matérialisés peuvent être émis au porteur (« <b>Titres Matérialisés au Porteur</b> ») uniquement. Un certificat global temporaire émis au porteur (un « <b>Certificat Global Temporaire</b> ») relatif à chaque Tranche de Titres Matérialisés au Porteur sera initialement émis.</p> <p>Les Titres Matérialisés ne peuvent être émis qu'hors de France.</p> <p>Les Titres ont été déposés auprès d'Euroclear France en qualité de dépositaire central pour les Titres Dématérialisés et Clearstream Banking S.A. (« <b>Clearstream</b> »), Euroclear Bank S.A./N.V. (« <b>Euroclear</b> ») ou tout autre système de compensation convenu par l'Emetteur, l'agent financier dans le cadre du Programme (l'« <b>Agent Financier</b> ») et l'Agent Placeur concerné pour les Titres Matérialisés.</p> <p>Un numéro d'identification des Titres (Code ISIN) et un code commun seront indiqués dans les Conditions Définitives applicables.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>Souche N° : [●]<br/> Tranche N° : [●]<br/> Montant nominal total : [●]<br/> Souche : [●]<br/> Tranche : [●]<br/> Forme des Titres : [Titres Matérialisés/Titres Dématérialisés]<br/> [Si les Titres sont des Titres Dématérialisés : Les Titres Dématérialisés sont des Titres au porteur / au nominatif.]<br/> Si les Titres sont des Titres Matérialisés : Les Titres Matérialisés sont des Titres au porteur uniquement]<br/> Code ISIN : [●]</p> |

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|     |                                                                              | <p>Code commun : [●]</p> <p>Dépositaire Central : [●]</p> <p>Tout système de compensation autre qu'Euroclear Bank S.A./N.V. et Clearstream Banking S.A., et les numéros d'identification applicables : [Sans objet]/[donner le(s) nom(s) et le(s) numéro(s) [et le(s) adresse(s)]]</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| C.2 | Devises des Titres                                                           | <p>Les Titres peuvent être émis en euro, franc suisse, dollar américain, dollar de Hong Kong, dollar canadien, livre sterling, yen japonais, couronne norvégienne et en toute autre devise qui pourrait être convenue entre l'Emetteur et les Agents Placeurs concernés.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>La devise des Titres est : [●]</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| C.5 | Description de toute restriction imposée à la libre négociabilité des Titres | <p>Sous réserve de certaines restrictions relatives à l'achat, l'offre, la vente et la livraison des Titres et à la possession ou distribution du Prospectus de Base, de tout autre document d'offre ou de toutes Conditions Définitives, il n'existe pas de restriction imposée à la libre négociabilité des Titres.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| C.8 | Description des droits attachés aux Titres                                   | <ul style="list-style-type: none"> <li>• <b><u>Arrangeur dans le cadre du Programme</u></b><br/>L'arrangeur dans le cadre du Programme (l'« <b>Arrangeur</b> ») est :<br/>Deutsche Bank AG, Paris Branch</li> <li>• <b><u>Agents Placeurs dans le cadre du Programme</u></b><br/>Les agents placeurs dans le cadre du Programme (les « <b>Agents Placeurs</b> ») sont :<br/>Barclays Bank PLC<br/>BNP Paribas<br/>Commerzbank Aktiengesellschaft<br/>Crédit Agricole Corporate and Investment Bank<br/>Crédit Foncier de France<br/>Credit Suisse Securities (Europe) Limited<br/>Deutsche Bank Aktiengesellschaft<br/>HSBC France<br/>J.P. Morgan Securities plc<br/>Merrill Lynch International<br/>Morgan Stanley &amp; Co. International plc<br/>NATIXIS<br/>Nomura International plc<br/>Société Générale<br/>The Royal Bank of Scotland plc (trading as NatWest Markets)<br/>UBS Limited</li> </ul> |

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|  |  | <p>L'Émetteur peut, à tout moment, terminer le mandat d'un des Agents Placeurs ou nommer des agents placeurs additionnels, soit pour les besoins d'une ou plusieurs Tranches, soit pour les besoins du Programme en sa totalité.</p> <ul style="list-style-type: none"> <li>• <b><u>Prix d'émission</u></b></li> </ul> <p>Les Titres peuvent être émis à leur valeur nominale ou avec une décote ou une prime par rapport à leur valeur nominale.</p> <ul style="list-style-type: none"> <li>• <b><u>Valeur Nominale Unitaire</u></b></li> </ul> <p>Les Titres auront la valeur nominale indiquée dans les Conditions Définitives correspondantes. Toutefois, la valeur nominale de tout Titre sera égale au montant minimum qui sera autorisé ou requis à tout moment par la banque centrale concernée (ou une autre autorité équivalente) ou par toute loi ou réglementation applicable à la Devise Prévue concernée.</p> <p>Les Titres Dématérialisés seront émis avec une seule Valeur Nominale Unitaire.</p><br><ul style="list-style-type: none"> <li>• <b><u>Rang de créance des Titres</u></b></li> </ul> <p>Les Titres (<i>obligations foncières</i>) constituent des obligations directes, inconditionnelles de l'Emetteur, bénéficiant d'un privilège qui prendront rang à égalité entre elles sans aucune préférence et de rang égal et proportionnel par rapport à tout autre titre présent ou futur et autres ressources levées par l'Emetteur bénéficiant du privilège issu de l'article L. 513-11 du Code monétaire et financier.</p><br><ul style="list-style-type: none"> <li>• <b><u>Privilège</u></b></li> </ul> <p>Les Titres bénéficient d'un privilège (droit de paiement prioritaire) issu de l'article L. 513-11 du Code monétaire et financier.</p> <ul style="list-style-type: none"> <li>• <b><u>Maintien de l'emprunt à son rang</u></b></li> </ul> <p>Aucun.</p> <ul style="list-style-type: none"> <li>• <b><u>Cas de défaut, y compris le défaut croisé</u></b></li> </ul> <p>Aucun.</p> <ul style="list-style-type: none"> <li>• <b><u>Exemption fiscale</u></b></li> </ul> <p>Tous les paiements de principal, d'intérêts et autres revenus assimilés effectués par ou pour le compte de l'Emetteur en vertu des Titres ou Coupons devront l'être nets de toute retenue à la source ou prélèvement, de tous taxes, droits, impôts ou prélèvements de toute nature, imposés, levés, collectés ou retenus à la source par l'Etat français ou sur le territoire français ou par toute autorité de cet Etat ayant le pouvoir de lever l'impôt, à moins que cette retenue à la source ou ce prélèvement ne soit exigé par la loi.</p> <ul style="list-style-type: none"> <li>• <b><u>Droit applicable</u></b></li> </ul> <p>Droit français.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>Prix d'Émission : [●] % du Montant Nominal Total [majoré des intérêts courus à compter de [insérer la date] (si applicable)].</p> <p>Valeur Nominale Unitaire : [●]</p> |
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| C.9 | Intérêts, échéance et modalités de remboursement, rendement et représentation des porteurs des Titres | <p>Veillez vous reporter également à la section C.8 ci-dessus.</p> <ul style="list-style-type: none"> <li>• <b><u>Périodes d'intérêt et taux d'intérêts</u></b><br/>La durée des périodes d'intérêts des Titres et le taux d'intérêt applicable ou sa méthode de calcul pourront être constants ou varier au cours du temps pour chaque Souche. Les Titres pourront avoir un taux d'intérêt maximum, un taux d'intérêt minimum, ou les deux. L'utilisation des périodes d'intérêts courus permet de prévoir des taux d'intérêts différents des Titres pour la même période d'intérêts. Ces informations seront prévues dans les Conditions Définitives concernées.</li> <li>• <b><u>Titres à Taux Fixe</u></b><br/>Les coupons fixes seront payables à terme échu chaque année à la date ou aux dates de chaque année prévues dans les Conditions Définitives.</li> <li>• <b><u>Titres à Taux Variable</u></b><br/>Les Titres à Taux Variable porteront intérêt déterminé de façon différente pour chaque Souche, comme suit: <ul style="list-style-type: none"> <li>(i) sur la même base que le taux variable applicable à une opération d'échange de taux d'intérêts dans la Devise Prévue concernée conformément à la Convention-Cadre FBF 2001 relative aux opérations sur instruments financiers à terme telle que complétée par les Annexes Techniques publiées par la Fédération Bancaire Française ou la FBF, ou</li> <li>(ii) sur la même base que le taux variable applicable à une opération d'échange de taux d'intérêt notionnel dans la Devise Prévue concernée, conformément à un contrat incluant les Définitions ISDA 2006 telles que publiées par l'<i>International Swaps and Derivatives Association, Inc.</i> ; ou</li> <li>(iii) par référence au LIBOR, EURIBOR, EONIA, CMS Rate ou TEC10</li> </ul> dans chacun des cas, tels qu'ajustés des marges applicables.</li> <li>• <b><u>Titres à Taux Fixe/Variable</u></b><br/>Les Titres à Taux Fixe/Variable pour lesquels un changement de base d'intérêt est spécifié être applicable peuvent être émis par l'Émetteur, le changement de base d'intérêt pouvant être prévu au gré de l'Émetteur ou automatiquement.</li> <li>• <b><u>Titres à Coupon Zéro</u></b><br/>Les Titres à Coupon Zéro peuvent être émis à leur valeur nominale ou avec décote et ne porteront pas intérêt.</li> <li>• <b><u>Titres Indexés sur l'Inflation</u></b><br/>L'Émetteur pourra émettre des Titres Indexés sur l'Inflation dont l'intérêt et/ou le principal sera calculé à partir d'un ratio de l'indice d'inflation (à chaque fois, le « <b>Ratio de l'Indice d'Inflation</b> »), ce ratio étant lui-même déterminé grâce à : <ul style="list-style-type: none"> <li>(i) l'indice des prix à la consommation (hors tabac) des ménages en France ou l'indice applicable lui étant substitué calculé et publié mensuellement par l'Institut National de la Statistique et des Etudes Economiques (« <b>INSEE</b> ») (le « <b>CPI</b> ») (les « <b>Titres Indexés sur le CPI</b> ») ; ou</li> <li>(ii) l'indice des prix à la consommation harmonisé (hors tabac) ou l'indice applicable lui étant substitué, mesurant le taux de l'inflation dans l'Union Monétaire Européenne calculé et publié mensuellement par Eurostat (le « <b>HICP</b> ») (les « <b>Titres Indexés sur le HICP</b> »).</li> </ul> Le taux d'intérêt des Titres Indexés sur l'Inflation peut être calculé sur la même base que pour les Titres à Taux Fixe ou sur la base du CPI ou du HICP.</li> </ul> |
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- **Option de Changement de Taux d'Intérêt par l'Emetteur et Taux d'Intérêt Verrou (Rate Lock-In)**

Les Conditions Définitives applicables à chaque émission de Titres spécifieront si l'Emetteur aura une option de changement de taux d'intérêt et/ou si le Taux d'Intérêt Verrou (*Rate Lock-In*) s'appliquera.

- **Échéances**

Sous réserve du respect de toutes lois, réglementations et directives applicables, toute échéance d'un mois minimum à compter de la date d'émission initiale. Une date d'échéance finale prolongée (la « **Date d'Echéance Prolongée** ») pourra être spécifiée pour la Souche de Titres concernée (« **Titres à Date de Maturité Extensible** »).

- **Remboursement**

Les Titres devront être remboursés à l'échéance convenue ou avant l'échéance convenue au gré de l'Émetteur ou du porteur de Titres. Les Conditions Définitives indiqueront la base de calcul des montants de remboursement dus.

- **Option de Remboursement**

Les Conditions Définitives préparées à l'occasion de chaque émission de Titres indiqueront si un remboursement anticipé au gré de l'Emetteur ou au gré des porteurs est applicable conformément auquel les Titres peuvent être remboursés avant la date d'échéance prévue au gré de l'Émetteur et ou du porteur de Titres (en totalité ou en partie) et, si tel est le cas, les modalités applicables à ce remboursement.

- **Rendement**

Les Conditions Définitives de chaque émission de Titres à Taux Fixe préciseront le rendement des Titres.

- **Représentation des porteurs des Titres**

En ce qui concerne la représentation des porteurs de Titres, les règles suivantes s'appliqueront :

- (a) Si les Titres sont émis en France, les Conditions Définitives concernées stipuleront qu'une « Masse Complète » sera constituée et que les porteurs de Titres seront groupés, au titre de toutes les Tranches d'une même Souche, pour la défense de leurs intérêts communs en une masse (la « **Masse** ») et les dispositions du Code de commerce relatives à la Masse s'appliqueront ; et
- (b) Si les Titres sont émis hors de France pour les besoins de l'article L.288-90 du Code de commerce, les Conditions Définitives concernées stipuleront qu'une « Masse Contractuelle » sera constituée et que les porteurs de Titres seront groupés automatiquement, au titre de toutes les Tranches d'une même Souche, pour la défense de leurs intérêts communs en une Masse. La Masse sera régie par les dispositions du Code de commerce, à l'exception des articles L. 228-48, L. 228-59, R.228-63, R.228-67, R.228-69 et R. 228-76.

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|  |  | <p>Si les Conditions Définitives indiquent que les stipulations des paragraphes (a) ou (b) ci-dessus sont applicables, la Masse agira en partie par l'intermédiaire d'un représentant (le « <b>Représentant</b> ») et en partie par l'intermédiaire d'une assemblée générale des porteurs de titres. Les noms et adresses du Représentant initial et de son suppléant seront précisés dans les Conditions Définitives concernées. Le Représentant désigné dans le cadre de la première Tranche d'une Souche sera le représentant de la Masse unique de toutes les autres Tranches de cette Souche.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>Base(s) d'Intérêt : [Taux Fixe [●] %]<br/> [[EURIBOR/LIBOR/EONIA/CMS<br/> Rate/TEC10] +/- [●] % Taux Variable]<br/> [Taux Fixe/Variable]<br/> [Coupon Zéro]<br/> [Titre Indexé sur l'Inflation – Taux Fixe/<br/> Inflation]</p> <p>Date de Commencement des Intérêts : [Préciser/Date d'Émission/Sans objet]</p> <p>Date d'Echéance : [Préciser (pour les Titres à Taux Variable) la<br/> Date de Paiement des Intérêts tombant le ou le<br/> plus près du mois et de l'année concernés]</p> <p>Date d'Echéance Prolongée : [●/Sans objet]</p> <p>Base de Remboursement : [Titres Indexés sur l'Inflation –<br/> [Remboursement au pair/Remboursement<br/> indexé sur l'inflation]] [Sous réserve de tout<br/> achat et annulation ou remboursement anticipé,<br/> les Titres seront remboursés a la Date<br/> d'Echéance (ou, le cas échéant, à la Date<br/> d'Echéance Prolongée) à [●] pour cent de leur<br/> montant nominal]</p> <p>Changement de Base d'Intérêt : [Applicable - Taux Fixe/Variable] / [Sans objet]</p> <p>Option de Remboursement : [Applicable] / [Sans objet]</p> <p>Option de Vente : [Applicable] / [Sans objet]</p> <p>Option de Changement de<br/> Taux d'Intérêt par l'Emetteur : [Applicable] / [Sans objet]</p> <p>Taux d'Intérêt Verrou (<i>Rate<br/> Lock-In</i>): [Applicable] / [Sans objet]</p> <p>Taux d'Intérêt Maximum : [Applicable] / [Sans objet]</p> <p>Taux d'Intérêt Minimum : [Applicable] / [Sans objet]</p> <p>Montant Maximum de<br/> Remboursement Final : [●/Sans objet]</p> <p>Montant Minimum de<br/> Remboursement Final : [●/Sans objet]</p> |
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|             |                                                                      | <p>Montant Maximum de Remboursement Optionnel : [●/Sans objet]</p> <p>Montant Minimum de Remboursement Optionnel : [●/Sans objet]</p> <p>Montant de Remboursement Final de chaque Titre : [[●] par Titre d'une Valeur Nominale Unitaire de [●] (<i>ne s'applique que pour les Titres assimilables</i>)] [Remboursement au pair] [Titres Indexés sur l'Inflation – Redemption au pair] [Titres Indexés sur l'Inflation – Remboursement indexé sur l'Inflation]</p> <p>Montant de Remboursement Optionnel : [Remboursement au pair/Remboursement Coupon Zéro/ Titres Indexés sur l'Inflation/Sans objet] [●] par Titre d'une Valeur Nominale Unitaire de [●]</p> <p>Rendement (des Titres à Taux Fixe) : [Applicable] / [Sans objet] / [●]</p> <p>Représentation des Porteurs de Titres : [Masse Complète/Masse Contractuelle]</p> <p>La Masse agira par l'intermédiaire d'un représentant (le « <b>Représentant</b> ») et en partie par l'intermédiaire d'une assemblée générale des porteurs de Titres. Les nom et adresse du premier Représentant sont [●] et de son remplaçant sont [●]. Le Représentant(s) désigné dans le cadre de la première Tranche de toutes Souches des Titres sera le représentant de la Masse unique de toutes les autres Tranches de ces Souches.</p> |
| <b>C.10</b> | <b>Paiement des intérêts liés à un (des) instrument(s) dérivé(s)</b> | <p>A l'exception des Titres Indexés sur l'Inflation, les Titres émis dans le cadre du Programme ne sont liés à aucun instrument dérivé. Les Titres Indexés sur l'Inflation sont des Titres dont le montant des intérêts et/ou le principal sont liés à la variation (i) de l'indice des prix à la consommation (hors tabac) des ménages en France ou l'indice applicable lui étant substitué calculé et publié mensuellement par l'INSEE, (CPI) ou (ii) de l'indice des prix à la consommation harmonisé (hors tabac), ou l'indice applicable lui étant substitué, mesurant le taux de l'inflation dans l'Union Monétaire Européenne calculé et publié mensuellement par Eurostat (HICP).</p> <p>La valeur de l'investissement dans les Titres Indexés sur l'Inflation peut être affectée par la valeur du CPI ou le l'HICP, selon le cas, tel que décrit à la rubrique C.15 ci-dessous.</p>                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>C.11</b> | <b>Cotation et admission à la négociation</b>                        | <p>Comme mentionné dans les Conditions Définitives, une souche de Titres pourra ou non être cotée et admise à la négociation sur Euronext Paris et/ou sur tout Marché Réglementé ou autre marché.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>[[Une demande a été faite]/[Une demande doit être faite] par l'Émetteur (ou au nom et pour le compte de l'Émetteur) en vue de la cotation et de l'admission des Titres aux négociations sur [[[Euronext Paris] / [la Liste Officielle de la Bourse de Luxembourg] / [●]]] à compter de [●]] / [Sans objet]</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

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| <b>C.15</b> | <b>Description de l'impact de la valeur sous-jacent sur la valeur de l'investissement</b> | <p>Les Titres Indexés sur l'Inflation sont des titres de créance dont le montant d'intérêt n'est pas prédéterminé et/ou dont le montant de remboursement n'est pas prédéterminé. Les montants dus au titre de l'intérêt et/ou du principal seront dépendants de la variation :</p> <p>(i) de l'indice des prix à la consommation (hors tabac) des ménages en France ou l'indice applicable lui étant substitué calculé et publié mensuellement par l'INSEE, ou</p> <p>(ii) de l'indice des prix à la consommation harmonisé (hors tabac), ou l'indice applicable lui étant substitué, mesurant le taux de l'inflation dans l'Union Monétaire Européenne calculé et publié mensuellement par Eurostat.</p> <p>Si à la date de maturité le niveau du Ratio de l'Indice d'Inflation est inférieur à 1, les Titres seront remboursés au pair.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>La valeur de l'investissement dans les Titres Indexés sur l'Inflation peut être affectée par le niveau du [CPI/HICP]. En effet, cet indice d'inflation affecte le montant de remboursement et/ou le montant d'intérêt calculés comme indiqué à la section C.9 ci-dessus.</p> |
| <b>C.16</b> | <b>Titres Indexés sur l'Inflation - Echéance</b>                                          | <p>Sous réserve du respect de toutes lois, réglementations et directives applicables, toute échéance indiquée dans les Conditions Définitives.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>La date d'échéance des Titres Indexés sur l'Inflation est [●].</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>C.17</b> | <b>Titres Indexés sur l'Inflation – Règlement-livraison</b>                               | Les Titres Indexés sur l'Inflation feront l'objet d'un règlement en espèces.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>C.18</b> | <b>Produit des Titres Indexés sur l'Inflation</b>                                         | <p>Les paiements d'intérêts se rapportant aux Titres Indexés sur l'Inflation dont l'intérêt est indexé sur l'inflation seront déterminés en multipliant le montant nominal en circulation de ces Titres par le produit du taux annuel indiqué dans les Conditions Définitives et du Ratio de l'Indice d'Inflation applicable.</p> <p>Le paiement du montant en principal dû au titre des Titres Indexés sur l'Inflation, si ce montant est indexé sur l'inflation, sera déterminé en multipliant le montant nominal de ces Titres en circulation par le Ratio de l'Indice d'Inflation applicable. Toutefois, si à la date de maturité le niveau du Ratio de l'Indice d'Inflation est inférieur à 1, les Titres seront remboursés au pair.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>C.19</b> | <b>Titres Indexés sur l'Inflation – Prix d'exercice / Prix de référence final</b>         | <p>Le montant de remboursement final pour les Titres Indexés sur l'Inflation sera calculé sur la base du ratio entre l'indice à la Date d'Echéance (ou, le cas échéant, à la Date d'Echéance Prolongée) et la Référence de Base spécifiée dans les Conditions Définitives applicables.</p> <p>Merci de vous reporter également à la section C.9 ci-dessus.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>C.20</b> | <b>Titres Indexés sur l'Inflation – Description du sous-jacent</b>                        | Les Titres Indexés sur l'Inflation sont des Titres dont le montant d'intérêt et/ou le principal sont indexés. Dans le cas de Titres Indexés sur l'Inflation dont l'intérêt est indexé, l'intérêt est déterminé en appliquant la variation annuelle de l'inflation, exprimée en pourcentage, au montant nominal des Titres Indexés sur l'Inflation. Dans le cas de Titres Indexés sur l'Inflation dont le principal est indexé, le principal est indexé sur la variation de l'inflation entre la valeur de l'indice applicable (c'est-à-dire soit le CPI soit le HICP) à la date d'émission et à la date de remboursement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

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|             |                               | <p><b>Résumé spécifique à l'émission :</b><br/> <i>(Insérer pour les Titres indexés sur CPI)</i></p> <p><b>Les Titres Indexés sur le CPI</b></p> <p>Les Titres Indexés sur le CPI sont liés à l'indice des prix à la consommation (hors tabac) des ménages en France calculé et publié mensuellement par l'INSEE : le CPI. Le CPI est l'instrument officiel pour mesurer l'inflation. Il permet de disposer d'une estimation entre deux périodes déterminées des moyennes de fluctuations des prix des biens et des services consommés par les ménages sur le territoire français. C'est un indicateur de mouvements des prix des produits sur une base de qualité constante. Des informations relatives aux CPI peuvent être trouvées à la page Reuters Agence France trésor OATINFLATION01 ou sur Bloomberg TRESOR&lt;GO&gt; et sur le site internet <a href="http://www.aft.gouv.fr">www.aft.gouv.fr</a>.</p> <p><b>Les Titres Indexés sur le HICP</b><br/> <i>(Insérer pour les Titres indexés sur HICP)</i></p> <p>Les Titres Indexés sur le HICP sont liés à l'indice des prix à la consommation harmonisé, hors tabac, de la zone euro calculé et publié mensuellement par Eurostat et les instituts nationaux de la statistique conformément aux méthodes statistiques harmonisées : le HICP. Le HICP est un indicateur économique destiné à mesurer les changements dans le temps des prix des biens à la consommation et des services acquis par les ménages dans la zone euro. Des informations relatives au HICP peuvent être trouvées à la page Reuters Agence France Trésor OATEI01, sur le site internet <a href="http://www.aft.gouv.fr">www.aft.gouv.fr</a> et sur la page Bloomberg TRESOR.</p> |
| <b>C.21</b> | <b>Marchés de négociation</b> | <p>Les Titres pourront (ou non) être cotés et admis aux négociations sur Euronext Paris ainsi que la Liste Officielle de la Bourse de Luxembourg ou tout autre marché réglementé, tel que précisé dans les Conditions Définitives applicables. Le Prospectus de Base sera publié à l'intention du ou des marchés réglementés ainsi désignés.</p> <p><b>Résumé spécifique à l'émission :</b><br/> [Les Titres seront cotés et admis aux négociations sur [le marché réglementé d'Euronext Paris et la Liste Officielle de la Bourse de Luxembourg] / [●.]/[Sans objet.]</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| Section D –Facteurs de Risque |                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| <b>D.2</b>                    | <b>Informations clés sur les principaux risques propres à l'Émetteur ou à son exploitation et son activité</b> | <p>Les investisseurs potentiels doivent considérer, entre autres, les facteurs de risque relatifs à Compagnie de Financement Foncier et à son exploitation et qui peuvent altérer la capacité de Compagnie de Financement Foncier à remplir ses obligations relatives aux Titres émis dans le cadre du Programme.</p> <p>Ces facteurs de risque incluent les suivants :</p> <ul style="list-style-type: none"> <li>- <u>Risque de crédit</u><br/>Le risque de crédit se matérialise lorsqu'une contrepartie est dans l'incapacité de faire face à ses obligations et il peut se manifester par la migration de la qualité de crédit voire le défaut de la contrepartie.</li> <li>- <u>Risque de taux</u><br/>Le risque de taux d'intérêt global est le risque encouru en cas de variation des taux d'intérêt du fait de l'ensemble des opérations de bilan et de hors bilan.<br/>L'exposition de la Compagnie de Financement Foncier au risque de taux est notamment appréhendée par la détermination d'un gap de taux.</li> <li>- <u>Risque de change</u><br/>Le risque de change est le risque encouru en cas de variation des cours des devises (contre euro) du fait de l'ensemble des opérations de bilan et hors bilan. Les indicateurs de mesure et de suivi sont constitués par les mesures des positions de change par devise.</li> <li>- <u>Risque de liquidité</u><br/>Le risque de liquidité est le risque de ne pas pouvoir faire face à ses engagements ou de ne pas pouvoir dénouer ou compenser une position en raison de la situation du marché, dans un délai déterminé et à un coût raisonnable. L'exposition de la Compagnie de Financement Foncier à ce risque est appréhendée notamment à travers la détermination d'un gap de liquidité.</li> <li>- <u>Risque de contrepartie</u><br/>Le risque de contrepartie est le risque que la contrepartie d'une opération fasse défaut avant le règlement définitif de l'ensemble des flux de trésorerie, que cette opération soit classée en portefeuille bancaire ou en portefeuille de négociation.</li> <li>- <u>Risque opérationnel</u><br/>Le risque opérationnel est défini au sein du Groupe BPCE comme le risque de perte liée à une inadaptation, une défaillance ou un dysfonctionnement des processus, des systèmes d'information, des hommes ou suite à des événements extérieurs. Il inclut la fraude interne et externe, le risque d'image, les risques liés au modèle, le risque lié à l'organisation de la continuité d'activité, le risque informatique, le risque d'assurance et le risque juridique.</li> <li>- <u>Risque de règlement</u><br/>Le risque de règlement est le risque encouru en cas de non respect de la part d'une contrepartie de ses engagements de paiements alors que la seconde a respecté les siens.<br/>Les risques pour la Compagnie de Financement Foncier sont également les suivants : <ul style="list-style-type: none"> <li>- le risque de non-conformité ;</li> <li>- le risque de remboursements anticipés ;</li> <li>- les risques liés aux conditions macro-économiques et au renforcement des exigences réglementaires ;</li> </ul> </li> </ul> |

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|            |                                                                        | <ul style="list-style-type: none"> <li>- le risque lié à l'impact potentiel d'une baisse brutale et significative du marché immobilier sur l'activité et les résultats de la Compagnie de Financement Foncier ;</li> <li>- le risque lié à l'impact potentiel lié au risque de concentration dans le portefeuille de couverture ;</li> <li>- le risque lié à l'impact potentiel lié à la mise en place de la directive européenne sur le redressement et la résolution des établissements de crédit.</li> </ul> <p>L'objectif affiché de la Bank Recovery and Resolution Directive dite BRRD et du règlement MRU associé est de donner aux autorités de résolution des outils et pouvoirs communs leur permettant d'intervenir suffisamment tôt et rapidement dans le cas où un établissement s'avérerait peu solide ou défaillant : ceci afin d'assurer la continuité des fonctions financières et économiques critiques de ce dernier, tout en limitant le plus possible l'impact global de son éventuelle défaillance sur le système financier et l'État membre dont l'établissement dépend, en rendant beaucoup moins probable la nécessité du recours à un plan de sauvetage public. À cet effet, quatre outils de résolution sont prévus : la cession de certaines activités, le recours à un établissement relais, la séparation des actifs et le renflouement interne ou bail-in. Ce dernier prévoit que les autorités de résolution puissent déprécier (y compris jusqu'à zéro) certains droits des créanciers subordonnés d'un établissement défaillant et de convertir certaines dettes subordonnées en capital. Les obligations foncières émises par la Compagnie de Financement Foncier sont explicitement exclues de ce mécanisme de bail-in, sauf le cas échéant pour la fraction de l'encours des obligations foncières de l'émetteur qui excéderait la valeur du portefeuille de couverture les garantissant. Ce montant devrait être nul dans la très grande majorité des scénarios envisageables, en raison du surdimensionnement existant entre le portefeuille de couverture et l'encours d'obligations foncières, ainsi que de la marge que recèle ce portefeuille. Néanmoins, on ne peut complètement écarter formellement l'occurrence du risque qu'à un instant donné, le portefeuille de couverture ne suffise plus à garantir la totalité de l'encours d'obligations foncières. Ce risque, s'il se matérialisait, ne pourrait toutefois concerner qu'une fraction minime de l'encours d'obligations foncières concerné.</p> |
| <b>D.3</b> | <b>Informations clés sur les principaux risques propres aux Titres</b> | <p>Certains facteurs sont susceptibles d'affecter la capacité de l'Émetteur à remplir ses obligations relatives aux Titres devant être émis en vertu du Programme :</p> <p><u>Risques généraux liés aux Titres tels que :</u></p> <ul style="list-style-type: none"> <li>- Les investisseurs doivent procéder à une revue indépendante et obtenir un conseil professionnel concernant l'acquisition des Titres.</li> <li>- Des conflits d'intérêt potentiels peuvent naître.</li> <li>- Ni l'Émetteur, ni aucun des Agent(s) Placeur(s), ni aucune des filiales n'assume la responsabilité de la légalité de l'acquisition des Titres par un investisseur potentiel.</li> <li>- Une modification, des renonciations et/ou une substitution des modalités des Titres qui ne sont pas souhaitées par la totalité des porteurs, peuvent être effectuées par la majorité des porteurs.</li> <li>- Fiscalité : les acheteurs et vendeurs potentiels de Titres devraient être avertis qu'ils pourraient être tenus de payer des impôts ou autres taxes ou droits conformément aux lois et pratiques du pays où les Titres sont transférés ou autres juridictions.</li> <li>- La proposition de directive relative à la taxe sur les transactions</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

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|  |  | <p>financières a un champ d'application large et pourrait, si elle était introduite dans son format actuel, s'appliquer à certaines opérations de Titres (notamment les transactions du marché secondaire) dans certaines circonstances.</p> <ul style="list-style-type: none"> <li>- Les risques relatifs à la retenue à la source : si la loi française venait à imposer que tout paiement relatif à tout Titre ou Coupon à un prélèvement ou à une retenue au titre d'un quelconque impôt ou taxe de toute nature l'Emetteur ne sera pas tenu de payer des montants additionnels.</li> <li>- Risques liés à un changement de loi ou règlement : aucune assurance ne peut être donnée quant à l'impact d'une décision de justice ou d'une modification de la législation française ou d'un changement dans l'application officielle ou l'interprétation de la législation française après la date du Prospectus de Base.</li> <li>- Risque de change : des investisseurs potentiels des Titres devraient être avertis qu'un investissement dans les Titres peut impliquer des risques de change.</li> <li>- Les notations peuvent ne pas refléter tous les risques.</li> <li>- Une absence de liquidité sur le marché secondaire peut se développer.</li> <li>- La valeur de marché des Titres sera affectée par la solvabilité de l'Emetteur et par un certain nombre de facteurs additionnels tels que l'évolution des taux d'intérêts et des taux de rendement, ou le délai s'écoulant jusqu'à la maturité des Titres et plus généralement tout événement économique, politique ou financier, y compris les facteurs pouvant influencer les marchés financiers dans leur globalité, ainsi que les places financières sur lesquelles les Titres seraient cotés.</li> <li>- Mise en place de règles de pondération des actifs en fonction du risque par Bâle II et Bâle III – la mise en œuvre de Bâle II et Bâle III a apporté et continuera d'apporter un certain nombre de modifications substantielles aux exigences actuelles en matière de fonds propres, aux systèmes de contrôle prudentiel et aux systèmes de gestion des risques, y compris ceux de l'Émetteur.</li> </ul> <p><u>Risques liés à la structure de certains titres :</u></p> <ul style="list-style-type: none"> <li>- Si les Titres peuvent être remboursés au gré de l'Emetteur dans certaines circonstances, l'Emetteur peut choisir de rembourser les Titres à des moments où les taux d'intérêt en vigueur sont particulièrement bas.</li> <li>- La valeur des Titres à Taux Fixe peut varier.</li> <li>- La valeur de marché des Titres à Taux Variable peut être volatile.</li> <li>- La conversion du taux d'intérêt des Titres à Taux Fixe/Variable affectera le marché secondaire et la valeur des Titres étant donné que la conversion peut aboutir à une diminution d'ensemble des coûts de l'emprunt.</li> <li>- Les valeurs de marché d'instruments émis avec une décote ou avec une prime substantielle par rapport à leur montant principal tendent à évoluer plus fortement que celle des instruments ayant un taux d'intérêt</li> </ul> |
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|  |  | <p>conventionnel en termes de changements d'ordre général des taux d'intérêt.</p> <ul style="list-style-type: none"> <li>- Les Titres à Coupon Zéro sont soumis à des fluctuations de prix plus importantes que les obligations donnant lieu à paiement d'intérêts, car les prix d'émission sont significativement en dessous du pair.</li> <li>- Les porteurs peuvent être exposés au risque sur les Titres Indexés sur l'Inflation, dépendant de la performance de l'indice.</li> <li>- Les Titres à Date de Maturité Extensible peuvent faire l'objet d'un remboursement après leur date d'échéance initiale.</li> <li>- Les Titres à taux variable avec un multiplicateur ou un autre facteur de levier : un facteur de levier amplifiera toute performance négative du sous-jacent. Les Titres à taux variable peuvent constituer des instruments volatiles.</li> <li>- Un investissement dans les Titres, pour lesquels la prime et/ou l'intérêt ou le principal sont déterminés par référence à une ou plusieurs valeurs, taux d'intérêt ou autres indices ou formules, que ce soit directement ou de manière inversée, peuvent inclure des risques significatifs non associés à des investissements similaires dans un instrument de dette conventionnel.</li> <li>- Les valeurs de marché de Titres sujet à une exposition inverse sont typiquement plus volatiles que les valeurs de marché d'autres instruments de dette conventionnels basé sur le même taux sous-jacent.</li> <li>- L'investisseur ne participera pas entièrement au rendement positif du taux sous-jacent lorsque le plafond s'applique et le taux d'intérêt et/ou le montant du remboursement peut être moins élevé que s'il n'y avait pas eu de plafond.</li> <li>- Les investisseurs n'auront aucun contrôle sur l'exercice de l'Option de Changement de Taux d'Intérêt par l'Emetteur lorsque celle-ci est applicable, et si elle est exercée, cela pourrait avoir un effet négatif sur le taux d'intérêt concerné.</li> <li>- Les investisseurs n'auront aucun contrôle sur la survenance d'un Taux d'Intérêt Verrou (<i>Rate Lock-In</i>) lorsque celui-ci est applicable, et s'il survient, il peut ou ne pas être avantageux pour les investisseurs.</li> </ul> <p>Un investissement dans les Titres comporte certains risques qui sont importants dans l'évaluation des risques de marché associés aux Titres émis dans le cadre du Programme. Même si tous ces risques constituent des éventualités susceptibles ou non de se produire, les investisseurs potentiels doivent savoir que les risques encourus en investissant dans des Titres peuvent aboutir à une volatilité et/ou une diminution de la valeur de marché de la Tranche de Titres concernée pour laquelle la valeur de marché ne correspond plus aux attentes (financières ou autres) d'un investisseur qui a souscrit ces Titres.</p> <p>Toutefois, chaque investisseur potentiel dans les Titres doit déterminer en se fondant sur son propre jugement et en faisant appel à des conseils professionnels s'il le juge nécessaire, si l'acquisition de Titres est adaptée à ses besoins financiers, ses objectifs et ses conditions, si cette acquisition est conforme et compatible avec toutes les politiques d'investissement, les directives et restrictions qui lui sont applicables et s'il s'agit d'un investissement qui lui convient, malgré les risques évidents et substantiels inhérents à l'investissement et à la détention de Titres.</p> |
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|            |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>D.6</b> | <b>Avertissement sur les risques</b> | Les investisseurs potentiels de Titres Indexés sur l'Inflation sont avertis que ces Titres sont des titres de créance qui ne prévoient pas des paiements d'intérêts et/ou du principal prédéterminés. Les montants du principal et/ou d'intérêts dépendront du rendement du CPI ou du HICP, tel que décrit en C.9 ci-dessus. Le montant du principal et/ou des intérêts dû par l'Émetteur peut varier et les Titulaires des Titres peuvent ne percevoir aucun intérêt. |
|------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| <b>Section E - Offre</b> |                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>E.2b</b>              | <b>Raisons de l'offre et utilisation du produit de l'offre</b> | <p>Le produit net de l'émission de chaque Tranche de Titres, sauf stipulation contraire, sera utilisé par l'Émetteur pour ses besoins généraux. Si une utilisation du produit de l'émission spécifique est identifiée dans le cadre d'une émission de Titres, cela sera précisé dans les Conditions Définitives concernées.</p> <p><b>Résumé spécifique à l'émission :</b><br/> [Le produit net de l'émission des Titres sera utilisé par l'Émetteur pour ses besoins généraux /préciser autre]</p> |

|     |                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| E.3 | <b>Modalités de l'offre</b>                                                                    | <p>Les Titres pourront être offerts au public en France, au Grand-Duché de Luxembourg et/ou tout autre Etat Membre de l'EEE, où le Prospectus de Base a été passeporté, ce qui sera spécifié dans les Conditions Définitives applicables.</p> <p>Il existe certaines restrictions concernant l'achat, l'offre, la vente et la livraison des Titres ainsi qu'à la possession ou la distribution du Prospectus de Base ou de tout autre document d'offre ou des Conditions Définitives.</p> <p>A l'exception de la section A.2 ci-dessus, ni l'Emetteur ni aucun des Agents Placeurs n'a autorisé une quelconque personne à faire une Offre au Public en aucune circonstance et aucune autre personne n'est autorisée à utiliser le Prospectus dans le cadre de ses propres offres de Titres. De telles offres ne seraient pas faites au nom de l'Emetteur ni par aucun des Agents Placeurs ou des Etablissements Autorisés et ni l'Emetteur ni aucun des Agents Placeurs ou des Etablissements Autorisés n'est responsable des actes de toute personne procédant à ces offres.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>[Sans objet, les Titres ne font pas l'objet d'une offre au public.] /</p> <p>[Les Titres sont offerts au public [en France] / [au Grand-Duché de Luxembourg] / [●]]</p> <p>Prix d'Offre : [●]</p> <p>Conditions auxquelles l'Offre est soumise : [Sans objet/[●]]</p> <p>Période d'Offre (y compris les modifications possibles) : [●]</p> <p>Description de la procédure de demande de souscription : [Sans objet/[●]]</p> <p>Informations sur le montant minimum et/ou maximum de souscription : [Sans objet/[●]]</p> <p>Modalités et date de publication des résultats de l'Offre : [Sans objet/[●]]</p> |
| E.4 | <b>Intérêts des personnes morales ou physiques impliquées dans l'émission des Titres</b>       | <p>Les Conditions Définitives concernées préciseront les intérêts des personnes morales ou physiques impliquées dans l'émission des Titres.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>[A la connaissance de l'Émetteur, aucune personne participant à l'émission de Titres n'y a d'intérêt significatif.] / [Les Agents Placeurs percevront une commission d'un montant de [●] % du montant en principal des Titres. A la connaissance de l'Émetteur, aucune autre personne participant à l'émission de Titres n'y a d'intérêt significatif (<i>Modifier si nécessaire s'il existe d'autres intérêts</i>).]</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| E.7 | <b>Estimation des dépenses mises à la charge de l'investisseur par l'Émetteur ou l'offreur</b> | <p>Les Conditions Définitives concernées préciseront le cas échéant les estimations des dépenses pour toute Tranche de Titres.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>[Sans objet / Les dépenses mises à la charge de l'investisseur sont estimées à [●].]</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

## RISK FACTORS

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.

### RISK FACTORS RELATING TO THE ISSUER

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. The risks described below are not the only risks the Issuer faces. Additional risks and uncertainties not currently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision. In particular, investors should make their own assessment as to the risks associated with the Notes prior to investing in Notes issued under the Programme.*

#### 1. CREDIT RISK

Credit risk arises when a counterparty is unable to meet its obligations and it may result in a change in credit quality or default by the counterparty.

The balance sheet consists of two main categories of assets: assets financed by privileged debts in the form of loans or securities and replacement values corresponding to a portion of the cash. These assets meet differentiated approaches as to the measuring and monitoring of their credit risk:

- loans granted to private individuals and loans to business customers mainly in the public sector: these loans are acquired either directly by Compagnie de Financement Foncier or mobilized through Crédit Foncier or any other entity of Groupe BPCE, in the form of mortgage notes or secured loans under Article L. 211-38 for public sector loans;
- subsidized loans which benefit from the guarantee of the French State were transferred to Compagnie de Financement Foncier when it was created in 1999; with no new loans of this type being granted, their value at the end of 2016 was very low at €0.2 billion;
- public sector securities, which mainly comprise Compagnie de Financement Foncier's international exposure;
- replacement values composed of investments with credit institutions that have the highest external rating.

##### 1.1 Loans and receivables due from credit institutions repayable on demand

No loan or receivable due from credit institutions was reclassified as doubtful in 2016. Out of the €20.8 billion in loans and receivables from credit institutions, €19.4 billion constitute loans to Groupe BPCE entities. Moreover, these loans are subsidized loans which benefit from the guarantee of the French State were transferred to Compagnie de Financement Foncier when it was created in 1999; with no new loans of this type being granted, their value at the end of 2016 was very low at €0.2 billion by receivables, in accordance with Article L. 211-38 of the Code.

The creditworthiness of all Groupe BPCE entities associated with the quality of the receivables posted as collateral greatly limits the risk associated with this exposure.

## 1.2 Loans and receivables due from customers

Gross loans and receivables due from customers amounted to €42.2 billion on 31 December 2016 compared with €43.0 billion at 31 December 2015.

Doubtful loans and receivables which rose by €100 million in the period, remained almost exclusively concentrated (more than 99%) in home loans. At the same time, impairment recorded for doubtful loans to private individuals rose from €89 million to €106 million year-on-year, and remained almost exclusively concentrated in home loans. Impairments remained very low relative to the total outstanding.

Moreover, out of the €34.1 billion in home loans, €17 billion were backed by a SGFGAS guarantee in addition to a mortgage guarantee, and €12.3 billion were backed solely by a mortgage guarantee.

## 1.3 available-for-sale securities

Outstanding available-for-sale securities amounted to €7.3 billion at 31 December 2016, exclusively consisting of mortgage notes backed by guarantees amounting to €7.8 billion. None of these securities were reclassified as doubtful or impaired in 2016.

## 1.4 Held to Maturity Securities

Amounts outstanding in held-to-maturity securities amounted to €8.9 billion at 31 December 2016. None of these securities were reclassified as doubtful or impaired in 2016.

Amounts outstanding in net book value (excluding accrued interest and after premiums or discounts) were spread between Italy (27%), Japan (24%), the United States (23%), France (10%), Canada (7%), Spain (4%), Poland (3%) and other non-significant countries (around 1%).

## 1.5 Compagnie de Financement Foncier's Risk Hedging-Summary

The table below shows the breakdown of assets excluding endorsements and financial guarantees given.

|                                                  | Exposures at 31 December 2016 |                    |                                              | Exposures at 31 December 2015 |                    |                                              |
|--------------------------------------------------|-------------------------------|--------------------|----------------------------------------------|-------------------------------|--------------------|----------------------------------------------|
|                                                  | Balance sheet                 | Doubtful loan rate | Doubtful loan rate (excl. subsidized sector) | Balance sheet                 | Doubtful loan rate | Doubtful loan rate (excl. subsidized sector) |
| <i>(in millions of euros)</i>                    |                               |                    |                                              |                               |                    |                                              |
| <b>Risk exposures</b>                            |                               |                    |                                              |                               |                    |                                              |
| <b>A - Individuals mortgage loans</b>            | <b>39,352</b>                 | <b>3.4%</b>        | <b>3.4%</b>                                  | <b>37,479</b>                 | <b>3.3%</b>        | <b>3.2%</b>                                  |
| French mortgage loans <sup>(1)</sup>             | 32,336                        | 4.2%               | 4.1%                                         | 31,724                        | 3.9%               | 3.8%                                         |
| French and Belgian mortgage notes <sup>(2)</sup> | 7,016                         | -                  | -                                            | 5,755                         | -                  | -                                            |
| <b>B – Public sector</b>                         | <b>34,319</b>                 | <b>&lt;0.5%</b>    | <b>&lt;0.5%</b>                              | <b>38,935</b>                 | <b>&lt;0.5%</b>    | <b>&lt;0.5%</b>                              |
| French public sector                             | 24,667                        | <0.5%              | <0.5%                                        | 29,033                        | <0.5%              | <0.5%                                        |
| <i>Social housing</i>                            | 1,501                         | <0.5%              | <0.5%                                        | 1,860                         | 0.8%               | <0.5%                                        |
| <i>French Local Authorities (FLA)</i>            | 6,876                         | <0.5%              | <0.5%                                        | 7,872                         | <0.5%              | <0.5%                                        |
| <i>FLA L. 211-38 <sup>(3)</sup></i>              | 12,153                        | -                  | -                                            | 11,825                        | -                  | -                                            |
| <i>Sovereign France</i>                          | 4,137                         | -                  | -                                            | 7,477                         | -                  | -                                            |
| Public Private Partnership (PPP)                 | 640                           | -                  | -                                            | 648                           | -                  | -                                            |
| International public Financing                   | 9,012                         | -                  | -                                            | 9,254                         | -                  | -                                            |
| <i>International Public Financing</i>            | 5,844                         | -                  | -                                            | 6,056                         | -                  | -                                            |

|                                                           |               |              |             |               |              |             |
|-----------------------------------------------------------|---------------|--------------|-------------|---------------|--------------|-------------|
| <i>International Sovereign</i>                            | 2,710         | -            | -           | 2,712         | -            | -           |
| <i>Public sector large corporations</i>                   | 458           | -            | -           | 487           | -            | -           |
| <b>C - Commercial mortgages exposures</b>                 | <b>466</b>    | <b>14.4%</b> | <b>0.6%</b> | <b>116</b>    | <b>63.0%</b> | <b>8.3%</b> |
| <b>D - Banking sector exposures</b>                       | <b>7,436</b>  | <b>-</b>     | <b>-</b>    | <b>7,854</b>  | <b>-</b>     | <b>-</b>    |
| Banks with sovereign guarantees or similar                | 706           | -            | -           | 700           | -            | -           |
| Other banks                                               | 131           | -            | -           | 554           | -            | -           |
| L. 211.38 VR <sup>(4)</sup>                               | 6,600         | -            | -           | 6,600         | -            | -           |
| <b>Total risk exposure (A + B + C + D)</b>                | <b>81,573</b> | <b>1.7%</b>  | <b>1.6%</b> | <b>84,384</b> | <b>1.6%</b>  | <b>1.4%</b> |
| Miscellaneous adjustments and other assets <sup>(5)</sup> | 2,775         | -            | -           | 3,194         | -            | -           |
| <b>TOTAL</b>                                              | <b>84,349</b> | <b>1.7%</b>  | <b>1.6%</b> | <b>87,578</b> | <b>1.5%</b>  | <b>1.4%</b> |

(1) The "French mortgage loans" line item includes a limited amount of outstanding Dutch loans (€57 million at 31 December 2016 and €63 million at 31 December 2015).

(2) Of which Belgian mortgage notes amounted to €773 million (carrying amount) as of 31 December 2016.

(3) Of which €81 million L. 211.38 with Caisses d'Epargne and €123 million with Banques Populaires.

(4) Short-term loans to BPCE, guaranteed by collateralized assets.

(5) The line "Miscellaneous adjustments and other assets" is essentially composed of accrued interest on forward financial instruments and accruals.

At 31 December 2016, the total risk exposure was down by €2.8 billion to €81.6 billion. This change was due to:

- the €1.9 billion increase in Individuals mortgage loans to €39.4 billion. This increase is mainly due to an important volume of acquisitions and assignments realised during the year that allowed to offset a high volume of early repayments recognised in 2016;
- the €4.4 billion decrease in the public sector to €24.7 billion. In this category, the exposure to SPI entities decreased due to a repayment of the spanish line and the pursuit of the run-off management of the portfolio;
- the €0.4 billion decline in banking sector exposures and in particular in "other banks" category.

## 1.6 Risk charge of Compagnie de Financement Foncier

|                                     | 31 December<br>2016 | 31 December<br>2015 |
|-------------------------------------|---------------------|---------------------|
| <i>(in millions of euros)</i>       |                     |                     |
| Individual cost of risk (A)         | -23.83              | -14.30              |
| Collective provisions (B)           | -3.25               | -0.45               |
| <b>Cost of risk (A + B)</b>         | <b>-27.08</b>       | <b>-14.75</b>       |
| Risk charge, net banking income (C) | -0.15               | -5.34               |
| <b>Net (A + B + C)</b>              | <b>-27.22</b>       | <b>-20.09</b>       |

At 31 December 2016, the cost of risk of Compagnie de Financement Foncier was -€27.22 million, or 3 basis point.

On an individual basis, the cost of risk was -€23.8 million. Its level stays stable excluding the HETA provision in 2015. The net allocation to collective provisions was -€3.2 million.

The risk charge in net banking income was -€0.15 million.

## **2. ANALYSIS OF INTEREST RATE AND FOREIGN EXCHANGE RISKS**

Interest rate risk is the risk incurred in the event of interest rate fluctuations stemming from all balance sheet and off-balance sheet transactions.

Compagnie de Financement Foncier's exposure to interest rate risk is assessed mainly by determining an interest rate gap.

Foreign exchange risk is the risk incurred in the event of exchange rate fluctuations (against the euro) stemming from all balance sheet and off-balance sheet transactions. Monitoring and measurement indicators correspond to measurement of foreign exchange positions by currencies.

Compagnie de Financement Foncier has no open currency positions except for few, the very small ones that are inherent in any hedging transaction. Transactions initiated in foreign currencies are swapped into euro on execution.

Compagnie de Financement Foncier is only very marginally exposed to interest rate risks thanks to the hedging mechanisms implemented.

### **2.1 Hedging transactions**

Compagnie de Financement Foncier has no open currency positions except for a few very small ones that are inherent in any hedging transaction. Transactions initiated in foreign currencies are swapped into euro on execution.

Compagnie de Financement Foncier is only very marginally exposed to interest rate risks thanks to the hedging mechanisms implemented.

As soon as an asset is recorded on the balance sheet, it is transformed, if necessary, into a variable-rate asset in euro.

Macro-hedging swaps are entered into when acquiring loan portfolios, micro-hedging swaps are made for all single transactions. Similarly, the debt issued by Compagnie de Financement Foncier is micro swapped at the outset to transform it into variable rate liabilities in euro.

Interest rate positions are also reviewed each quarter and macro-hedging transactions are entered into if the position deteriorates to a point that might result in non-compliance with the strict limits to which Compagnie de Financement Foncier has committed. The basic risks, resulting from different reference rates on positions already transformed into variable rates by swaps, are also managed through macro hedges.

All of the counterparties to these currency or interest rate swaps have concluded collateralization agreements with Compagnie de Financement Foncier that require them to provide a security deposit to the benefit of the Compagnie de Financement Foncier in case of the debit position and depending on their rating. In the majority of cases, these requests are made on a daily basis.

If the opposite situation occurs, these agreements stipulate that Compagnie de Financement Foncier shall not deposit any collateral. As of 31 December 2016, the amount of deposits received was €2.0 billion.

Because of these ALM principles, Compagnie de Financement Foncier holds significant outstanding financial instruments for micro- and macro-hedging in interest rates and currencies.

In 2016, Compagnie de Financement Foncier continued to enter into new hedging contracts along with its acquisition, issuance and ALM activities. At the same time, the Company continued to restructure its derivatives portfolio with, in particular, the compression of €2.1 billion in outstanding swaps with Crédit Foncier.

Lastly, at 31 December 2016, the amount outstanding in micro- and macro-hedging instruments consisted of €83 billion, of which €61 billion were interest rate swaps and €21,5 billion were currency swaps. In 2015, they were €82 billion, of which €59 billion were interest rate swaps and €24 billion were currency swaps.

### **2.2 Residual interest-rate position**

Taking into account management rules followed by Compagnie de Financement Foncier, changes in the interest rate position are a result of events not known when the transaction was entered into and which occurred during the term of the contract. These consist mainly of early repayments of fixed-rate loans granted to private individuals in the

competitive sector. As the date of the event was not predictable, and the repayment fees received by the lender were capped by law, Compagnie de Financement Foncier could not completely cover the original risks incurred.

The historically low level of interest rates on home loans continued in 2016 and once again led many borrowers to renegotiate or pay off their loans early. Older generations of loans, granted at higher interest rates, were the most affected.

In 2016, early repayment rate on the total amount of loans to individuals was 13.1% compared with 14.8% in 2015.

Compagnie de Financement Foncier's interest rate risk is monitored through the calculation of interest rate mismatches within the very narrow range defined by a period of observation. In case of overrun of one of these limits, the situation is resolved through macro-hedging adjustments. In 2016, limits were respected.

### **3. LIQUIDITY RISK**

Liquidity risk is the risk of not being able to honour one's commitments or not being able to unwind or offset a position, within a given period and at a reasonable cost, due to the market situation. Compagnie de Financement Foncier's exposure to liquidity risk is assessed mainly by determining a liquidity gap.

Its very prudent liquidity management policy continued in 2016, with Compagnie de Financement Foncier still committed to maintaining sufficient available cash flow to meet the contractual maturities on all of its privileged debt, for one year, without recourse to new resources.

At 31 December 2016, Compagnie de Financement Foncier had available cash of €2.6 billion, including €2.4 billion on current accounts mainly deposited with Banque de France; and €6.6 billion granted to BPCE with a maturity of less than two months, fully guaranteed by a loans portfolio.

Furthermore, Compagnie de Financement Foncier has a large volume of assets that are eligible for the ECB's refinancing operations.

Compagnie de Financement Foncier's liquidity ratio, known as the "LCR" (Liquidity Coverage Ratio), required since 1 October 2015 following the transposition of the applicable regulations of the CRD IV directive into law, has always been above 100% since that date.

### **4. POTENTIAL IMPACT OF CREDIT RATINGS ON THE PROFITABILITY OF COMPAGNIE DE FINANCEMENT FONCIER**

Credit ratings from credit rating agencies have an important impact on liquidity for Compagnie de Financement Foncier in the financial markets. A rating downgrade may limit its access to capital markets, derivatives and collateralised funding. Funding costs are also the result of the markets' perception of the issuer's solvency.

### **5. OPERATING RISK**

Within Groupe BPCE, operating risks are defined as the risk of loss resulting from inadequate or faulty procedures, personnel, information systems or external events. Operational risks include in-house and external fraud, reputational risk and model risk.

Compagnie de Financement Foncier's operating risk management is entrusted to Crédit Foncier under service agreements signed between the two institutions. The greater part of operational risk is linked to the services outsourced to the parent company. Any consequence of operational incidents detected in the framework of a Crédit Foncier process relating to a Compagnie de Financement Foncier balance sheet item is borne by Crédit Foncier.

These risks include in particular accounting, legal, regulatory and tax risks, as well as risks relating to security of staff, property and information systems and models.

Compagnie de Financement Foncier's operating risk management relies on Crédit Foncier's system according to Groupe BPCE rules. Those operational risks associated with the entity of Compagnie de Financement Foncier's General Secretariat are specifically mapped and presented to the Operating Risks Committee every quarter. No incident related to Compagnie de Financement Foncier's specific risk mapping was detected in 2016.

## 5.1 General Management

All of groupe Crédit Foncier's Operational Risk processes are managed by its Risk department, which relies on the risk charters, on the operational risk standards and methods employed by Groupe BPCE's Risk department and on the Group's operational risk policy.

## 5.2 Governance

Operational risk management is part of the groupe Crédit Foncier's Risk department. It is managed by a specialized unit that is separate from operating activities and attached to the Risk department. This unit reports to Compagnie de Financement Foncier's executive bodies and those responsible for controlling Compagnie de Financement Foncier.

## 5.3 Management environment

### Management network

Operational risk oversight and management is delegated to the managers of various divisions. Each manager relies on a network of representatives coordinated by a risk manager, with a functional link to the Risk department.

### Methods and tools

The risk approach is based on three key elements that are part of an iterative, interactive method:

- mapping of operational risk events: identification and assessment by each business line of its vulnerability to the main operational risks, updated whenever processes or the organizational structure changes, and in any case at least once a year.
- reporting incidents in a dedicated database; feeding the incident database by the management network as and when such incidents arise occur and evolve; monitoring of corrective action plans; analysis of changes in risk exposures and resulting losses;
- implementation of Key Risks Indicators for the main risk areas, warning when incidents are likely to enter a critical phase.

Groupe Crédit Foncier also receives reports through the PARO system.

Lastly, for calculating capital adequacy requirements, groupe Crédit Foncier currently applies the Basel II standard approach.

## 5.4 Organization Of The Contingency And Business Continuity Plan (CBCP)

In accordance with the service agreements between groupe Crédit Foncier and Compagnie de Financement Foncier, business continuity of Compagnie de Financement Foncier is covered by Crédit Foncier de France's Contingency and Business Continuity Plan (CBCP). All aspects of this plan are maintained in working condition as required by the regulations.

Compagnie de Financement Foncier has its own CBCP manager, who acts on its behalf in matters of compliance and maintaining the plan in deployment-ready condition in cooperation with Crédit Foncier de France CBCP team.

## 5.5 Information technology risk

Under the agreements governing its activity, Compagnie de Financement Foncier makes use of human and technical resources provided by Crédit Foncier de France. Accordingly, Compagnie de Financement Foncier fully benefits from upgrades to Crédit Foncier de France's IT systems and from all the mechanisms which guarantee its smooth operation.

Mid-November 2015, Crédit Foncier's IT system has been migrated to the Caisses d'Épargne MySys platform

In 2016, additional post-migration work has been completed. The cyber or Information Systems Security risks sharply rose in 2016 coupled with new bank-oriented threats (like Crypto Locker or Dridex) and recurring "frontal" attacks via internet (mail, infrastructure etc). However, ITCE and its technical and operational security measures, together with Crédit Foncier's IT security actions (employee awareness, follow-up of SSI alerts, operational interventions, PC monitoring, etc.) allowed to protect the information resources and the company's functioning in general in spite of several minor incidents.

## 5.6 Insurance

As Compagnie de Financement Foncier's servicer, Crédit Foncier de France insures the risks relating to its activity. Under service agreements with Compagnie de Financement Foncier, it provides insurance-related services on behalf of Compagnie de Financement Foncier.

As a result, Compagnie de Financement Foncier benefits from insurance policies subscribed by BPCE primarily covering the following risks:

- IT fraud and malicious acts and subsequent losses arising out of banking operations;
- professional civil liability;
- civil liability of senior executives and corporate officers.

## 5.7 Legal risks

According to the service agreements that link Crédit Foncier de France to Compagnie de Financement Foncier, legal risks incurred by the latter are monitored by the Crédit Foncier's Legal Division.

In 2016, the major files being monitoring were:

- The difficulties faced by a major operator in the French overseas departments led it to consider a withdrawal scheme through the sale of assets. Various companies of this operator were forced to declare bankruptcy at the end of 2016. It is specified that the corresponding loan is secured by both real estate collateral on these assets and the guarantee of the State, under Article L. 312-1 of the Code of Construction and Housing.
- Regarding the dispute initiated by a local authority who held a loan whose rate, subsidized at first, then resulted in applying a structured formula based on the exchange rate evolution of certain currencies. A compromise was reached in connection with the intervention of the support Fund set up by the Finance Act, 2014. Compagnie de Financement Foncier is no longer subject to a lawsuit regarding its offer of a "structured" loan.
- Following a media campaign, notably on the internet, all market participants received a number of complaints from borrowers, claiming that the effective annual interest rate (TEG rate) on their loan was wrong, and was subject to a number of legal proceedings on this matter. An appropriate defense was made in response to these claims both in and out of court. A body of significant decisions favorable to the interests of lenders has gradually formed and strengthens the position of the creditor in the pending proceedings.

## 6. MONITORING SETTLEMENT RISK

Settlement risk is the risk for non compliance by a counterparty of its payment commitments, while the second has met his.

The handling and the accounting control of treasury accounts is the responsibility of two managers each in charge of an independent unit, in keeping with the principle of segregation of duties. Compagnie de Financement Foncier has direct access to the market settlement systems of the Paris Stock Exchange for large transactions denominated in euros; it is a member of the European Target system. For transactions in foreign currencies and small transactions in euros, it has accounts with BPCE.

Daily procedures for monitoring settlement risk include:

- preparation of projected flow profiles;
- daily reconciliation of individual flows with forecasting;
- creation of a payment incidents database.

In the event of the definitive default of a settlement counterparty leading to Compagnie de Financement Foncier potentially being overdrawn with the Banque de France, there are provisions for hedging mechanisms to be put in place (interbank borrowing or end-of-day borrowing facility provided by the European Central Bank).

Compagnie de Financement Foncier has a contingency and business continuity plan for settlement under an agreement with BPCE. Accordingly, as regards its financial activities, Compagnie de Financement Foncier is covered by BPCE's Contingency and Business Continuity Plan.

## **7. NON-COMPLIANCE RISK**

Compliance responsibilities for Compagnie de Financement Foncier are performed by Crédit Foncier de France in accordance with the terms of the relevant agreements (framework agreement and internal control and compliance service agreement) between the two entities. The Compliance Division is organized into two separate units: compliance and ethics on one hand, and, financial security on the other. The compliance officer is responsible for the compliance of investment services for Compagnie de Financement Foncier.

### **7.1 Risk monitoring and measurement systems**

Non-compliance risk monitoring and control is based on the methods used by BPCE and covers all of Crédit Foncier's business lines including, in particular, activities carried out on behalf of Compagnie de Financement Foncier. It is supplemented by a risk management system that covers all business lines and the major risks to which they are exposed, factoring in specific elements of Compagnie de Financement Foncier's range of activities.

### **7.2 Risk identification and monitoring**

Non-compliance risks are identified using a dual approach:

- detection and factoring the specific aspects of Compagnie de Financement Foncier into the implementation of statutory instruments to avoid potential implementation difficulties and to guarantee accurate translation into operating procedures;
- analysis of the results of Level I controls carried out by the Crédit Foncier de France operating teams within the scope of Compagnie de Financement Foncier. These controls target the thematic non-compliance areas identified in the Group's compliance standards or the results of thematic approaches.

Operational risk reports entered into the PARO applications rely on risk mapping that integrates non-compliance. Risks are identified in this application based on their type and are subject to an assessment of any risk event.

### **7.3 Risk management**

The control of non-compliance risks is divided between:

- the controls carried out by Crédit Foncier de France on its business activity (real estate financing, financial management, etc.) which directly benefit Compagnie de Financement Foncier;
- the compliance controls specifically set up for Compagnie de Financement Foncier notably relate to compliance with the regulations that apply to the acquisition of receivables and the updating of the value of collateral.

### **7.4 Monitoring of dysfunctions**

Specific action plans are drawn up by the operational units to address dysfunctions identified during audits or revealed by recurrent operational risk incidents. These action plans are monitored by the permanent control and compliance officers of the departments concerned. These monitoring of these dysfunctions and the progress of the corresponding action plans are undertaken through coordination by the Internal Control Coordination department, which reports on them to Groupe Crédit Foncier de France's Internal Control Committee and Compagnie de Financement Foncier's Risk Executive Committee.

### **7.5 Compliance of investment services**

Regarding investment services for own account, related to refinancing activities, cash flow and balance sheet coverage, Crédit Foncier continued to develop the EMIR regulation.

In the context of the application of the Volcker Rule, the Compliance Division drafted the Senior Management report (SMR), based on BPCE SA's report. As a reminder, this SMR is a summary of the enhanced compliance program

implemented within groupe Crédit Foncier. It has also centralized the sub-certifications necessary to complete the annual certification signed by its Chief Executive Officer. This final certification by the Chief Executive Officer, accompanied by the Senior Management report, was sent to BPCE SA in March in the context of Groupe BPCE's<sup>1</sup> certification. The Compliance Division, together with the Risk department, defined financial risks across the Crédit Foncier Group control plan and updated the mapping of Volcker and SRAB (Separation and Regulation of Banking Activities) units of the Crédit Foncier Group. This update resulted in the creation of Volcker units specific to the Company and the drafting of "desk manuals".

#### **7.6 Approval of new products or services**

Consideration of non-compliance risk is integrated into Crédit Foncier de France's approval process for new products and services. As part of the review and approval process for new products, services or activities, matters specifically related to Compagnie de Financement Foncier, in particular the eligibility of future outstandings for its balance sheet, are systematically examined.

In 2016, the Compliance Division updated the procedure on the organization of the process for the study, creation, approval and monitoring of products, activities and services in order to take account of developments in the "Business practices and customer protection" questionnaire of the French Prudential Supervisory and Resolution Authority, introduce the changes related to new regulations (Volcker, AEOI, and FATCA in particular), and formalize the final validation of the Compliance Division prior to implementation.

#### **7.7 Ethics – Market abuse - Conflicts of interest**

Financial ethics standards specifically incorporate regulatory measures arising out of the Market Abuse directive. Corporate officers, Directors and other personnel acting on behalf of Compagnie de Financement Foncier are governed by this procedure to the extent they are concerned. The regulation on market abuse has evolved to strengthen 3 July 2016, date of implementation of Regulation 596/2014 of the European Parliament. The Compliance Division presented its main 2016, date of implementation of Regulation 596/2014 of the European Parliament. The Compliance Division presented its main. Finally, the Compliance Division has provided several ethics reminders, one on the exercise of the possibility to alert, and the other on the reporting obligation of the elected and executive positions held by employees of Crédit Foncier.

#### **7.8 Combating money laundering and the financing of terrorism**

Groupe Crédit Foncier combats money laundering and the financing of terrorism by means of a due diligence and monitoring system involving all group stakeholders across the banking and credit transactions processes. This system includes adequate procedures as well as training and awareness programmes for staff.

The system, incorporating the risk approach deriving from the anti-money-laundering regulations, provides for systematic scrutiny prior to forming any new customer relationship. Outstandings are regularly checked against international lists of persons with links to terrorism and for the enforcement of embargoes. Unusual events during the life of loans, in particular prepayments, are scrutinized by the Financial Security Unit of the Compliance department.

#### **7.9 Outsourced services**

Essential Outsourced Services within the meaning of Articles 231 to 240 of the ministerial order of 3 November 2014 concerning the internal control of credit institutions, companies providing payment and investment services that are subject to supervision by the French *Autorité de contrôle prudentiel et de résolution* are those covered by agreements between Crédit Foncier de France and Compagnie de Financement Foncier. The Corporate Secretariat of Compagnie de Financement Foncier together with Permanent Control Coordination Division is in particular responsible for monitoring services outsourced to Crédit Foncier.

<sup>1</sup> Composed of BPCE SA and its subsidiaries held at more than 25% and all its affiliates (groupe Crédit Foncier, Banque Palantine, BPCE-I and Natixis).

## **8. EARLY REPAYMENTS RISK**

For Compagnie de Financement Foncier, it is the risk to see an important part of its customers, mostly individuals, to fully repay their loan in anticipation, especially in the case of a strong decrease in interest rates and a harder competition between lending banks.

Early repayment penalties paid by customers are limited by French law. Therefore, Compagnie de Financement Foncier is exposed to losses of the future cash-flows from interest that should have been paid until maturity.

## **9. RISKS RELATING TO MACRO-ECONOMIC CONDITIONS AND TO STRENGTHENED REGULATORY REQUIREMENTS**

### **9.1 Potential impact arising from the persistence of a difficult economic and financial environment, particularly in Europe**

European markets have recently experienced major disruptions that have affected economic growth. Arising initially from fears about the ability of many countries in the eurozone to refinance their debt, these disruptions have created uncertainty regarding short-term economic prospects of the members of the European Union on one hand, and the quality of the debt of some sovereign issuers in the eurozone on the other. These factors have also had an indirect impact on the financial markets, both in Europe and elsewhere in the world. Although the sovereign bonds held by Compagnie de Financement Foncier have not suffered much, the Company has been indirectly affected by the consequences of the spread of the eurozone crisis, which has touched most countries in the region, including the domestic French market. More recently, anti-austerity sentiment has created political uncertainty in some European countries. If economic or market conditions in France or elsewhere in Europe were to deteriorate further, the markets in which Compagnie de Financement Foncier operates could experience significant disruptions, and its activity, its results and its financial position could be affected.

### **9.2 Potential impact of the maintenance of interest rates at a very low level for an extended period on Compagnie de Financement Foncier's activities and financial results**

As with the entire financial sector, Compagnie de Financement Foncier has been operating since early 2015 in a context of very low, or even negative, interest rates; all indications currently show that this trend is likely to continue.

According to its risk policy, Compagnie de Financement Foncier ensures the matching of its assets and its liabilities. Any new operation is thus subject to a hedging operation the moment it is recognized on the balance sheet via the implementation of interest rate swaps.

After the implementation of these hedging operations, Compagnie de Financement Foncier's assets and liabilities have a floating rate with a net fixed interest margin.

Compagnie de Financement Foncier is therefore not subject, in theory, to interest rate risks, including when the rate drops, because the dropping interest income falls in the same proportions as interest expenses, thanks to the hedges in place. However, in case of early repayment, the associated hedge must also be canceled. In this case, an early repayment fee, intended to compensate for losses from unrealized future interest, is foreseen.

This fee must in theory correspond to the termination balances of the hedging swap, in particular for micro-hedging transactions.

This balance can be upset by the legal cap on early repayment fees for real estate loans, limiting them to six months of interest or 3% of the outstanding capital.

The continued decline in mortgage rates in France has led to significant numbers of early repayments, forcing the Compagnie de Financement Foncier to adjust the macro-hedging associated with this type of asset by canceling the swaps resulting in additional costs.

As such, the prolonged period of low interest rates and the high level of early repayments may lead to additional costs for Compagnie de Financement Foncier and degrade its profitability.

### **9.3 Potential impacts of legislation and regulatory measures proposed in response to the global financial crisis which may affect Compagnie de Financement Foncier**

Laws and regulations have been enacted or proposed recently to introduce several changes, most of them permanent, into the global financial framework. Even if the new measures are intended to prevent another global financial crisis, they are likely to radically alter the environment in which Compagnie de Financement Foncier and other financial institutions operate.

A non-exhaustive list of the measures enacted or under consideration: revision of the regulations on secured bonds, tougher capital and liquidity requirements for financial institutions; more stringent procedures for legal receivership and resolution; new weighting methodologies for credit risk, establishment of regulatory bodies and the strengthening of existing bodies, taxes on financial transactions, etc. Among these measures, some are still at the proposal stage and their content will probably be revised and reinterpreted, especially to comply with the national prudential framework in each country.

Some of these measures could also increase the issuer's financing costs and fixed costs.

Finally, it should be noted that systemic groups are targeted not only by these measures, but also by complementary measures whose impact could be spread across the various entities consolidated within the group. As an institution affiliated with the Groupe BPCE and recognized as having systemic importance, Compagnie de Financement Foncier may be subject to additional constraints.

#### **9.4 Potential impact related to the possible exit of Britain from the European Union**

In the referendum held in Great Britain on 23 June 2016, the majority of voters voted in favor of leaving the European Union (Brexit). However, the outcome of the vote does not formally oblige Great Britain to leave the European Union. At the time of writing, Britain has not officially announced its decision to leave the European Union.

Given that this procedure has no precedent in the history of the European Union, it is impossible to predict the duration of the negotiations on the exit and withdrawal of approval under Article 50 of the Treaty of the European Union. The potential impact of Great Britain's exit from the European Union will depend on the agreements that Great Britain will be able to negotiate to maintain access to European markets during the transitional period or on a more permanent basis. The Brexit could adversely affect the European and world economic environment and/or market conditions, and could also lead to increased market volatility, in particular in exchange rates.

However, the direct impact on Compagnie de Financement Foncier will be very small, given that its exposures in Britain are extremely limited and its exposures in pounds are hedged against foreign exchange risk.

#### **9.5 Impact of potential future events that differ from the assumptions made in Compagnie de Financement Foncier's financial statements**

According to current accounting standards and interpretations, Compagnie de Financement Foncier must base its financial statements on certain estimates supported by assumptions, in particular accounting estimates relating to the determination of provisions for doubtful loans and receivables, provisions for potential claims and litigation, and the fair value of certain assets and liabilities. If the values used for these estimates prove to be materially inaccurate, in particular in the event of sharp or unexpected moves in the markets, or if the methods used to calculate these values are modified due to future changes in accounting standards or interpretations, Compagnie de Financement Foncier may be exposed to unexpected losses.

### **10. POTENTIAL IMPACT OF A SUDDEN AND SIGNIFICANT DECLINE IN THE REAL ESTATE MARKET ON COMPAGNIE DE FINANCEMENT FONCIER'S ACTIVITIES AND FINANCIAL RESULTS**

As a société de crédit foncier, Compagnie de Financement Foncier carries on its balance sheet a significant number of home loans.

In case of financial difficulties, some borrowers may find themselves unable to repay the loans they have taken out. In this case, the real estate property becomes the main guarantee associated with the loan, now deemed doubtful. A sharp decline in the real estate market coupled with a sharp rise in defaults could therefore lead to a drop in the value of the guarantees and an increase in Compagnie de Financement Foncier's final losses on the impaired loans it holds.

However, the receivables payable to Compagnie de Financement Foncier, per regulation, should enjoy a ratio (amount of loan/amount of guarantee) that partially protects it against risks. A significant share of the individual real estate loans are also guaranteed by the French State via FGAS as a complement to the mortgage guarantee.

## 11. POTENTIAL IMPACT OF CONCENTRATION RISK IN THE HEDGING PORTFOLIO

Compagnie de Financement Foncier's balance sheet management policy requires the diversification of assets in order to minimize concentration risk. Real estate loans recognized in Compagnie de Financement Foncier's balance sheet consist mainly of mortgage home loans (assets with high granularity). Despite the significant reduction in international exposures, these assets are still predominantly and increasingly located in France. In the event that the French real estate market suffers a significant downturn, this could have adverse consequences on the quality of Compagnie de Financement Foncier's portfolio of real estate assets. In addition, exposures to the public sector are also highly concentrated on the French public sector, whereas internationally Compagnie de Financement Foncier's exposure to the public sector is experiencing significant individual concentrations, in particular in the Republic of Italy for sovereigns and the Jhdra agency in Japan.

## 12. EU RESOLUTION AND RECOVERY DIRECTIVE

On 6 May 2014, European Union Council adopted a directive establishing a European framework known as the Bank Recovery and Resolution Directive (BRRD), supplemented by Regulation 806/2014/EU (called the Single Resolution Mechanism or "SRM") and transposed in France by the Act No. 2015-1024 of 20 August 2015.

The objective of the BRRD and associated MRU resolution is to provide resolution authorities common tools and powers that allow them to intervene sufficiently early and rapidly in the event that an establishment appears unstable or failing: this is to ensure the continuity of critical financial and economic functions of the latter, while minimizing the overall impact of a possible failure on the financial system, and the Member State on which the institution depends making much less likely the need for recourse to a public bailout. Four resolution tools are provided for this purpose: the transfer of some activities, the use of a bridge bank, the separation of assets and a bail-in.

This last option provides resolution authorities with the ability to depreciate (even down to zero) certain rights of subordinated creditors of a failing institution and to convert certain subordinated debt into equity

The *obligations foncières* issued by Compagnie de Financement Foncier are explicitly excluded from this bail-in mechanism, except where necessary for the fraction of the issuer's *obligations foncières* outstanding, which would exceed the value of the hedging portfolio guaranteeing them. This amount should be zero in the vast majority of possible scenarios, due to the existing collateralization between the hedging portfolio and the *obligations foncières* outstanding, and to this portfolio's margin. However, the occurrence of the risk cannot be excluded at a given time, the hedging portfolio being no longer sufficient to ensure all the *obligations foncières* outstanding. This risk, if it were to materialize, could nevertheless only concern an insignificant fraction of the outstanding *obligations foncières* involved.

Moreover, the mechanism of the non-extension of the bankruptcy of the parent company to Compagnie de Financement Foncier continues to protect the latter.

The powers defined by the BRRD and its transposition into French law may well have an impact on the way credit institutions, including Compagnie de Financement Foncier, are managed in case of financial difficulties and, in certain circumstances which remain exceptional in the case of *obligations foncières*, on creditors' rights.

## RISK FACTORS RELATING TO THE NOTES

*The following paragraphs describe some risk factors that are material to the Notes to be offered and/or listed and admitted to trading in order to assess the market risk associated with these Notes. The risks described below are not the only risks the investors face when investing in the Notes. Additional risks and uncertainties not currently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations. Prospective investors should consult their own financial and legal advisers about risks associated with investment in a particular Series of Notes and the suitability of investing in the Notes in light of their particular circumstances.*

### 1. GENERAL RISKS RELATING TO THE NOTES

#### 1.1 Independent Review and Advice

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

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

## **1.2 Potential Conflicts of Interest**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of Notes. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

In addition, potential conflicts of interest may exist between Noteholders and the calculation agent (including where a Dealer acts as a calculation agent) or any agent appointed for a Tranche of Notes, including with respect to certain determinations and judgements that such agent may make pursuant to the Conditions that may influence amounts receivable by the Noteholders during the term of the Notes and upon their redemption. If the Issuer appoints a Dealer as calculation agent in respect of an issuance of Notes under the Programme, the calculation agent is likely to be a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a calculation agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

## **1.3 Legality of Purchase**

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

## **1.4 Modification, waivers and substitution**

The conditions of the Notes contain provisions for calling general meetings of holders of Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all including holders of Notes who did not attend and vote at the relevant general meeting and holders of Notes who voted in a manner contrary to the majority. General Meetings may deliberate on proposals relating to the modifications of the conditions of the Notes subject to the limitation provided by French law.

## **1.5 Taxation**

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

## **1.6 The proposed financial transaction tax (“FTT”)**

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a directive for a common FTT in Austria, Belgium, Germany, Estonia, France, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the “**Participating Member States**”). Estonia has since then officially announced its withdrawal from the negotiations.

Under the Commission’s Proposal, the proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances, save for the issuance of Notes which should however be exempt.

Under the Commission’s Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, “established” in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The FTT proposal remains subject to negotiation between the Participating Member States (excluding Estonia) and its scope is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate or other Participating Member States may decide to withdraw. If the proposed FTT or any similar tax were adopted, transactions in the Notes would be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## **1.7 Withholding taxes - No gross-up obligation**

If French law should require that any payments in respect of any Note or Coupon be subject to deduction or withholding in respect of any taxes or duties whatsoever, the Issuer will not pay any additional amounts. Therefore, the corresponding risk shall be borne by the Noteholders or, if applicable, the Receiptholders and the Couponholders.

## **1.8 Change of Law or regulation**

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

Any Note issued or to be issued may be affected by any European or French supervisory. No assurance can be given as to the impact of any possible decision or change in European or French Regulation or interpretation of such regulation.

## **1.9 Currency risk**

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

## **1.10 Credit ratings may not reflect all risks**

One or more independent credit rating agencies may assign credit ratings to the Notes and/or the Issuer. The ratings of the Notes may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

### 1.11 No active secondary/trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there may be no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although in relation to Notes to be admitted to trading on Euronext Paris and/or any other Regulated Market in the EEA and/or offered to the public in the EEA, the Final Terms of the Notes will be filed with the AMF in France and with the competent authority of the Regulated Market of the EEA where the Notes will be listed and admitted to trading, there is no assurance that such admission to trading or offer to the public will occur, that any particular Tranche of Notes will be so listed and admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

### 1.12 Market Value of the Notes

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors, including the value of an index, including, but not limited to, the volatility of an index, or the dividend on the securities taken up in the index, market interest and yield rates and the time remaining to the maturity date.

The value of the Notes, the index depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes, the securities taken up in the index, or the index are traded. The price at which a holder of Notes will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. The historical market prices of an index should not be taken as an indication of an index's future performance during the term of any Note.

### 1.13 Implementation of Basel III Risk-Weighted Asset Framework

On 16 December 2010 and 13 January 2011, the Basel Committee on Banking Supervision (the “**Basel Committee**”) published a revised framework (“**Basel III**”), including new capital and liquidity standards for credit institutions. Those measures are expected to be implemented by relevant authorities starting from 1 January 2013 with full implementation on 1 January 2019, although certain supervisory authorities have already announced their intention to require an earlier application.

In particular, the changes introduced by Basel III refer to, amongst other things:

- a complete review of the capital standards;
- the introduction of a leverage ratio; and
- the introduction of short-term and longer-term standards for funding liquidity (referred to as the “*Liquidity Coverage Ratio*” and the “*Net Stable Funding Ratio*”).

The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general. The European Commission implemented those changes in the amendment to the Capital Requirements Directive adopted on 16 April 2013 (“**CRD IV**”), in the regulation (the “**Capital Requirement Regulation**” or “**CRR**”) which were published in the Official Journal of the European Union on 27 June 2013 and in the relevant subsequent delegated regulations and must be applied from 1 January 2014 with full implementation on 1 January 2019. A number of new requirements arising from the CRD IV was implemented under French law through Law no. 2013-672 dated 26 July 2013 relating to the separation and regulation of banking activities. The implementation of the CRD IV at the legislative level was finalized under French law by Ordinance n°2014-158 dated 20 February 2014 and subsequent implementing decrees and “*arrêts*”.

The implementation of Basel III and the CRD IV has and will continue to bring about a number of substantial changes to the current capital requirements, prudential oversight and risk-management systems, including those of the Issuer. The direction and the magnitude of the impact of Basel III will depend on the particular asset structure of each credit institution and its precise impact on the Issuer cannot be quantified with certainty at this time. The Issuer may operate

its business in ways that are less profitable than its present operation in complying with the new guidelines resulting from the transposition of the CRD IV.

The implementation of Basel III and the CRD IV could affect the risk weighting of the Notes in respect of certain investors to the extent that those investors are subject to the new guidelines resulting from the implementation of the Capital Requirements Directives. Accordingly, recipients of this Base Prospectus should consult their own advisers as to the consequences and effects the implementation of the CRD IV could have on them.

## **2. RISKS RELATED TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES**

The Programme allows for different types of Notes to be issued. Accordingly, each Tranche of Notes may carry varying risks for potential investors depending on the specific features of such Notes such as, *inter alia*, the provisions for computation of periodic interest payments, if any, redemption and issue price.

### **2.1 Fixed Rate Notes**

Investment in Notes which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant Tranche of Notes.

### **2.2 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 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. In addition, the Issuer's ability to also issue Fixed Rate Notes may affect the market value and the secondary market (if any) of the Floating Rate Notes (and vice versa).

Investment in Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the Final Terms) of the reference rate (e.g., every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Notes may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate.

### **2.3 Fixed/Floating Rate Notes**

Fixed/floating Rate Notes initially bear interest at a rate, which may be a Fixed Rate or a Floating Rate or which is linked to a Product of Spread Formula, as specified in the relevant Final Terms; conversion to another rate, which may be a Fixed Rate or a Floating Rate or which is linked to a Product of Spread Formula, as specified in the relevant Final Terms then takes place either automatically or at the option of the Issuer on a date set out in the relevant Final Terms. The conversion (whether it be automatic or optional) of the interest rate will affect the secondary market and the market value of the Notes since the conversion may lead to a lower overall cost of borrowing. If a fixed rate is converted to a floating rate or a rate linked to a formula, the spread on the fixed/floating rate Notes may be less favourable than then prevailing spreads on comparable floating rate Notes or formula linked Notes tied or linked, as applicable, to the same reference rate. In addition, the new floating rate or rate linked to a formula at any time may be lower than the rates on other Notes. Where conversion is at the option of the Issuer there is no guarantee that the Issuer will exercise such option.

### **2.4 Notes issued at a substantial discount or premium**

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

## **2.5 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.

## **2.6 Inflation Linked Notes**

The Issuer may issue Notes with principal or interest determined by reference to the rate of inflation in a country or in the European Monetary Union (“**Inflation Linked Notes**”), where interest amounts and/or principal are dependent upon the performance of an inflation index, which will be one of (i) the consumer price index (excluding tobacco) for all households in France or the relevant substitute index (the “**CPI**”), as calculated and published monthly by the *Institut National de la Statistique et des Etudes Economiques* (“**INSEE**”), or (ii) the harmonised index of consumer prices (excluding tobacco), or the relevant substitute index, measuring the rate of inflation in the European Monetary Union as calculated and published monthly by Eurostat (the “**HICP**”). If the value of the relevant index calculated at any time prior to the maturity is lower than the value of the relevant index at the time of the issue of the Notes or at the time of purchase by the Noteholders, then the amount of interest payable by the Issuer and/or the principal of Inflation Linked Notes may vary. Noteholders may receive no interest. However, if the nominal amount to be repaid at maturity is below par, the Inflation Linked Notes will be redeemed at par.

Neither the current nor the historical levels of any of the Inflation Indices should be taken as an indication of future performance of such index during the term of any Inflation Linked Notes.

Inflation Linked Notes are not in any way sponsored, endorsed, sold or promoted by the INSEE or Eurostat, as the case may be, and the INSEE or Eurostat makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the Inflation Indices and/or the figure at which such indices stand at any particular time. The Inflation Indices are determined, composed and calculated by the INSEE or Eurostat, as the case may be, without regard to the Issuer or the Notes. The INSEE or Eurostat, as the case may be, is not responsible for or has not participated in the determination of the timing of, prices of, or quantities of the Inflation Linked Notes to be issued or in determination or calculation of the interest payable under such Notes.

None of the Issuer, the Dealer(s) or any of their respective affiliates makes any representation as to the Inflation Indices (as defined herein). Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to any of the Inflation Indices that is or may be material in the context of Inflation Linked Notes. The issue of Inflation Linked Notes will not create any obligation on the part of any such persons to disclose to the holders of Notes or any other party such information (whether or not confidential).

## **2.7 Extendible Notes may be redeemed after their initial maturity**

The Maturity Date of Extendible Notes may be extended automatically until the Extended Maturity Date (as specified in the applicable Final Terms). The payment of the unpaid Final Redemption Amount may be automatically deferred and shall become due and payable on the Extended Maturity Date, provided that the Final Redemption Amount unpaid on the Maturity Date may be paid by the Issuer on any Interest Payment Date occurring thereafter up to and including the Extended Maturity Date.

In addition, interest payable in respect of Extendible Notes may differ after the initial Maturity Date.

## **2.8 Variable rate Notes with a multiplier or other leverage factor**

A leverage or other factor may be applied to certain Notes in order to determine the Rate of Interest and/or redemption amount. Such leverage factor will magnify any negative performance of the underlying.

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features, their market values may be even more volatile than those for securities that do not include those features.

## **2.9 Structured Notes**

An investment in Notes, the premium and/or the interest on or principal of which is determined by reference to one or more values, interest rates or other indices or formulae, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security at the same time and/or that an investor may lose the value of its entire investment or part of it, as the case may be. Neither the current nor the historical value of the relevant interest rates or other indices or formulae should be taken as an indication of future performance of such currencies, commodities, interest rates or other indices or formulae during the term of any Note.

### **2.10 Notes subject to inverse exposure**

One factor in the determination of the Final Redemption Amount or Optional Redemption Amount of Variable Zero Coupon Redemption Notes and the Rate of Interest of Reverse Floater Formula Notes is fixed rate minus the underlying rate. The market value of those Notes typically are more volatile than market values of other conventional debt securities based on the same underlying rate (and with otherwise comparable terms). Those types of Notes are more volatile because an increase in the value of the underlying rate not only decreases the Final Redemption Amount or Optional Redemption Amount of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of such Notes.

### **2.11 Caps and floors (including Minimum and Maximum Rate of Interest)**

Notes may be subject to a cap and a floor. The investor, therefore, will not fully participate in the positive performance of the underlying rate where the cap applies and the interest rate and/or redemption amount may be lower than it would have been without a cap. Conversely, the investor will be protected, to the extent of any applicable floor, from the negative performance of the underlying rate. Any cap or floor may be specified as 'not applicable' in the applicable Final Terms. In such circumstances, the cap will be infinity and the floor will be zero (0) and the investor will be more exposed to the positive and negative performance of the underlying.

### **2.12 Notes subject to optional redemption by the Issuer**

If the relevant Final Terms specifies that the Notes are redeemable at the Issuer's option in certain circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. During a period when the Issuer may elect, or has elected, to redeem Notes, such Notes may feature a market value not substantially above the price at which they can be redeemed. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes.

### **2.13 Maximum-Minimum VolBond Formula**

One factor in the determination of the interest rate for Notes for which the Maximum-Minimum VolBond Formula is applicable is the lowest level of the underlying rate observed during the relevant reference period subtracted from the highest level of the underlying rate observed during the relevant reference period. An investor will not therefore fully benefit from the highest level of the underlying rate during the relevant reference period.

Please also see risk factors 2.8 (*Variable rate Notes with a multiplier or other leverage factor*), 2.9 (*Structured Notes*) and 2.11 (*Caps and floors (including Minimum and Maximum Rate of Interest)*), which may also be applicable to such Notes.

### **2.14 Pre/Post VolBond Formula**

One factor in the determination of the interest rate for Notes for which the Pre/Post VolBond Formula is applicable is the difference between the level of the underlying rate on two specified days within the relevant reference period. An investor may not therefore benefit from the highest level of the underlying rate during the relevant reference period.

Please also see risk factors 2.8 (*Variable rate Notes with a multiplier or other leverage factor*), 2.9 (*Structured Notes*) and 2.11 (*Caps and floors (including Minimum and Maximum Rate of Interest)*), which may also be applicable to such Notes.

## 2.15 Digital Formula

The interest rate for Notes for which the Digital Formula is applicable is linked to the value of an underlying rate, and in particular, whether the value of the underlying rate on a relevant observation date falls within a specified range. If the value of the underlying rate falls within the range, a different interest rate will apply (the “**Formula Rate**”) than the rate that would have applied if the value of the underlying rate had not fallen within the range (the “**Fixed Percentage**”). When the Fixed Percentage applies, (1) the Fixed Percentage may be lower than the Formula Rate (with the result that the return on the Notes, and the value of the Notes, falls) and (2) any increases in market interest rates may adversely affect the value of the Notes. When the Formula Rate applies, (1) the Formula Rate may be lower than the Fixed Percentage (with the result that the return on the Notes, and the value of the Notes, falls) and (2) the spread on the Notes may be less favourable than the spread on other floating rate securities issued by the Issuer which are linked to the same underlying rate.

Please also see the risk factor 2.17 (*Product of Spread Formula*) (as the interest rate for Notes for which the Formula Rate is applicable is determined in a similar way to the interest rate for Notes for which the Product of Spread Formula is applicable).

Small changes in the value of the underlying rate may have disproportionate consequences on the interest amounts paid in respect of the Notes and investors may not receive any interest amounts reflecting any positive performance of the underlying rate.

Please also see risk factors 2.8 (*Variable rate Notes with a multiplier or other leverage factor*), 2.9 (*Structured Notes*) and 2.11 (*Caps and floors (including Minimum and Maximum Rate of Interest)*), which may also be applicable to such Notes.

## 2.16 Range Accrual Formula

One factor in the determination of the interest rate for Notes for which the Range Accrual Formula is applicable is the number of Range Accrual Days in the relevant observation period in respect of which the value of the underlying rate falls within a specified range. Such number of Range Accrual Days is divided by the total number of Range Accrual Days in the relevant observation period to give the relevant accrual factor. In the event that the value of the underlying rate is not within the range on any Range Accrual Day during the relevant observation period, the accrual factor will be zero (0). If the accrual factor is zero (0), the interest rate relevant to the Notes could also be zero (0).

Please also see risk factors 2.8 (*Variable rate Notes with a multiplier or other leverage factor*), 2.9 (*Structured Notes*) and 2.11 (*Caps and floors (including Minimum and Maximum Rate of Interest)*) which may also be applicable to such Notes.

## 2.17 Product of Spread Formula

One factor in the determination of the interest rate for Notes for which the Product of Spread Formula is applicable is the difference between the level of two different underlying rates on a specified day. An investor will not therefore benefit from the highest level of either underlying rate during the relevant reference period.

Please also see risk factors 2.8 (*Variable rate Notes with a multiplier or other leverage factor*), 2.9 (*Structured Notes*) and 2.11 (*Caps and floors (including Minimum and Maximum Rate of Interest)*), which may also be applicable to such Notes.

## 2.18 Issuer Rate Switch Option

Where Issuer Rate Switch Option is applicable, the Issuer may elect that the interest rate for the relevant Notes will be changed such that the relevant interest rate is determined as though such Notes were Fixed Rate Notes or Floating Rate Notes, as specified in the Final Terms (such changed method of determining the relevant interest rate being the **Post Switch Rate**).

Investors will have no control over whether or not this option is exercised by the Issuer. If the Issuer elects to exercise such option this may negatively affect the interest rate and therefore the value of the Notes.

## 2.19 Rate Lock-In

Where Rate Lock-In is applicable, if the interest rate of the relevant Notes is equal to or greater than a specified percentage on an interest observation date, the interest rate for the relevant interest accrual period and for each

subsequent interest accrual period shall be equal to the rate of interest on such date plus or minus a margin, as specified in the relevant Final Terms.

Investors will have no control over whether or not such lock-in will occur which is dependent on the value of an underlying rate. The lock-in may or may not be beneficial for investors and this feature may negatively impact the value of the Notes.

## CONDITIONS ATTACHED TO THE CONSENT OF THE ISSUER TO USE THE BASE PROSPECTUS

In the context of any offer of Notes in France, in the Grand Duchy of Luxembourg and/or any Member State of the EEA specified in the applicable Final Terms (the “**Public Offer Jurisdictions**”) that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive (a “**Public Offer**”), the Issuer consents to the use of the Base Prospectus and the relevant Final Terms (together, the “**Prospectus**”) in connection with a Public Offer of any Notes during the offer period specified in the relevant Final Terms (the “**Offer Period**”) and in the Public Offer Jurisdiction(s) specified in the relevant Final Terms by:

- (1) subject to conditions set out in the relevant Final Terms, any financial intermediary designated in such Final Terms; or
- (2) if so specified in the relevant Final Terms, any financial intermediary which satisfies the following conditions:
  - (a) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the “**Rules**”), from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential investor; (b) complies with the restrictions set out under “*Subscription and Sale*” in this Base Prospectus which would apply as if it were a Dealer; (c) ensures that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Notes is fully and clearly disclosed to investors or potential investors; (d) holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules; (e) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer(s) and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer(s) in order to enable the Issuer and/or the relevant Dealer(s) to comply with anti-money laundering, anti-bribery and “know your client” rules applying to the Issuer and/or the relevant Dealer(s); (f) does not, directly or indirectly, cause the Issuer or the relevant Dealer(s) to breach any Rule or any requirement to obtain or make any filing, authorisation or consent in any jurisdiction; and (g) satisfies any further conditions specified in the relevant Final Terms (in each case an “**Authorised Offeror**”). For the avoidance of doubt, none of the Dealers or the Issuer shall have any obligation to ensure that an Authorised Offeror complies with applicable laws and regulations and shall therefore have no liability in this respect.

The Issuer accepts responsibility, in the Public Offer Jurisdiction(s) specified in the Final Terms, for the content of the Base Prospectus in relation to any person (an “**Investor**”) in such Public Offer Jurisdiction(s) to whom an offer of any Notes is made by any Authorised Offeror and where the offer is made during the period for which that consent is given. However, neither the Issuer nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

The consent referred to above relates to Offer Periods (if any) ending no later than the date falling 12 months from the date of the approval of the Base Prospectus by the AMF.

In the event the Final Terms designate financial intermediary(ies) to whom the Issuer has given its consent to use the Base Prospectus during an Offer Period, the Issuer may also give consent to additional Authorised Offerors after the date of the relevant Final Terms and, if it does so, it will publish any new information in relation to such Authorised Offerors who are unknown at the time of the approval of this Base Prospectus or the filing of the relevant Final Terms at <http://www.foncier.fr>.

**If the Final Terms specify that any financial intermediary may use the Base Prospectus during the Offer Period, any such Authorised Offeror is required, for the duration of the Offer Period, to publish on its website that it is using the Base Prospectus for the relevant Public Offer with the consent of the Issuer and in accordance with the conditions attached thereto.**

Other than as set out above, neither the Issuer nor any of the Dealers has authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use the Base Prospectus in connection with its

offer of any Notes. Any such offers are not made on behalf of the Issuer or by any of the Dealers or Authorised Offerors and none of the Issuer or any of the Dealers or Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

**An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price allocations and settlement arrangements (the “Terms and Conditions of the Public Offer”). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, the Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the time of the Public Offer. Neither the Issuer nor any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.**

## **SUPPLEMENT TO THE BASE PROSPECTUS**

If at any time the Issuer shall be required to prepare a supplement to the Base Prospectus pursuant to Article 212-25 of the *Règlement Général* of the AMF implementing Article 16 of the Prospectus Directive, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus or a restated Base Prospectus, which in respect of any subsequent issue of Notes to be listed and admitted to trading on Euronext Paris or on a Regulated Market of a Member State of the EEA, shall constitute a supplement to the Base Prospectus for the purpose of the relevant provisions of the Prospectus Directive.

In accordance with and pursuant to Article 16.2 of the Prospectus Directive, where the Notes are offered to the public, investors who have already agreed to purchase or subscribe for Notes before any supplement is published have the right, exercisable within two working days after the publication of such supplement, to withdraw their acceptance provided that the new factor, mistake or inaccuracy referred to in Article 16.1 of the Prospectus Directive arose before the final closing of the offer to the public and the delivery of the Notes. The period may be extended by the Issuer or, if any, the relevant offeror(s). The final date of the right of withdrawal shall be stated in the supplement.

## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the sections set out in the cross reference tables below from the following documents:

- (a) the reference document of the Issuer in French and English language for the financial year ended 31 December 2016, excluding the section entitled “*attestation du responsable du document de référence*” (statement by the person responsible for the reference document referring to the *lettre de fin de travaux* of the statutory auditors of the Issuer) respectively on page 212 of the French and the English version of such reference document; which was filed with the AMF under registration number n.°D.17-0215 on 24 March 2017 (the “**Reference Document 2016**”);
- (b) the reference document of the Issuer in French and English language for the financial year ended 31 December 2015, excluding the section entitled “*attestation du responsable du document de référence*” (statement by the person responsible for the reference document referring to the *lettre de fin de travaux* of the statutory auditors of the Issuer) respectively on page 195 of the French and the English version of such reference document; which was filed with the AMF under registration number n.°D.16-0278 on 5 April 2016 (the “**Reference Document 2015**”);
- (c) the terms and conditions of the notes contained in the base prospectus of the Issuer dated, respectively 25 August 2005 (the “**2005 EMTN Conditions**”), 1 August 2006 (the “**2006 EMTN Conditions**”), 16 July 2007 (the “**2007 EMTN Conditions**”), 4 July 2008 (the “**2008 EMTN Conditions**”), 3 July 2009 (the “**2009 EMTN Conditions**”), 1 July 2010 (the “**2010 EMTN Conditions**”), 30 June 2011 (the “**2011 EMTN Conditions**”), 26 June 2012 (the “**2012 EMTN Conditions**”), 26 June 2013 (the “**2013 EMTN Conditions**”), 27 June 2014 (the “**2014 EMTN Conditions**”), 26 June 2015 (the “**2015 EMTN Conditions**”), 15 June 2016 (the “**2016 EMTN Conditions**”) and in the second supplement dated 25 February 2010 to the base prospectus dated 3 July 2009 (the “**Additional February 2010 EMTN Conditions**”) and together with the 2005 EMTN Conditions, the 2006 EMTN Conditions, the 2007 EMTN Conditions, the 2008 EMTN Conditions, the 2009 EMTN Conditions, the 2010 EMTN Conditions, the 2011 EMTN Conditions, the 2012 EMTN Conditions, the 2013 EMTN Conditions, the 2014 EMTN Conditions, the 2015 EMTN Conditions, the 2016 EMTN Conditions and the Additional February 2010 EMTN Conditions, the “**EMTN Previous Conditions**”.

The sections set out in the cross reference table are incorporated in, and form part of this Base Prospectus, save that 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).

Copies of the documents set out in (a), (b) and (c) above may be obtained without charge from (i) the registered office of the Issuer, (ii) the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) (save for the 2005 EMTN Conditions (as defined below)), (iii) the website of the Issuer ([www.foncier.fr](http://www.foncier.fr)) and/or (iv) the offices of each Paying Agent set out at the end of this Base Prospectus during normal business hours.

The information incorporated by reference in this Base Prospectus is set out below:

| Regulation – Annex IV                                                                                                                     | Reference Document 2016    | Reference Document 2015       |
|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------------------|
| <b>3. SELECTED FINANCIAL INFORMATION</b>                                                                                                  |                            |                               |
| 3.1 Selected financial information.                                                                                                       | Pages 10 to 13             | Pages 10 to 12                |
| <b>4. Risk Factors</b>                                                                                                                    |                            |                               |
| 4.1 Prominent disclosure of risk factors that may affect the issuer’s ability to fulfil its obligation under the securities to investors. | Pages 50 to 51, 133 to 138 | Pages 48 to 50 and 125 to 127 |

| Regulation – Annex IV                                                                                                                                                                                       | Reference Document 2016              | Reference Document 2015                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------|
| <b>5. Information about the Issuer</b>                                                                                                                                                                      |                                      |                                          |
| 5.1.5 any recent event particular to the issuer which are to a material extent relevant to the evaluation of the issuer's solvency.                                                                         | Page 208                             | Page 191                                 |
| <b>6. BUSINESS OVERVIEW</b>                                                                                                                                                                                 |                                      |                                          |
| 6.2 Principal markets: A brief description of the principal markets in which the issuer competes.                                                                                                           | Pages 5 and 29 to 42; Pages 45 to 50 | Pages 5 and 27 to 40; Pages 43 to 48     |
| 6.3 The basis for any statements made by the issuer regarding its competitive position.                                                                                                                     | Pages 7, and 39 to 41                | Pages 7 and 37 to 39                     |
| <b>8. TREND INFORMATION</b>                                                                                                                                                                                 |                                      |                                          |
| 8.2 Information on any known trends, uncertainties, denmands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year. | Pages 52 and 208                     | Pages 50 and 191                         |
| <b>9. PROFIT FORECASTS OR ESTIMATES</b>                                                                                                                                                                     |                                      |                                          |
| If an issuer chooses to include a profit forecast or a profit estimate, the registration document must contain the information items 9.1 and 9.2.                                                           | Not Applicable                       | Not Applicable                           |
| <b>10. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES</b>                                                                                                                                                |                                      |                                          |
| 10.1 Names, business addresses and functions of the members of the administrative, management or supervisory bodies and principal activities performed by them outside the Issuer                           | Pages 57 to 78 and Pages 188-189     | Pages 51 to 68, 174 and Pages 177 to 178 |
| 10.2 Statement that there is no conflicts of interests                                                                                                                                                      | Page 208                             | Page 191                                 |
| <b>11. BOARD PRACTICES</b>                                                                                                                                                                                  |                                      |                                          |
| 11.1 Details relating to the Issuer's audit committee                                                                                                                                                       | Pages 180 to 186                     | Pages 166 to 173                         |
| 11.2 A statement as to whether or not the Issuer complies with its country's of incorporation corporate governance                                                                                          | Page 196 and 197                     | Page 188, 189                            |
| <b>12. MAJOR SHAREHOLDERS</b>                                                                                                                                                                               |                                      |                                          |
| 12.1 Ownership, control                                                                                                                                                                                     | Page 199 and Pages 210 and 211       | Pages 183 and pages 193 and 194          |
| 12.2 Arrangements which may result in a change in control of the Issuer.                                                                                                                                    | Not Applicable                       | Not Applicable                           |
| <b>13. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>                                                                                  |                                      |                                          |
| <u>13.1 Historical financial information</u>                                                                                                                                                                |                                      |                                          |
| Audited historical financial information                                                                                                                                                                    | Pages 80 to 123                      | Pages 70 to 113                          |
| Audit reports                                                                                                                                                                                               | Pages 124 to 125                     | Pages 114 to 115                         |
| Balance sheet                                                                                                                                                                                               | Page 80                              | Page 70                                  |

| <b>Regulation – Annex IV</b>                  | <b>Reference Document 2016</b> | <b>Reference Document 2015</b> |
|-----------------------------------------------|--------------------------------|--------------------------------|
| Off-balance sheet                             | Page 81                        | Page 71                        |
| Income statement                              | Page 82                        | Page 72                        |
| Cash flow statement                           | Pages 121 to 122               | Pages 111 to 112               |
| Accounting policies and explanatory notes     | Pages 83 to 123                | Pages 73 to 113                |
| <u>13.2 Consolidated financial statements</u> | Not Applicable                 | Not Applicable                 |

The EMTN Previous Conditions are incorporated by reference in this Base Prospectus for the purpose only of further issues of Notes to be assimilated (*assimilées*) and form a single series with Notes already issued with the relevant EMTN Previous Conditions.

| <b>EMTN Previous Conditions</b>          |                 |
|------------------------------------------|-----------------|
| 2005 EMTN Conditions                     | Pages 20 to 42  |
| 2006 EMTN Conditions                     | Pages 38 to 59  |
| 2007 EMTN Conditions                     | Pages 45 to 66  |
| 2008 EMTN Conditions                     | Pages 45 to 66  |
| 2009 EMTN Conditions                     | Pages 50 to 72  |
| 2010 EMTN Conditions                     | Pages 53 to 74  |
| 2011 EMTN Conditions                     | Pages 53 to 75  |
| 2012 EMTN Conditions                     | Pages 55 to 77  |
| 2013 EMTN Conditions                     | Pages 82 to 121 |
| 2014 EMTN Conditions                     | Pages 83 to 132 |
| 2015 EMTN Conditions                     | Pages 83 to 133 |
| 2016 EMTN Conditions                     | Pages 71 to 120 |
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## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes. In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed by Part A of the relevant Final Terms. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on Definitive Materialised Notes. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

An amended and restated agency agreement dated 16 June 2017 has been agreed between Compagnie de Financement Foncier (the “**Issuer**”), Deutsche Bank AG, London Branch as fiscal agent and the other agents named in it (the “**Amended and Restated Agency Agreement**”). The fiscal agent, the paying agents, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Redenomination Agent**”, the “**Consolidation Agent**” and the “**Calculation Agent(s)**”.

For the purpose of these Terms and Conditions, “**Regulated Market**” means any regulated market situated in a Member State of the European Economic Area (“**EEA**”) as defined in the Markets in Financial Instruments Directive 2004/39/EEC, as amended.

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

All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms.

Certain defined terms contained in the 2001 FBF Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules published by the AFB or the FBF (together, the “**FBF Master Agreement**”) and in the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., have either been used or reproduced in Condition 5 (*Interest and other Calculations*) below.

Copies of the FBF Master Agreement are available for inspection at the specified offices of each of the Paying Agents.

### 1 Form, Denomination, Title and Redenomination

- (a) **Form:** Notes may be issued either in dematerialised form (“**Dematerialised Notes**”) or in materialised form (“**Materialised Notes**”).
  - (i) Title to Dematerialised Notes will be evidenced in accordance with Articles L. 211-3 and R.211-1 of the French *Code monétaire et financier* by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R. 211-7 of the French *Code monétaire et financier*) will be issued in respect of the Dematerialised Notes.
    - (a) Dematerialised Notes are issued, at the option of the Issuer and as specified in the final terms (the “**Final Terms**”), in either bearer dematerialised form (*au porteur*), which will be inscribed in the books of Euroclear France (“**Euroclear France**”) (acting as central depository) which shall credit the accounts of Account Holders, or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant holder in either administered registered dematerialised form (*au nominatif administré*) inscribed in the books of an Account Holder designated by the relevant holder of Notes or in fully registered dematerialised form (*au nominatif pur*) inscribed in an account in the books of a registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the “**Registration Agent**”).
    - (b) For the purpose of these Conditions, “**Account Holder**” means any intermediary institution entitled to hold directly or indirectly accounts on behalf of its customers with

Euroclear France, Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depositary bank for Clearstream Banking S.A. (“**Clearstream**”).

The Issuer may request from the central depository the identification of the holders of Dematerialised Notes in bearer form (*au porteur*) unless such right is expressly excluded in the relevant Final Terms.

- (ii) Materialised Notes are issued in bearer form. Definitive Materialised Notes are printed on security paper, are serially numbered and are issued with coupons (the “**Coupons**”) (and, where appropriate, a talon (the “**Talons**”) attached), save in the case of (A) Zero Coupon Notes, (B) Resettable Zero Coupon Notes (other than in relation to interest payable on the designation of a Reset Date) and (C) Zero Coupon/ Fixed Rate Notes (other than in relation to any interest payable on or after the designation of a Switch Date) in which case references to interest (other than in relation to interest due after the Maturity Date or the Extended Maturity Date, if any), Coupons and Talons in these Conditions are not applicable.

In accordance with Articles L. 211-3 and R.211-1 of the French *Code monétaire et financier*, securities (including the Notes) in materialised form and governed by French law must be issued outside the French territory.

- (b) **Denomination:** Notes shall be issued in the Specified Denomination(s) as set out in the relevant Final Terms provided that such denomination shall be equal to such minimum amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. Dematerialised Notes shall be issued in one Specified Denomination only.

- (c) **Title:**

- (i) Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) and in administered registered dematerialised form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of Account Holders. Title to Dematerialised Notes in fully registered dematerialised form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Registration Agent.
- (ii) Title to Definitive Materialised Notes and Coupons and Talons shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.
- (iv) In these Conditions, “**holder of Notes**”, “**holder of any Note**” or “**Noteholder**” means (i) in the case of Dematerialised Notes, the person whose name appears in the account of the relevant Account Holder or the Registration Agent (as the case may be) as being entitled to such Notes and (ii) in the case of Materialised Notes, the bearer of any definitive Materialised Note and the Coupon or Talon relating to it, and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

- (d) **Redenomination:**

- (i) The Issuer may (if so specified in the relevant Final Terms), on any Interest Payment Date, without the consent of the holder of any Note, Coupon or Talon, by giving at least 30 days’ notice in accordance with Condition 13 (*Notices*) and 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 (or any further 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**”)) or events have occurred which have substantially the same effects (in either case, “**EMU**”), redenominate all, but not some only, of the Notes of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) 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 of the Notes pursuant to Condition 1(d)(i) (*Redenomination*) shall be made by converting the principal amount of each Note from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to applicable regulations of the Treaty and rounding the resulting figure to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). If the Issuer so elects, the figure resulting from conversion of the principal amount of each Note using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the Notes so determined shall be notified to holders of Notes in accordance with Condition 13 (*Notices*). Any balance remaining from the redenomination with a denomination higher than Euro 0.01 shall be paid by way of cash adjustment rounded to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Such cash adjustment will be payable in Euros on the Redenomination Date in the manner notified to holders of Notes by the Issuer.
- (iii) Upon redenomination of the Notes, any reference hereon to the relevant national currency shall be construed as a reference to Euro.
- (iv) The Issuer may, with the prior approval of the Redenomination Agent and the Consolidation Agent, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 12 (*Further Issues and Consolidation*), without the consent of the holder of any Note, Coupon or Talon, make any changes or additions to these Conditions or Condition 12 (*Further Issues and Consolidation*) (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated Euromarket debt obligations and which it believes are not prejudicial to the interests of such holders. Any such changes or additions shall, in the absence of manifest error, be binding on the holders of Notes, Coupons and Talons and shall be notified to holders of Notes in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.
- (v) Neither the Issuer nor any Paying Agent shall be liable to the holder of any Note, Coupon or Talon or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euros or any currency conversion or rounding effected in connection therewith.

## 2 Conversions and Exchanges of Notes

### (a) Dematerialised Notes

- (i) Dematerialised Notes issued in bearer dematerialised form (*au porteur*) may not be converted for Dematerialised Notes in registered dematerialised form, whether in fully registered dematerialised form (*au nominatif pur*) or in administered registered dematerialised form (*au nominatif administré*).
- (ii) Dematerialised Notes issued in registered dematerialised form (*au nominatif*) may not be converted for Dematerialised Notes in bearer dematerialised form (*au porteur*).
- (iii) Dematerialised Notes issued in fully registered dematerialised form (*au nominatif pur*) may, at the option of the holder of such Notes, be converted into Notes in administered registered dematerialised form (*au nominatif administré*), and *vice versa*. The exercise of any such

option by such holder shall be made in accordance with Article R. 211-4 of the French *Code monétaire et financier*. Any such conversion shall be effected at the cost of such holder.

(b) **Materialised Notes**

Materialised Notes of one Specified Denomination may not be exchanged for Materialised Notes of another Specified Denomination.

### 3 Status

The Notes and, where applicable, any Coupons relating to them constitute direct, unconditional and, pursuant to the provisions of Condition 4 (*Privilège*), privileged obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and equally and rateably with all other present or future notes (including the Notes of all other Series) and other resources raised by the Issuer benefiting from the *privilège* (the “*Privilège*”) created by Article L. 513-11 of the French *Code monétaire et financier* as described in Condition 4 (*Privilège*).

### 4 Privilège

(a) The Notes benefit from the *Privilège* (priority right of payment) created by Article L. 513-11 of the French *Code monétaire et financier*.

(b) Pursuant to Article L. 513-11 of the French *Code monétaire et financier*, all amounts payable to the Issuer in respect of loans, assimilated receivables, exposure and securities referred to in Article L. 513-3 to L. 513-7 of the French *Code monétaire et financier* and the forward financial instruments referred to in Article L. 513-10 of the French *Code monétaire et financier* (in each case after any applicable netting), together with the claims in respect of deposits made by the Issuer with credit institutions, are allocated in priority to the payment of any sums due in respect of the *obligations foncières* issued by the Issuer and any other resources raised by the Issuer pursuant to the *Privilège*.

It should be noted that not only Notes benefit from the *Privilège*; other resources (such as loans) and derivative transactions for hedging Notes and such other resources may also benefit from the *Privilège*.

(c) Article L. 513-11 of the French *Code monétaire et financier* provides that, notwithstanding any legislative provisions to the contrary and in particular those contained in the French *Code de Commerce* (relating to conciliation (*conciliation*), preservation (*sauvegarde*), judicial reorganisation (*redressement judiciaire*) and judicial liquidation (*liquidation judiciaire*)), the amounts due regularly under *obligations foncières* and any other resources benefiting from the *Privilège*, are paid on their contractual due date, and in priority to all other debts, whether or not preferred, including interest resulting from agreements whatever their duration. Accordingly, until all creditors benefiting from the *Privilège* have been fully paid, no other creditor of the Issuer may exercise any right over the assets and rights of the Issuer.

### 5 Interest and other Calculations

(a) **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 Euro, a day on which the TARGET system is operating (a “**TARGET Business Day**”) and/or
- (ii) in the case of a Specified Currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency and/or
- (iii) in the case of a Specified Currency and/or one or more business centres specified in the relevant Final Terms (the “**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 indicated, generally in each of the Business Centres

**“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 Interest Accrual Period, the **“Calculation Period”**):

- (i) if **“Actual/Actual”** or **“Actual/Actual - ISDA”** or **“Act/Act”** or **“Act/Act (ISDA)”** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if **“Actual/365 - FBF”** is specified in the relevant Final Terms, the fraction whose numerator is the actual number of days elapsed during the Calculation Period and whose denominator is 365. If part of that Calculation Period falls in a leap year, Actual/365 - FBF shall mean the sum of (i) the fraction whose numerator is the actual number of days elapsed during the non-leap year and whose denominator is 365 and (ii) the fraction whose numerator is the number of actual days elapsed during the leap year and whose denominator is 366
- (iii) if **“Actual/Actual - FBF”** is specified in the relevant Final Terms in respect of each calculation, the fraction whose numerator is the actual number of days elapsed during such period and whose denominator is 365 (or 366 if 29 February falls within the Calculation Period)
- (iv) if **“Actual/Actual-ICMA”** is specified in the relevant Final Terms

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

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

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

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

where

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

**“Determination Date”** means the date specified in the applicable Final Terms or, if none is specified, the Interest Payment Date.

- (v) if **“Actual/365 (Fixed)”** is specified in the relevant Final Terms, the fraction whose numerator is the actual number of days elapsed during the Calculation Period and whose denominator is 365
- (vi) if **“Actual/360”** is specified in the relevant Final Terms, the fraction whose numerator is the actual number of days elapsed during the Calculation Period and whose denominator is 360
- (vii) if **“30/360”** or **“360/360 (Bond Basis)”** is specified in the relevant Final Terms, the number of days in the Calculation Period 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

- (viii) if “**30E/360**” or “**Eurobond Basis**” is specified in the relevant Final Terms, 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

- (ix) if “**30E/360 (ISDA)**” 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 the Extended Maturity Date, if any) or (ii) such number would be 31, in which case D<sub>2</sub> will be 30

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

“**FBF Definitions**” means the definitions set out in the 2001 FBF Master Agreement relating to Transactions on Forward Financial Instruments as supplemented by the Technical Schedules published by the *Fédération Bancaire Française*, as the case may be (“**FBF**”) (together the “**FBF Master Agreement**”)

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

“**Interest Amount**” means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the relevant Final Terms

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two Business Days in Paris for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro, each such date shall be deemed to be an “**Observation Date**” for the purposes of Condition 6(l) (*Benchmark Rate*)

“**Interest Payment Date**” means the date(s) specified in the relevant Final Terms

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date, or such other Interest Period specified in the relevant Final Terms

“**Interest Period Date**” means each Interest Payment Date or such other date(s) specified in the relevant Final Terms

“**ISDA Definitions**” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.

“**Rate of Interest**” means, with respect to an Interest Accrual Period, the rate of interest for the relevant Interest Accrual Period (as specified in the relevant Final Terms) which is determined in accordance with these Conditions and payable in relation to the such Interest Accrual Period in respect of the Notes

“**Reference Banks**” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, or, if otherwise, the principal offices of five major banks in the Relevant Inter-Bank Market, in each case selected by the Issuer or as specified in the relevant Final Terms

**“Relevant Date”** means, in respect of any Note or Coupon, the date on which payment in respect of it first became 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 (in the case of Materialised Notes if earlier) the date seven days after that on which notice is duly given to the holders of such Materialised Notes that, upon further presentation of the Materialised Note 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 Inter-Bank Market”** means such inter-bank market as may be specified in the relevant Final Terms

**“Reference Rate”** means the rate specified as such in the relevant Final Terms which shall be LIBOR, EURIBOR, EONIA, CMS Rate or TEC10

**“Relevant Screen Page”** means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms

**“Relevant Screen Page Time”** means such relevant Screen Page Time as may be specified in the relevant Final Terms

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

**“TARGET System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

- (b) **Interest on Fixed Rate Notes:** Subject to Condition 5(m) (*Rate Switch and Rate Lock-In Options*), 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 5(j) (*Calculations*).

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

- (c) **Interest on Floating Rate Notes, Inflation Linked Notes and Formula Linked Notes:**

- (i) *Interest Payment Dates:* Subject to Condition 5(m) (*Rate Switch and Rate Lock-In Options*), each Floating Rate Note, Inflation Linked Note and Formula Linked 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 (subject to adjustment in accordance with Condition 5(i) (*Margin, Maximum/Minimum Rates of Interest/Final Redemption Amount/Optional Redemption Amounts and Rounding*)), such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(j) (*Calculations*). Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms 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) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Following Business Day Convention, such date shall be carried forward to the following Business Day, (B) the Following Business Day except the Following Month Convention,

such date shall be carried forward to the following day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be carried back to the previous Business Day or (C) the Preceding Business Day Convention, such date shall be carried back to the previous Business Day.

- (iii) *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 according to the relevant Final Terms and the provisions below relating to either FBF Determination, ISDA Determination or Screen Rate Determination, depending upon which is specified in the relevant Final Terms.

(A) FBF Determination for Floating Rate Notes

Where FBF Determination is specified in the relevant Final Terms 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 FBF Rate. For the purposes of this sub-paragraph (A), “**FBF Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Transaction under the terms of an agreement incorporating the FBF Definitions and under which:

- (a) the Floating Rate is as specified in the relevant Final Terms and
- (b) the relevant Floating Rate Determination Date (*Date de Détermination du Taux Variable*) is the first day of that Interest Accrual Period or such other date as specified in the relevant Final Terms

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Determination Date** (*Date de Détermination du Taux Variable*)” and “**Transaction**” have the meanings given to those terms in the FBF Definitions, provided that “Euribor” means the rate calculated for deposits in Euro which appears on Reuters page EURIBOR01, as more fully described in the relevant Final Terms.

(B) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (B), “**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:

- (a) the Floating Rate Option is as specified in the relevant Final Terms
- (b) the Designated Maturity is a period specified in the relevant Final Terms and
- (c) the relevant Reset Date is the first day of that Interest Accrual Period or such other date as specified in the relevant Final Terms.

For the purposes of this sub-paragraph (B), “**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.

(C) Screen Rate Determination for Floating Rate Notes

- (a) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (i) the offered quotation; or
  - (ii) the arithmetic mean of the offered quotations,

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

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the relevant Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

- (b) if the Relevant Screen Page is not available or, if sub-paragraph (a)(i) applies and no such offered quotation appears on the Relevant Screen Page or, if sub-paragraph (a)(ii) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Issuer, or an appointed agent on its behalf, shall request, (i) if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks, (ii) if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, (iii) if otherwise, each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if otherwise, at the Relevant Screen Page Time, on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if otherwise, at the Relevant Screen Page Time, on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if otherwise, the Relevant Inter-Bank Market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if otherwise, at the Relevant Screen Page Time, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market, if

the Reference Rate is EURIBOR, the Euro zone inter-bank market or, if otherwise, the Relevant Inter-Bank Market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (d) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate Notes is specified as being EONIA, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be the rate of return of a daily compound interest investment (with the arithmetic mean of the daily rates of the day-to-day Euro-zone interbank euro money market as reference rate for the calculation of interest) plus or minus (as indicated in the applicable Final Terms) the Margin (if any) and will be calculated by the Calculation Agent on the Interest Determination Date as follows, and the resulting will be rounded, if necessary, to the nearest one ten-thousandth of a percentage point, with 0.00005 being rounded upwards:

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

Where:

“*i*” is a series of whole numbers from one to *d<sub>o</sub>*, each representing the relevant TARGET Business Day in chronological order from, and including, the first TARGET Business Day in the relevant Interest Accrual Period;

“*d<sub>o</sub>*” for any Interest Accrual Period, is the number of TARGET Business Days in the relevant Interest Accrual Period;

“*EONIA<sub>i</sub>*”, for any day “*i*” in the relevant Interest Accrual Period, is a reference rate equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page or such other page or service as may replace such page for the purposes of displaying Euro overnight index average rate of leading reference banks for deposits in Euro (the “**EONIA Page**”) in respect of that day provided that, if, for any reason, by 11.00 a.m. (Brussels time) on any such day “*i*”, no rate is published on the EONIA Page, the Calculation Agent will request any four major banks selected by it (but which shall not include the Calculation Agent) in the Euro-zone inter-bank market to provide it with their respective quotations of the rates offered by such banks at approximately 11.00 a.m. (Brussels time) on such day “*i*” to prime banks in the Euro-zone inter-bank market for Euro overnight index average rate for deposits in Euro in an amount that is, in the reasonable opinion of the Calculation Agent, representative for a single transaction in the relevant market at the relevant time. The applicable reference rate for such day “*i*” shall be the arithmetic mean (rounded if necessary, to the nearest hundredth of a percentage point, with 0.005 being rounded upwards) of at least two of the rates so quoted, it being provided that if less than two rates are provided to the Calculation Agent, the applicable reference rate shall be determined by the Calculation Agent after consultation of an independent expert;

“**n**” is the number of calendar days in the relevant Interest Accrual Period on which the rate is EONIA<sub>i</sub>; and

“**d**” is the number of calendar days in the relevant Interest Accrual Period.

- (e) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate Notes is specified as being CMS Rate, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be determined by the Calculation Agent by reference to the following formula:

$$\text{CMS Rate} + \text{Margin}$$

If the Relevant Screen Page is not available at the Specified Time on the relevant Interest Determination Date: (i) the Calculation Agent shall request each of the CMS Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate at approximately the Specified Time on the relevant Interest Determination Date; (ii) if at least three of the CMS Reference Banks provide the Calculation Agent with such quotations, the CMS Rate for such Interest Accrual Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest quotations and the lowest quotation (or, in the event of equality, one of the lowest quotations) and (iii) if on any Interest Determination Date less than three or none of the CMS Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent on such commercial basis as considered appropriate by the Calculation Agent in its absolute discretion, in accordance with the then prevailing standard market practice.

For the purposes of this sub-paragraph (e):

“**CMS Rate**” shall mean the applicable swap rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page as at the Specified Time on the relevant Interest Determination Date in question, all as determined by the Calculation Agent.

“**CMS Reference Banks**” means (i) where the Reference Currency is Euro, the principal office of five leading swap dealers in the inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five leading swap dealers in the London inter-bank market, (iii) where the Reference Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case selected by the Calculation Agent.

“**Reference Currency**” means the currency specified as such in the applicable Final Terms.

“**Reference Financial Centre**” means, with respect to a Reference Currency, the financial centre specified as such in the applicable Final Terms.

“**Designated Maturity**”, “**Specified Time**” and “**Relevant Screen Page**” shall have the meaning given to those terms in the applicable Final Terms.

“**Margin**” has the meaning set out in Condition 5(i) (*Margin, Maximum/Minimum Rates of Interest/Final Redemption Amount/Optional Redemption Amounts and Rounding*).

“**Relevant Swap Rate**” means:

- (i) where the Reference Currency is Euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Accrual Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions, as amended and updated as at the Issue Date of the first Tranche of the Notes) with a designated maturity determined by the Calculation Agent by reference to the then prevailing standard market practice or the ISDA Definitions;
- (ii) where the Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Accrual Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA with a designated maturity of three months;
- (iii) where the Reference Currency is United States dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Accrual Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three months; and
- (iv) where the Reference Currency is any other currency of if the Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the applicable Final Terms.

**“Representative Amount”** means an amount that is representative for a single transaction in the relevant market at the relevant time, as determined by the Calculation Agent.

- (f) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate Notes is specified as being the TEC10, the Rate of Interest for each Interest Accrual Period will be, subject as provided below, determined by the Calculation Agent by reference to the following formula:  $\text{TEC10} + \text{Margin}$ .

“**TEC10**” means the offered quotation (expressed as a percentage rate per annum) for the EUR-TEC10-CNO<sup>2</sup>, calculated by the *Comité de Normalisation Obligataire* (“**CNO**”), which appears on the Relevant Screen Page, being the caption “TEC10” on the Reuters Screen CNOTE10 Page or any successor page, as at 10.00 a.m. Paris time on the Interest Determination Date in question.

If, on any Interest Determination Date, TEC10 does not appear on Reuters Screen CNOTE10 Page or any successor page, (i) it shall be determined by the Calculation Agent on the basis of the mid-market prices for each of the two reference OAT (*Obligation Assimilable du Trésor*) which would have been used by the *Comité de Normalisation Obligataire* for the calculation of the relevant rate, quoted in each case by five *Spécialistes en Valeurs du Trésor* at approximately 10:00 a.m. Paris time on the Interest Determination Date in question; (ii) the Calculation Agent will request each *Spécialiste en Valeurs du Trésor* to provide a quotation of its price; and (iii) TEC10 will be the redemption yield of the arithmetic mean of such prices as determined by the Calculation Agent after discarding the highest and lowest of such quotations. The above mentioned redemption yield shall be determined by the Calculation Agent in accordance with the formula that would have been used by the *Comité de Normalisation Obligataire* for the determination of the relevant rate.

*For information purposes only, the EUR-TEC10-CNO, established in April 1996, is the percentage yield (rounded to the nearest second decimal point, 0.005 per cent. being rounded upwards) of a notional 10 year French Treasury Bond (Obligation Assimilable du Trésor, “OAT”) corresponding to the linear interpolation between the yield to maturity of the two actual OATs (the “Reference OATs”) whose periods to maturity are closest in duration to the notional 10 year OAT, one Reference OAT's duration being of less than 10 years and the other Reference OAT's duration being greater than 10 years.*

(iv) *Rate of Interest for Inflation Linked Notes:*

Where the applicable Final Terms specify Inflation Linked Notes as applicable (“**Inflation Linked Notes**”) the Rate of Interest shall (i) if Inflation Linked Notes – Fixed Interest is applicable, be calculated in accordance with Condition 5(b) (*Interest on Fixed Rate Notes*), or (ii) if Inflation Linked Notes – Inflation Interest is applicable, be calculated in accordance with this Condition 5(c)(iv)

(A) Consumer Price Index (CPI)

Where the consumer price index (excluding tobacco) for all households in France, as calculated and published by the *Institut National de la Statistique et des Etudes Economiques* (the “**INSEE**”) (“**CPI**”) is specified as the Index in the relevant Final Terms, this Condition 5(c)(iv)(A) shall apply. Terms defined herein shall have the meanings set out below only when this Condition 5(c)(iv)(A) shall apply.

The Rate of Interest in respect of Inflation Linked Notes indexed to the CPI (the “**CPI Linked Interest**”) will be determined by the Calculation Agent on the following basis:

<sup>2</sup> All potential users of the EUR-TEC10-CNO must first enter into a trademark licence agreement available from the CNO.

- (a) On the fifth Business Day before each Interest Payment Date (an “**Interest Determination Date**”) the Calculation Agent will calculate the Inflation Index Ratio.

For the purpose of this Condition 5(c)(iv)(A), the “**Inflation Index Ratio**” or “**IIR**” is the ratio between (i) the CPI Daily Inflation Reference Index (as defined below) applicable on any Interest Payment Date, as the case may be and (ii) the base reference defined as the CPI Daily Inflation Reference Index (as defined below) applicable on the date specified in the applicable Final Terms (the “**Base Reference**”). Notwithstanding Condition 5(i)(iii) (*Margin, Maximum/Minimum Rates of Interest/Final Redemption Amount/Optional Redemption Amounts and Rounding*), the IIR will be rounded if necessary to five significant figures (with halves being rounded up).

“**CPI Daily Inflation Reference Index**” means (i) in relation to the first day of any given calendar month, the CPI Monthly Reference Index of the third month preceding such month, and (ii) in relation to a day D (other than the first day) in any given calendar month (“M”), the linear interpolation of the CPI Monthly Reference Index pertaining respectively to the third calendar month preceding such month (“M – 3”) and the second calendar month preceding such month (“M – 2”) calculated in accordance with the following formula:

$$\text{CPI Daily Inflation Reference Index} = \text{CPI Monthly Reference Index}_{M-3} + \frac{D-1}{ND_M} \times (\text{CPI Monthly Reference Index}_{M-2} - \text{CPI Monthly Reference Index}_{M-3})$$

With:

“**ND<sub>M</sub>**”: number of days in the relevant month M and, in the case of payment of principal or interest, shall be equal to 31;

“**D**”: actual day of payment in the relevant month M and, in the case of payment of principal or interest, shall be equal to 25;

“**CPI Monthly Reference Index<sub>M-2</sub>**”: the level of the CPI Monthly Reference Index published in relation to month M – 2;

“**CPI Monthly Reference Index<sub>M-3</sub>**”: the level of the CPI Monthly Reference Index published in relation to month M – 3.

Notwithstanding Condition 5(i)(iii) (*Margin, Maximum/Minimum Rates of Interest/Final Redemption Amount/Optional Redemption Amounts and Rounding*), the CPI Daily Inflation Reference Index will be rounded if necessary to five significant figures (with halves being rounded up).

*For information purposes, such CPI Daily Inflation Reference Index appears on the Agence France Trésor Reuters page OATINFLATION01 or on Bloomberg TRESOR <GO> pages and on the website [www.aft.gouv.fr](http://www.aft.gouv.fr). In the case of doubt in the interpretation of the methods used to calculate the Inflation Index Ratio, such methods shall be interpreted by reference to the procedures selected*

by the French Treasury (*Trésor*) for its *obligations assimilables du Trésor indexées sur l'inflation*.

“**CPI Monthly Reference Index**” means the definitive consumer price index excluding tobacco for all households in France, as calculated and published monthly by the INSEE as such index may be adjusted or replaced from time to time as provided herein.

- (b) The calculation method described below is based on the recommendation issued by the French Bond Association (*Comité de Normalisation Obligataire* – [www.cnofrance.org](http://www.cnofrance.org)) in its July 2011 Paper entitled “Inflation – linked bonds). In the case of any conflict between the calculation method provided below and the calculation method provided by the French Bond Association (*Comité de Normalisation Obligataire*), the calculation method provided by the French Bond Association (*Comité de Normalisation Obligataire*) shall prevail.

The CPI Linked Interest applicable from time to time for each Interest Accrual Period (as specified in the relevant Final Terms) will be equal to the fixed rate *per annum* specified in the relevant Final Terms multiplied by the Inflation Index Ratio (as defined above).

- (c)
- (1) If the CPI Monthly Reference Index is not published in a timely manner, a substitute CPI Monthly Reference Index (the “**Substitute CPI Monthly Reference Index**”) shall be determined by the Calculation Agent in accordance with the following provisions:
- (x) If a provisional CPI Monthly Reference Index (*indice provisoire*) has already been published, such index shall automatically be used as the Substitute CPI Monthly Reference Index. Such provisional CPI Monthly Reference Index would be published under the heading “*indice de substitution*”. Once the definitive CPI Monthly Reference Index is released, it would automatically apply from the day following its release to all calculations taking place from this date.
- (y) If no provisional CPI Monthly Reference Index is available, a substitute index shall be calculated on the basis of the most recently published figure adjusted as set out in the following formula:

Substitute CPI Monthly Reference Index<sub>M</sub>=

$$\text{CPI Monthly Reference Index}_{M-1} \times \frac{\text{CPI Monthly Reference Index}_{M-1}}{\text{CPI Monthly Reference Index}_{M-13} \times \frac{1}{12}}$$

- (2) In the event INSEE decides to proceed with one or more base changes for the purpose of calculating the CPI Monthly Reference Index, the two CPI Monthly Reference Indexes which

have been calculated on a different basis will be chained on the basis of the December CPI Monthly Reference Index of the last year of joint publications, which corresponds to the CPI Daily Inflation Reference Index for 1st March of the following year. Such chaining will be carried out in accordance with the following equation:

$$\text{Key} = \frac{\text{CPI Monthly Reference Index}_{\text{pertaining to December calculated on the new basis}}}{\text{CPI Monthly Reference Index}_{\text{pertaining to December calculated on the previous basis}}}$$

Such that:

$$\text{CPI Monthly Reference Index}_{\text{Date D New Basis}} = \text{CPI Monthly Reference Index}_{\text{Date D Previous Basis}} \times \text{Key}$$

(B) Harmonised Index of Consumer Prices (HICP)

Where the harmonised index of consumer prices (excluding tobacco) measuring the rate of inflation in the European Monetary Union as calculated and published monthly by Eurostat (the “**HICP**”) is specified as the Index in the relevant Final Terms, this Condition 5(c)(iv)(B) shall apply. Terms defined herein shall have the meanings set out below only when this Condition 5(c)(iv)(B) shall apply.

The Rate of Interest in respect of Inflation Linked Notes indexed to the HICP (the “**HICP Linked Interest**”) will be determined by the Calculation Agent on the following basis:

- (a) On the fifth Business Day before each Interest Payment Date (an “**Interest Determination Date**”) the Calculation Agent will calculate the Inflation Index Ratio.

For the purpose of this Condition 5(c)(iv)(B), the “**Inflation Index Ratio**” or “**IIR**” is the ratio between (i) the HICP Daily Inflation Reference Index (as defined below) applicable on any Interest Payment Date or the redemption date, as the case may be and (ii) the base reference defined as the HICP Daily Inflation Reference Index (as defined below) applicable on the date specified in the applicable Final Terms (the “**Base Reference**”). Notwithstanding Condition 5(i)(iii) (*Margin, Maximum/Minimum Rates of Interest/Final Redemption Amount/Optional Redemption Amounts and Rounding*), the IIR will be rounded if necessary to five significant figures (with halves being rounded up).

“**HICP Daily Inflation Reference Index**” means (i) in relation to the first day of any given calendar month, the HICP Monthly Reference Index of the third calendar month preceding such month, and (ii) in relation to a day D (other than the first day) in any given month (“M”), the linear interpolation of the HICP Monthly Reference Index pertaining respectively to the third calendar month preceding such month (“M – 3”) and the second calendar month preceding such month (“M – 2”) calculated in accordance with the following formula:

$$\text{HICP Daily Inflation Reference Index} =$$

$$\text{HICP Monthly Reference Index}_{M-3} + \frac{D-1}{ND_M} \times (\text{HICP Monthly Reference Index}_{M-2} - \text{HICP Monthly Reference Index}_{M-3})$$

With:

“**ND<sub>M</sub>**”: number of days in the relevant month M and, in the case of payment of principal or interest, shall be equal to 31;

“**D**”: actual day of payment in the relevant month M and, in the case of payment of principal or interest, shall be equal to 25;

“**HICP Monthly Reference Index<sub>M-2</sub>**”: the level of the HICP Monthly Reference Index published in relation to month M - 2;

“**HICP Monthly Reference Index<sub>M-3</sub>**”: the level of the HICP Monthly Reference Index published in relation to month M - 3.

Notwithstanding Condition 5(i)(iii) (*Margin, Maximum/Minimum Rates of Interest/Final Redemption Amount/Optional Redemption Amounts and Rounding*), the HICP Daily Inflation Reference Index will be rounded if necessary to five significant figures (with halves being rounded up).

*For information purposes, such HICP Daily Inflation Reference Index appears on the Agence France Trésor Reuters page OATEI01, on the website [www.aft.gouv.fr](http://www.aft.gouv.fr) and on Bloomberg page TRESOR.*

“**HICP Monthly Reference Index**” means to the harmonised index of consumer prices excluding tobacco measuring the rate of inflation in the European Monetary Union excluding tobacco as calculated and published by Eurostat as such index may be adjusted or replaced from time to time as provided herein. The first publication or announcement of a level of such index for a given month shall be final and conclusive and later revisions to the level for such month will not be used in any calculations.

- (b) The HICP Linked Interest applicable from time to time for each Interest Accrual Period (as specified in the relevant Final Terms) will be equal to the fixed rate *per annum* specified in the relevant Final Terms multiplied by the Inflation Index Ratio (as defined above).
- (c)
  - (1) If the HICP Monthly Reference Index is not published in a timely manner, a substitute HICP Monthly Reference Index (the “**Substitute HICP Monthly Reference Index**”) shall be determined by the Calculation Agent in accordance with the following provisions:
    - (x) If a provisional HICP Monthly Reference Index has already been published by Eurostat, such index shall automatically be used as the Substitute HICP Monthly Reference Index. Once the definitive HICP Monthly Reference Index is released, it would automatically apply from the day following its release to all calculations taking place from this date.
    - (y) If no provisional HICP Monthly Reference Index is available, a substitute index shall be calculated on the basis of the most

recently published figure adjusted as set out in the following formula:

Substitute HICP Monthly Reference Index<sub>M</sub> =

$$\text{HICP Monthly Reference Index}_{M-1} \times \frac{\text{HICP Monthly Reference Index}_{M-1}}{\text{HICP Monthly Reference Index}_{M-13}} \times \frac{1}{12}$$

- (2) In the event Eurostat decides to proceed with one or more base changes for the purpose of calculating the HICP Monthly Reference Index, the two HICP Monthly Reference Indexes which have been calculated on a different basis will be chained on the basis of the December HICP Monthly Reference Index of the last year of joint publications, which corresponds to the HICP Daily Inflation Reference Index for 1st March of the following year. Such chaining will be carried out in accordance with the following equation:

$$\text{Key} = \frac{\text{HICP Monthly Reference Index}_{\text{pertaining to December calculated on the new basis}}}{\text{HICP Monthly Reference Index}_{\text{pertaining to December calculated on the previous basis}}}$$

Such that:

$$\text{HICP Monthly Reference Index}_{\text{Date D New Basis}} = \text{HICP Monthly Reference Index}_{\text{Date D Previous Basis}} \times \text{Key}$$

- (v) *Rate of Interest for Formula Linked Notes:*

*(Formula Linked Notes can only be issued with a denomination of at least €100,000)*

- (A) **Index Formula:** When the Index Formula is specified in the relevant Final Terms for the issue of Notes having a denomination of at least €100,000 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 on the Interest Determination Date in accordance with the following formula:

$$\text{Rate of Interest} = \text{Participation} \times (\text{Leverage1} \times \text{Index1} - \text{Leverage2} \times \text{Index2}) + \text{Spread}$$

Where:

"**Designated Maturity**" means a period specified in the relevant Final Terms;

"**Index1**" means the Index Reference Rate or the CPI Reference Rate or the HICP Reference Rate as specified in the relevant Final Terms;

"**Index2**" means the Index Reference Rate or the CPI Reference Rate or the HICP Reference Rate or 0 (zero) as specified in the relevant Final Terms.

"**Index Reference Rate**" means the rate designated as such in the Final Terms with the Designated Maturity specified in the relevant Final Terms determined in accordance with the Screen Rate Determination or the ISDA Determination (as specified in the relevant Final Terms);

“**Leverage1**” means, with respect to an Interest Accrual Period, the percentage or number specified in the relevant Final Terms. For the avoidance of doubt, this may have a positive or a negative value or may be equal to one (1).

“**Leverage2**” means, with respect to an Interest Accrual Period, the percentage or number specified in the relevant Final Terms. For the avoidance of doubt, this may have a positive or a negative value or may be equal to one (1).

"**Participation**" means the coefficient specified in the relevant Final Terms;

"**Spread**" means the positive or negative rate expressed as a percentage specified in the relevant Final Terms.

“**CPI Reference Rate**” for each Interest Accrual Period will be determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{CPI Monthly Reference Index}_M}{\text{CPI Monthly Reference Index}_{M'}} - 1$$

Where:

“**CPI Monthly Reference Index<sub>M</sub>**”: the level of the CPI Monthly Reference Index (as defined in Condition 5(c)(iv)(A) (*Consumer Price Index (CPI)*)) published in relation to month M;

“**CPI Monthly Reference Index<sub>M'</sub>**”: the level of the CPI Monthly Reference Index (as defined in Condition 5(c)(iv)(A) (*Consumer Price Index (CPI)*)) published in relation to month M’;

"M" is the calendar month, falling such number of calendar months (as specified in the applicable Final Terms) preceding the calendar month in which the Interest Determination Date falls;

"M'" is the calendar month, falling such number of calendar months (as specified in the applicable Final Terms) preceding the calendar month in which the Interest Determination Date falls.

If the CPI Monthly Reference Index<sub>M</sub> or the CPI Monthly Reference Index<sub>M'</sub> is or are not published in a timely manner, Condition 5(c)(iv)(A)(c) (*Consumer Price Index (CPI)*) shall apply.

“**HICP Reference Rate**” for each Interest Accrual Period will be determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{HICP Monthly Reference Index}_M}{\text{HICP Monthly Reference Index}_{M'}} - 1$$

Where:

“**HICP Monthly Reference Index<sub>M</sub>**”: the level of the HICP Monthly Reference Index (as defined in Condition 5(c)(iv)(B) (*Harmonised Index of Consumer Prices (HICP)*)) published in relation to month M;

“**HICP Monthly Reference Index<sub>M'</sub>**”: the level of the HICP Monthly Reference Index (as defined in Condition 5(c)(iv)(B) (*Harmonised Index of Consumer Prices (HICP)*)) published in relation to month M’;

"M" is the calendar month, falling such number of calendar months (as specified in the applicable Final Terms) preceding the calendar month in which the Interest Determination Date falls;

"M" is the calendar month, falling such number of calendar months (as specified in the applicable Final Terms) preceding the calendar month in which the Interest Determination Date falls.

If the HICP Monthly Reference Index<sub>M</sub> or the HICP Monthly Reference Index<sub>M'</sub> is or are not published in a timely manner, Condition 5(c)(iv)(B)(c) (*Harmonised Index of Consumer Prices (HICP)*) shall apply.

- (B) **Underlying Formula:** When the Underlying Formula is specified in the relevant Final Terms for the issue of Notes having a denomination of at least €100,000 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 on the Interest Determination Date in accordance with the following formula:

$$\text{Rate of Interest} = \text{Participation} \times (1 + \text{Underlying} + \text{Spread})^k - 1$$

Where:

**"CMS Rate"** means the applicable swap rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page as at the Specified Time.

**"Designated Maturity"** means the maturity specified as such in the relevant Final Terms.

**"Participation"** means the coefficient specified in the relevant Final Terms;

**"Reference Currency"** means the currency specified as such in the relevant Final Terms.

**"Relevant Screen Page"** means the screen page specified as such in the relevant Final Terms or any successor page.

**"Specified Time"** means the time specified as such in the relevant Final Terms.

**"Spread"** means the positive or negative rate expressed as a percentage specified in the relevant Final Terms.

**"TEC"** means the offered quotation (expressed as a percentage rate per annum) with a maturity of the Designated Maturity, calculated by the *Comité de Normalisation Obligataire*, which appears on the Relevant Screen Page, as at the Specified Time.

**"Underlying"** means either TEC<sup>3</sup> or CMS Rate, as specified in the relevant Final Terms, with the applicable Designated Maturity, Relevant Screen Page and Specified Time on the Interest Determination Date as determined by the Calculation Agent.

**"k"** means the coefficient specified in the relevant Final Terms.

If, on the relevant Interest Determination Date, CMS Rate does not appear on the Relevant Screen Page at the Specified Time, the adjustment provisions with respect to the Relevant Screen Page for CMS Rate set out in Condition 5(c)(iii)(C) (*Screen Rate Determination for Floating Rate Notes*) shall apply.

If, on the relevant Interest Determination Date, TEC does not appear on the Relevant Screen Page at the Specified Time, (i) TEC shall be determined by the Calculation Agent on the basis of the mid-market prices for each of the two reference OAT (*Obligation Assimilable du Trésor*) which would have been used

<sup>3</sup> All potential users of the TEC must first enter into a trademark licence agreement available from the CNO.

by the *Comité de Normalisation Obligataire* for the calculation of TEC, quoted in each case by five *Spécialistes en Valeurs du Trésor* at approximately 10:00 a.m. Paris time on the Interest Determination Date in question; (ii) the Calculation Agent will request each *Spécialiste en Valeurs du Trésor* to provide a quotation of its price; and (iii) TEC will be the redemption yield of the arithmetic mean of such prices as determined by the Calculation Agent after discarding the highest and lowest of such quotations. The above mentioned redemption yield shall be determined by the Calculation Agent in accordance with the formula that would have been used by the *Comité de Normalisation Obligataire* for the determination of the relevant rate.

- (C) **CPI Formula:** When the CPI Formula is specified in the relevant Final Terms for the issue of Notes having a denomination of at least €100,000 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 on the Interest Determination Date in accordance with the following formula:

$$\text{Rate of Interest} = \frac{\text{CPI Monthly Reference Index}_M}{\text{CPI Monthly Reference Index}_{M'}} - 1 + \text{Spread}$$

Where:

“**CPI Monthly Reference Index<sub>M</sub>**”: the level of the CPI Monthly Reference Index (as defined in Condition 5(c)(iv)(A) (*Consumer Price Index (CPI)*)) published in relation to month M;

“**CPI Monthly Reference Index<sub>M'</sub>**”: the level of the CPI Monthly Reference Index (as defined in Condition 5(c)(iv)(A) (*Consumer Price Index (CPI)*)) published in relation to month M’;

"M" is the calendar month, falling such number of calendar months (as specified in the applicable Final Terms) preceding the calendar month in which the Interest Determination Date falls;

"M'" is the calendar month, falling such number of calendar months (as specified in the applicable Final Terms) preceding the calendar month in which the Interest Determination Date falls.

“**Spread**” means the positive or negative rate expressed as a percentage specified in the relevant Final Terms.

If the CPI Monthly Reference Index<sub>M</sub> or the CPI Monthly Reference Index<sub>M'</sub> is or are not published in a timely manner, Condition 5(c)(iv)(A)(c) (*Consumer Price Index (CPI)*) shall apply.

- (D) **HICP Formula:** When the HICP Formula is specified in the relevant Final Terms for the issue of Notes having a denomination of at least €100,000 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 on the Interest Determination Date in accordance with the following formula:

$$\text{Rate of Interest} = \frac{\text{HICP Monthly Reference Index}_M}{\text{HICP Monthly Reference Index}_{M'}} - 1 + \text{Spread}$$

Where:

“**HICP Monthly Reference Index  $M$** ”: the level of the HICP Monthly Reference Index (as defined in Condition 5(c)(iv)(B) (*Harmonised Index of Consumer Prices (HICP)*)) published in relation to month  $M$ ;

“**HICP Monthly Reference Index  $m$** ”: the level of the HICP Monthly Reference Index (as defined in Condition 5(c)(iv)(B) (*Harmonised Index of Consumer Prices (HICP)*)) published in relation to month  $m$ ;

" $M$ " is the calendar month, falling such number of calendar months (as specified in the applicable Final Terms) preceding the calendar month in which the Interest Determination Date falls;

" $m$ " is the calendar month, falling such number of calendar months (as specified in the applicable Final Terms) preceding the calendar month in which the Interest Determination Date falls.

“**Spread**” means the positive or negative rate expressed as a percentage specified in the relevant Final Terms.

If the HICP Monthly Reference Index $M$  or the HICP Monthly Reference Index $m$  is or are not published in a timely manner, Condition 5(c)(iv)(B)(c) (*Harmonised Index of Consumer Prices (HICP)*) shall apply.

- (E) **Leveraged Floating Rate Formula:** When the Leveraged Floating Rate Formula is specified in the relevant Final Terms, for an issue of Notes having a denomination of at least €100,000, 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 on the Interest Determination Date in accordance with the following formula:

$$\text{Rate of Interest} = (\text{Benchmark Rate Level} + \text{Margin}) \times \text{Leverage}$$

Where:

“**Benchmark Rate Level**” means the rate determined in accordance with Condition 6(1) (*Benchmark Rate*) with variables set out in the Final Terms;

“**Leverage**” means, with respect to an Interest Accrual Period, the percentage or number specified in the relevant Final Terms. For the avoidance of doubt, this may have a positive or a negative value or may be equal to one (1).

“**Margin**” means, with respect to an Interest Accrual Period, the percentage or number for the relevant Interest Accrual Period, as specified in the relevant Final Terms. For the avoidance of doubt, this may have a positive or a negative value or may be equal to zero (0).

- (F) **Reverse Floater Formula:** When the Reverse Floater Formula is specified in the relevant Final Terms, for an issue of Notes having a denomination of at least €100,000, 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 on the Interest Determination Date in accordance with:

- (a) in respect of the Initial Interest Periods, the Fixed Interest or the Floating Interest, as specified in the relevant Final Terms; and
- (b) in respect of the Subsequent Interest Periods, the following formula:

$$\text{Rate of Interest} = \text{Fixed Percentage} - \text{Benchmark Rate Level}$$

Where:

“**Benchmark Rate Level**” means the rate determined in accordance with Condition 6(1) (*Benchmark Rate*) with variables set out in the Final Terms;

**“Fixed Interest”** means the Rate of Interest determined in accordance with Condition 5(b) (*Interest on Fixed Rate Notes*);

**“Fixed Percentage”** means, with respect to an Interest Accrual Period, the percentage for the relevant Interest Accrual Period, as specified in the relevant Final Terms;

**“Floating Interest”** means the Rate of Interest determined in accordance with Condition 5(c)(iii) (*Rate of Interest for Floating Rate Notes*);

**“Initial Interest Periods”** means the Interest Accrual Periods specified as the Initial Interest Periods in the relevant Final Terms;

**“Subsequent Interest Periods”** means the Interest Accrual Periods specified as the Subsequent Interest Periods in the relevant Final Terms.

- (G) **Maximum-Minimum VolBond Formula:** When the Maximum-Minimum VolBond Formula is specified in the relevant Final Terms, for an issue of Notes having a denomination of at least €100,000, 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 on the Interest Determination Date in accordance with the following formula:

$$\text{Rate of Interest} = \text{Leverage} \times (\text{Maximum Floating Rate} - \text{Minimum Floating Rate})$$

Where:

**“Benchmark Rate Level”** means the rate determined in accordance with Condition 6(l) (*Benchmark Rate*) with variables set out in the Final Terms;

**“Interest Observation Period”** means, in respect of an Interest Accrual Period, the period from and including the date falling such number of Business Days specified in the relevant Final Terms immediately preceding the first day of the relevant Interest Accrual Period to and including the date falling such number of Business Days specified in the relevant Final Terms immediately preceding the last day of that Interest Accrual Period;

**“Leverage”** means, with respect to an Interest Accrual Period, the percentage or number specified as such in the relevant Final Terms. For the avoidance of doubt, this may have a positive or a negative value or may be equal to one (1);

**“Maximum Floating Rate”** means, with respect to an Interest Accrual Period, the highest Benchmark Rate Level observed on any Performance Observation Date falling during the relevant Interest Observation Period;

**“Minimum Floating Rate”** means, with respect to an Interest Accrual Period, the lowest Benchmark Rate Level observed on any Performance Observation Date falling during the relevant Interest Observation Period;

**“Performance Observation Date”** means, with respect to an Interest Observation Period, each date specified as a Performance Observation Date in the relevant Final Terms, which may be each date falling every one (1), seven (7), 30, 60, 90, 180 or 365 days after the first date specified in the relevant Final Terms or such other date(s) (as specified in the relevant Final Terms) falling within such Interest Observation Period. Each Performance Observation Date shall be deemed to be an Observation Date.

- (H) **Pre/Post VolBond Formula:** When the Pre/Post VolBond Formula is specified in the relevant Final Terms, for an issue of Notes having a denomination of at least €100,000, 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 on the Interest Determination Date in accordance with the following formula:

$$\text{Rate of Interest} = \text{Leverage} \times \text{AbsoluteValue} (\text{PostFloatingRate} - \text{PreFloatingRate})$$

Where:

“**Absolute Value**” means, in respect of a number, its non-negative value without regard to its sign. For example, the Absolute Value of -10 is 10;

“**Benchmark Rate Level**” means the rate determined in accordance with Condition 6(l) (*Benchmark Rate*) with variables set out in the Final Terms;

“**Interest Observation Date**” means, a Pre Rate Observation Date or a Post Rate Observation Date;

“**Leverage**” means, with respect to an Interest Accrual Period, the percentage or number specified as such in the relevant Final Terms. For the avoidance of doubt, this may have a positive or a negative value or may be equal to one (1);

“**Post Floating Rate**” means, with respect to an Interest Accrual Period, the Benchmark Rate Level on the Post Rate Observation Date;

“**Pre Floating Rate**” means, with respect to an Interest Accrual Period, the Benchmark Rate Level on the Pre Rate Observation Date;

“**Post Rate Observation Date**” means, with respect to an Interest Accrual Period, the date falling such number of Business Days immediately preceding the last day of such Interest Accrual Period as specified in the relevant Final Terms and each such date shall be deemed to be an Observation Date;

“**Pre Rate Observation Date**” means, with respect to an Interest Accrual Period, the date falling such number of Business Days immediately preceding the first day of such Interest Accrual Period as specified in the relevant Final Terms, and each such date shall be deemed to be an Observation Date.

- (I) **Digital Formula:** When the Digital Formula is specified in the relevant Final Terms, for an issue of Notes having a denomination of at least €100,000, 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 on the Interest Determination Date as follows:

- (a) if the Underlying Rate is within the Range on the relevant Interest Observation Date, then the following formula will apply:

$$\text{Rate of Interest} = (\text{Leverage}_A \times \text{Rate}_1 - \text{Leverage}_B \times \text{Rate}_2) \pm W$$

or;

- (b) if the Underlying Rate is not within the Range on the relevant Interest Observation Date, the Rate of Interest will be equal to the Fixed Percentage.

Where:

**“Benchmark Rate Level<sub>1</sub>”** means the rate determined on the Interest Observation Date in accordance with Condition 6(l) (*Benchmark Rate*) with variables set out in the Final Terms;

**“Benchmark Rate Level<sub>2</sub>”** means the rate determined on the Interest Observation Date in accordance with Condition 6(l) (*Benchmark Rate*) with variables set out in the Final Terms;

**“Benchmark Rate Level<sub>A</sub>”** means the rate determined on the Interest Observation Date in accordance with Condition 6(l) (*Benchmark Rate*) with variables set out in the Final Terms;

**“Benchmark Rate Level<sub>B</sub>”** means the rate determined on the Interest Observation Date in accordance with Condition 6(l) (*Benchmark Rate*) with variables set out in the Final Terms;

**“Fixed Percentage”** means, the percentage specified as such in the relevant Final Terms;

**“Interest Observation Date”** means each date falling such number of Business Days specified in the relevant Final Terms immediately preceding the first day of the relevant Interest Accrual Period. Where the Underlying Rate is an Underlying Benchmark Rate Level or an Underlying Spread Rate, each such date shall be deemed to be an Observation Date;

**“Leverage<sub>A</sub>”** means, with respect to an Interest Accrual Period, the percentage or number specified as such in the relevant Final Terms. For the avoidance of doubt, this may have a positive or a negative value or may be equal to one (1);

**“Leverage<sub>B</sub>”** means, with respect to an Interest Accrual Period, the percentage or number specified as such in the relevant Final Terms. For the avoidance of doubt, this may have a positive or a negative value or may be equal to one (1);

**“Lower Limit”** means the percentage or number specified as such in the relevant Final Terms;

**“Range”** means, any one (only) of Range<sub>1</sub>, Range<sub>2</sub>, Range<sub>3</sub>, Range<sub>4</sub>, Range<sub>5</sub> as specified in the relevant Final Terms;

**“Range<sub>1</sub>”** means that on the relevant Interest Observation Date the Underlying Rate is greater than or equal to the Lower Limit and lower than or equal to the Upper Limit;

**“Range<sub>2</sub>”** means that on the relevant Interest Observation Date the Underlying Rate is greater than the Lower Limit and lower than the Upper Limit;

**“Range<sub>3</sub>”** means that on the relevant Interest Observation Date the Underlying Rate is greater than or equal to the Lower Limit and lower than the Upper Limit;

**“Range<sub>4</sub>”** means that on the relevant Interest Observation Date the Underlying Rate is greater than the Lower Limit and lower than or equal to the Upper Limit;

**“Range<sub>5</sub>”** means that on the relevant Interest Observation Date the Underlying Rate is less than the Lower Limit or greater than the Upper Limit;

**“Rate<sub>1</sub>”** means the Benchmark Rate Level<sub>1</sub>;

**“Rate<sub>2</sub>”** means the Benchmark Rate Level<sub>2</sub>;

“**Underlying Benchmark Rate Level**” means the rate determined in accordance with Condition 6(l) (*Benchmark Rate*) with variables set out in the Final Terms;

“**Underlying Fixed Percentage**” means, the percentage specified as such in the relevant Final Terms;

“**Underlying Rate**” means the Underlying Fixed Percentage, the Underlying Benchmark Rate Level or the Underlying Spread Rate as specified in the relevant Final Terms;

“**Underlying Spread Rate**” means a percentage equal to  $\text{Benchmark Rate Level}_A$  minus  $\text{Benchmark Rate Level}_B$ ;

“**Upper Limit**” means the percentage or number specified as such in the relevant Final Terms;

“**W**” means the percentage specified as such in the relevant Final Terms.

- (J) **Product of Spread Formula:** When the Product of Spread Formula is specified in the relevant Final Terms, for an issue of Notes having a denomination of at least €100,000, 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 on the Interest Determination Date as follows:

$$\text{Rate of Interest} = \text{FixedPercentage} + (\text{Leverage}_A \times \text{BenchmarkRate}_1 - \text{Leverage}_B \times \text{BenchmarkRate}_2) \pm W$$

Where:

“**Benchmark Rate<sub>1</sub>**” means the Benchmark Rate Level<sub>1</sub>;

“**Benchmark Rate<sub>2</sub>**” means the Benchmark Rate Level<sub>2</sub>;

“**Benchmark Rate Level<sub>1</sub>**” means the rate determined on the Interest Observation Date in accordance with Condition 6(l) (*Benchmark Rate*) with variables set out in the Final Terms;

“**Benchmark Rate Level<sub>2</sub>**” means the rate determined on the Interest Observation Date in accordance with Condition 6(l) (*Benchmark Rate*) with variables set out in the Final Terms;

“**Fixed Percentage**” means the percentage specified as such in the relevant Final Terms;

“**Interest Observation Date**” means each date falling such number of Business Days specified in the relevant Final Terms immediately preceding the first day of the relevant Interest Accrual Period and each such date shall be deemed to be an Observation Date;

“**Leverage<sub>A</sub>**” means, with respect to an Interest Accrual Period, the percentage or number specified as such in the relevant Final Terms. For the avoidance of doubt, this may have a positive or a negative value or may be equal to one (1);

“**Leverage<sub>B</sub>**” means, with respect to an Interest Accrual Period, the percentage or number specified as such in the relevant Final Terms. For the avoidance of doubt, this may have a positive or a negative value or may be equal to one (1);

“**W**” means the percentage specified as such in the relevant Final Terms.

(K) **Range Accrual Formula:** When the Range Accrual Formula is specified in the relevant Final Terms, for an issue of Notes having a denomination of at least €100,000, 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 on the Interest Determination Date as follows:

$$\text{Rate of Interest} = X \times \frac{ni}{N} \text{ Where:}$$

“**Benchmark Rate Level<sub>I</sub>**” means the rate determined on the Interest Observation Date in accordance with Condition 6(l) (*Benchmark Rate*) with variables set out in the Final Terms;

“**Benchmark Rate Level<sub>A</sub>**” means the rate determined on a Range Accrual Day in accordance with Condition 6(l) (*Benchmark Rate*) with variables set out in the Final Terms;

“**Benchmark Rate Level<sub>B</sub>**” means the rate determined on a Range Accrual Day in accordance with Condition 6(l) (*Benchmark Rate*) with variables set out in the Final Terms;

“**Benchmark Rate Level<sub>C</sub>**” means the rate determined on a Range Accrual Day in accordance with Condition 6(l) (*Benchmark Rate*) with variables set out in the Final Terms;

“**Fixed Percentage**” means the percentage specified as such in the relevant Final Terms;

“**Interest Observation Date**” means the date falling such number of Business Days specified in the relevant Final Terms immediately preceding the first day of the relevant Interest Accrual Period and each such date shall be an Observation Date;

“**Interest Observation Period**” means, in respect of an Interest Accrual Period, the period from and including the date falling such number of Business Days specified in the relevant Final Terms immediately preceding the first day of the relevant Interest Accrual Period to and including the date falling such number of Business Days specified in the relevant Final Terms immediately preceding the last day of that Interest Accrual Period;

“**Lower Limit**” means, with respect to an Interest Accrual Period, the percentage or number specified as such in the relevant Final Terms;

“**Margin**” means the percentage or number specified as such in the relevant Final Terms;

“**N**” means the Interest Observation Period;

“**ni**” means the number of Range Accrual Days where the Underlying Rate is within the Range during the relevant Interest Observation Period;

“**Range**” means, with respect to an Interest Accrual Period, any one (only) of Range<sub>1</sub>, Range<sub>2</sub>, Range<sub>3</sub>, Range<sub>4</sub>, Range<sub>5</sub> as specified in the relevant Final Terms;

“**Range Accrual Day**” means, with respect to an Interest Observation Period, each date specified as a Range Accrual Day in the relevant Final Terms, which may be each date falling every one (1), seven (7), 30, 60, 90, 180 or 365 days after the first date specified in the relevant Final Terms or such other date(s) (as specified in the relevant Final Terms) falling within such Interest Observation Period, and each such date shall be deemed to be an Observation Date;

“**Range<sub>1</sub>**” means that on the relevant Range Accrual Day, the Underlying Rate is greater than or equal to the Lower Limit and lower than or equal to the Upper Limit;

“**Range<sub>2</sub>**” means that on the relevant Range Accrual Day, the Underlying Rate is greater than the Lower Limit and lower than the Upper Limit;

“**Range<sub>3</sub>**” means that on the relevant Range Accrual Day, the Underlying Rate is greater than or equal to the Lower Limit and lower than the Upper Limit;

“**Range<sub>4</sub>**” means that on the relevant Range Accrual Day, the Underlying Rate is greater than the Lower Limit and lower than or equal to the Upper Limit;

“**Ranges**” means that on the relevant Range Accrual Day, the Underlying Rate is less than the Lower Limit or greater than the Upper Limit;

“**Spread Rate**” means a percentage equal to Benchmark Rate Level<sub>B</sub> minus Benchmark Rate Level<sub>C</sub>;

“**Underlying Rate**” means, with respect to an Interest Accrual Period, the Benchmark Rate Level<sub>A</sub> or the Spread Rate specified in the relevant Final Terms;

“**Upper Limit**” means, with respect to an Interest Accrual Period, the percentage or number specified as such in the relevant Final Terms;

“**X**” means (a) a Fixed Percentage or (b) a Benchmark Rate Level<sub>I</sub> plus a Margin or (c) a Benchmark Rate Level<sub>I</sub> minus a Margin, as specified in the relevant Final Terms.

- (d) **Fixed/Floating Rate Notes:** Notes for which Change of Interest Basis is specified to be Applicable – Fixed/Floating Rate (“**Fixed/Floating Rate Notes**”) will bear interest at a rate:
- (e) if Issuer Change of Interest Basis is specified to be Applicable in the relevant Final Terms, equal to (A) if the Issuer sends a notice such number of Business Days as specified in the relevant Final Terms prior to the Switch Date in accordance with Condition 13 (Notices), the Pre Switch Rate on each Interest Determination Date falling prior to the Switch Date and equal to the Post Switch Rate on each Interest Determination Date falling on or after the Switch Date, or (B) if the Issuer does not send a valid notice in accordance with this Condition 5(d) (Fixed/Floating Rate Notes), equal to the Pre Switch Rate; or
- (f) if Automatic Change of Interest Basis is specified to be Applicable in the relevant Final Terms, (A) equal to the Pre Switch Rate on each Interest Determination Date falling prior to (and excluding) the Switch Date and (B) equal to the Post Switch Rate on each Interest Determination Date falling on or after the Switch Date.

Where:

“**Pre Switch Rate**” means the Rate of Interest determined (i) in accordance with Condition 5(b) (*Interest on Fixed Rate Notes*), as though the Note was a Fixed Rate Note, or (ii) in accordance with Condition 5(c) (*Interest on Floating Rate Notes, Inflation Linked Notes and Formula Linked Notes*), as though the Note was a Floating Rate Note or (iii) only in the case of Notes having a denomination of at least €100,000, in accordance with Condition 5(c)(v)(J) (*Product of Spread Formula*) as though the Note was a Formula Linked Note linked to a Product of Spread Formula, as specified as such in the relevant Final Terms.

“**Post Switch Rate**” means the Rate of Interest determined (i) in accordance with Condition 5(b) (*Interest on Fixed Rate Notes*), as though the Note was a Fixed Rate Note, or (ii) in accordance with Condition 5(c) (*Interest on Floating Rate Notes, Inflation Linked Notes and Formula Linked Notes*), as though the Note was a Floating Rate Note or (iii) only in the case of Notes having a denomination of at least €100,000, in accordance with Condition 5(c)(v)(J) (*Product of Spread Formula*) as though the Note was a Formula Linked Note linked to a Product of Spread Formula, as specified as such in the relevant Final Terms.

“**Switch Date**” means the date specified as such in the relevant Final Terms.

- (g) **Zero Coupon Notes:** No amount of interest will accrue or become payable on a Note where the Interest Basis of which is specified to be Zero Coupon (a “**Zero Coupon Note**”), provided that: (i) as from the Maturity Date (or the Extended Maturity Date, if any), 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 6(g)(i) (*Zero Coupon Notes*)); and (ii) in relation to a Resettable Zero Coupon Note (A) interest will accrue and become payable subject to Condition 5(f) (*Resettable Zero Coupon Notes*) and (B) the Rate of Interest for any overdue principal of such Note shall bear a rate per annum (expressed as a percentage) equal to the Default Rate (as specified in the relevant Final Terms).
- (h) **Resettable Zero Coupon Notes:** When “Resettable” is specified as applicable in the relevant Final Terms for an issue of Zero Coupon Notes having a denomination of at least €100,000 (“**Resettable Zero Coupon Notes**”), if the Issuer delivers a valid Reset Notice prior to the Reset Expiry Date, with effect from the relevant Reset Date, each Zero Coupon Note will be reset on such Reset Date as follows:
- (i) the Issuer shall pay on such Reset Date to the holder of each such Note an amount of interest equal to the relevant Reset Interest Amount;
- (ii) the Final Redemption Amount will be modified as set out in Condition 6(c) (*Final Redemption of Resettable Zero Coupon Notes*).

Where:

“**Maximum Number of Reset Dates**” means, with respect to a Note, the maximum number of dates that may be validly designated by the Issuer as Reset Dates pursuant to Reset Notices, as specified as such in the relevant Final Terms;

“**Reset Date**” means each date falling such number of years after the Issue Date, as specified as such in the relevant Final Terms, subject to a Maximum Number of Reset Dates;

“**Reset Expiry Date**” means, with respect to a Reset Date, the date falling such number of Business Days falling immediately preceding such Reset Date, as specified in the relevant Final Terms;

“**Reset Interest Amount**” means, with respect to each Note, an amount equal to:

$$Nominal \times [(1 + X\%)^{(N-n)} - 1]$$

Where:

“**N**” means the year in which the Reset Date is validly designated by the Issuer pursuant to a Reset Notice. For instance, if the relevant Reset Date falls three years after the Issue Date, N=3;

“**n**” means the year in which a Reset Date has been last validly designated by the Issuer pursuant to a Reset Notice. For instance, (i) if the Reset Date has never been validly designated by the Issuer, n=0 and (ii) if the Reset Date has been validly designated twice by the Issuer, on the dates falling one and two years after the Issue Date, n=2;

“**Nominal**” means the outstanding nominal amount of the Note;

“**X%**” means the fixed rate specified as such in the relevant Final Terms.

“**Reset Notice**” means an irrevocable written notice given by the Issuer to the holders of the Notes in accordance with Condition 13 (*Notices*) designating the next following Reset Date as the date on which the Notes will be reset in accordance with this Condition 5(f) (*Resettable Zero Coupon Notes*).

- (i) **Zero Coupon/ Fixed Rate Notes:** Notes for which Change of Interest Basis is specified to be Applicable – Zero Coupon/Fixed Rate in the relevant Final Terms for an issue of Notes having a denomination of at least €100,000 (“**Zero Coupon/ Fixed Rate Notes**”), such Notes will be Zero Coupon Notes, subject to the delivery of a valid Switch Notice by the Issuer. If the Issuer delivers a valid Switch Notice on or prior to the Switch Expiry Date:

- (i) on the relevant Switch Date, the Issuer shall pay to the holder of each Note an amount of interest equal to the Switch Interest Amount; and
- (ii) from and including the relevant Switch Date, each Note will cease to be a Zero Coupon Note and will bear interest at the Post Switch Rate.

Where:

“**Post Switch Rate**” means the Rate of Interest determined in accordance with Condition 5(b) (*Interest on Fixed Rate Notes*), as though it were a Fixed Rate Note and as specified as such in the relevant Final Terms;

“**Switch Date**” means each date falling such number of years after the Issue Date as is specified in the relevant Final Terms;

“**Switch Expiry Date**” means, with respect to a Switch Date, the date falling such number of Business Days falling immediately preceding such Switch Date, as specified in the relevant Final Terms;

“**Switch Interest Amount**” means, with respect to each Note, an amount equal to:

$$Nominal \times [(1 + X\%)^N - 1]$$

Where:

“**N**” means the year in which the Switch Date is validly designated by the Issuer pursuant to a Switch Notice. For instance, if the relevant Switch Date falls three years after the Issue Date, N=3;

“**Nominal**” means the outstanding nominal amount of the Note;

“**X%**” means the fixed rate specified as such in the relevant Final Terms.

“**Switch Notice**” means an irrevocable written notice given by the Issuer to the holders of the Notes in accordance with Condition 13 (*Notices*) designating the next following Switch Date as the date on which the Notes, *inter alia*, will, in accordance with this Condition 5(g) (*Zero Coupon/ Fixed Rate Notes*), start to bear interest as though they were Fixed Rate Notes.

- (j) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue or in the case of Zero Coupon Notes (other than a Resettable Zero Coupon Note), shall accrue (in each case, before as well as after judgment) at the Rate of Interest or as the Default Rate (as the case may be) in the manner provided in this Condition 5 (*Interest and other Calculations*) to the Relevant Date.
- (k) **Margin, Maximum/Minimum Rates of Interest/Final Redemption Amount/Optional Redemption Amounts and Rounding:**
  - (i) In relation to Floating Rate Notes only, if any Margin is specified in the relevant Final Terms (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 (c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin subject always to the next paragraph.
  - (ii) If any Maximum or Minimum Rate of Interest, Final Redemption Amount or Optional Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest, Final Redemption Amount or Optional Redemption Amount shall be subject to such maximum or minimum, as the case may be. For the avoidance of doubt, the Maximum or Minimum Rate of Interest specified in the relevant Final Terms may be:
    - (x) a Fixed Percentage; or

(y) a Variable Rate, as specified in the relevant Final Terms,

where:

“**Benchmark Rate Level**” means the rate determined in accordance with Condition 6(l) (*Benchmark Rate*) with variables set out in the Final Terms;

“**Fixed Percentage**” means, with respect to an Interest Accrual Period, the percentage for the relevant Interest Accrual Period, as specified in the relevant Final Terms;

“**Margin**” means, with respect to an Interest Accrual Period, the percentage or number for the relevant Interest Accrual Period as specified in the relevant Final Terms. For the avoidance of doubt, this may have a positive or a negative value or may be equal to zero (0).

“**Variable Rate**” means a rate determined in accordance with the following formula:

$$\text{Variable Rate} = \text{Benchmark Rate Level} + \text{Margin}$$

The Maximum or Minimum Final Redemption Amount or Optional Redemption Amount will be the amount(s) specified as such in the relevant Final Terms.

(iii) For the purposes of any calculations required pursuant to these Conditions, (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes “**unit**” means the lowest amount of such currency that is available as legal tender in the country of such currency.

(l) **Calculations:** The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount is specified in respect of such period in the relevant Final Terms, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods. 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.

(m) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts and Optional Redemption Amounts:** The Calculation Agent shall, as soon as practicable 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, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount or Optional Redemption 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 or Optional Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the holders of Notes, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed and admitted on a Regulated Market and the rules of such Regulated Market so require, such Regulated Market as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii) (*Business Day Convention*), 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. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (n) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid. So long as the Notes are listed and admitted to trading on any Regulated Market and the rules of, or applicable to, that Regulated Market so require, notice of any change of Calculation Agent shall be given in accordance with Condition 13 (*Notices*).

For the purpose of these Conditions, “**outstanding**” means, in relation to the Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid (i) in the case of Dematerialised Notes in bearer dematerialised form and in administered registered dematerialised form, to the relevant Account Holder on behalf of the holder of Notes, (ii) in the case of Dematerialised Notes in fully registered dematerialised form, to the account of the holder of Notes and (iii) in the case of Materialised Notes, to the Fiscal Agent and remain available for payment against presentation and surrender of Bearer Materialised Notes, and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in these Conditions, (e) in the case of Materialised Notes (i) those mutilated or defaced Bearer Materialised Notes that have been surrendered in exchange for replacement Bearer Materialised Notes, (ii) (for the purpose only of determining how many such Bearer Materialised Notes are outstanding and without prejudice to their status for any other purpose) those Bearer Materialised Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Bearer Materialised Notes have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more definitive Bearer Materialised Notes, pursuant to its provisions.

(o) **Rate Switch and Rate Lock-In Options:**

- (i) If Issuer Rate Switch Option is specified as applicable in the relevant Final Terms, the Issuer shall have the right to deliver a Rate Switch Notice such number of Business Days as is specified in the relevant Final Terms prior to the Switch Date. If the Rate Switch Notice is validly delivered, on each Interest Determination Date falling on or after the Switch Date, the Rate of Interest in respect of all Notes (and not some only) for the relevant Interest Accrual Period will be the Post Switch Rate as determined by the Calculation Agent (the “**Issuer Rate Switch**”).

A Rate Switch Notice (a) may only be validly delivered once during the life of the Notes and (b) may be validly delivered after the occurrence of a Rate Lock-In.

Where:

“**Post Switch Rate**” means (i) the Rate of Interest determined in accordance with Condition 5(b) (*Interest on Fixed Rate Notes*), as though the Note was a Fixed Rate Note or (ii) the Rate of Interest determined in accordance with Condition 5(c) (*Interest on Floating Rate Notes*),

*Inflation Linked Notes and Formula Linked Notes*), as though the Note was a Floating Rate Note, in each case as specified as such in the relevant Final Terms;

“**Rate Lock-In**” has the meaning set out in Condition 5(m)(ii);

“**Rate Switch Notice**” means an irrevocable written notice given by the Issuer to the holders of the Notes in accordance with Condition 13 (*Notices*) informing such holders of the Issuer Rate Switch; and

“**Switch Date**” means the date specified as such in the relevant Final Terms.

- (ii) If Rate Lock-In is specified as applicable in the relevant Final Terms and, on any Interest Observation Date, a Rate Lock-In occurs, from and including the relevant Interest Determination Date, the Rate of Interest for the relevant Interest Accrual Period and every Interest Accrual Period falling thereafter will be determined by the Calculation Agent as (a) Benchmark Rate Level<sub>A</sub> plus a Margin or (b) Benchmark Rate Level<sub>A</sub> minus a Margin, as specified in the relevant Final Terms.

A Rate Lock-In (I) may only occur once during the life of the Notes and (II) may not occur once an Issuer Rate Switch has occurred.

The Issuer shall, as soon as reasonably practical following the occurrence of a Rate Lock-In, deliver a Rate Lock-In Notice.

Where:

“**Barrier**” means the percentage specified as such in the relevant Final Terms;

“**Benchmark Rate Level<sub>A</sub>**” means the rate determined on the Interest Observation Date in accordance with Condition 6(l) (*Benchmark Rate*) with variables set out in the relevant Final Terms;

“**Interest Observation Date**” means each date falling such number of Business Days specified in the relevant Final Terms immediately preceding the first day of the relevant Interest Accrual Period and each such date shall be deemed to be an Observation Date;

“**Margin**” means the percentage or number specified in the relevant Final Terms;

“**Rate Lock-In**” means the first Interest Observation Date on which the Rate of Interest is equal to or greater than the Barrier; and

“**Rate Lock-In Notice**” means a written notice given by the Issuer to the holders of the Notes in accordance with Condition 13 (*Notices*) informing such holders of the occurrence of a Rate Lock-In.

## 6 Redemption, Purchase and Options

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any option provided by the relevant Final Terms in accordance with the paragraph below, each Note (other than an Inflation Linked Note for which Inflation Linked Note – Inflation Redemption is applicable) shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount.

For the purposes of this Condition 6(a) (*Final Redemption*), “**Final Redemption Amount**” means:

- (i) if ‘Redemption at par’ is specified in the relevant Final Terms, 100 per cent. of the nominal amount of the Note;
- (ii) if ‘Variable Zero Coupon Redemption’ is specified in the relevant Final Terms, the Final Redemption Amount determined in accordance with Condition 6(b) (*Variable Zero Coupon Redemption*);

(iii) in relation to Resettable Zero Coupon Notes, the Final Redemption Amount determined in accordance with Condition 6(c) (*Final Redemption of Resettable Zero Coupon Notes*),

subject in any case, to any maximum or minimum specified in the relevant Final Terms as provided in Condition 5(i) (*Margin, Maximum/Minimum Rates of Interest/Final Redemption Amount/Optional Redemption Amounts and Rounding*).

An extended final maturity date (the “**Extended Maturity Date**”) may be specified in the Final Terms of a Series of Notes (the “**Extendible Notes**”). If an Extended Maturity Date is specified in the Final Terms of any Series of Notes and the Final Redemption Amount is not paid by the Issuer on the Maturity Date specified in the relevant Final Terms, such payment of unpaid amount will be automatically deferred and shall be due and payable on the Extended Maturity Date, provided that the Final Redemption Amount unpaid on the Maturity Date may be paid by the Issuer on any Interest Payment Date occurring thereafter up to and including the Extended Maturity Date. Interest from (and excluding) the Maturity Date and up to (and including) the Extended Maturity Date will be specified in the applicable Final Terms, will accrue on any unpaid principal amount during such extended period and be payable on each Interest Payment Date and on the Extended Maturity Date (if not earlier redeemed on an Interest Payment Date) in accordance with these Conditions and the Final Terms of such Series of Extendible Notes.

- (b) **Variable Zero Coupon Redemption:** When Variable Zero Coupon Redemption is specified in the relevant Final Terms, for an issue of Notes having a denomination of at least €100,000, as the manner in which the Final Redemption Amount or the Optional Redemption Amount is to be determined, the Final Redemption Amount or the Optional Redemption Amount, as the case may be, will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Final Redemption Amount or Optional Redemption Amount} = \text{Reference Price} \times \left\{ \prod_{n=1}^N (1 + \text{Rate}_n) \right\} \times \text{nominal amount of the Notes}$$

where:

“**II**” means the multiplication of each of the values which follow in brackets;

“**Benchmark Rate Level<sub>1</sub>**” means the rate determined in accordance with Condition 6(l) (*Benchmark Rate*) with variables set out in the Final Terms;

“**Benchmark Rate Level<sub>2</sub>**” means the rate determined in accordance with Condition 6(l) (*Benchmark Rate*) with variables set out in the Final Terms;

“**Benchmark Rate Level<sub>3</sub>**” means the rate determined in accordance with Condition 6(l) (*Benchmark Rate*) with variables set out in the Final Terms;

“**Benchmark Rate Level<sub>4</sub>**” means the rate determined in accordance with Condition 6(l) (*Benchmark Rate*) with variables set out in the Final Terms;

“**Cap**” means the Fixed Cap or Floating Cap, as specified in the relevant Final Terms, which designates the maximum rate which can apply to the relevant calculation;

“**Fixed Cap**” means, with respect to a Redemption Calculation Period, the percentage for the relevant Redemption Calculation Period as specified in the relevant Final Terms;

“**Fixed Floor**” means, with respect to a Redemption Calculation Period, the percentage for the relevant Redemption Calculation Period as specified in the relevant Final Terms;

“**Fixed Percentage<sub>1</sub>**” means, with respect to a Redemption Calculation Period, the percentage for the relevant Redemption Calculation Period as specified in the relevant Final Terms;

“**Fixed Percentage<sub>2</sub>**” means, with respect to a Redemption Calculation Period, the percentage for the relevant Redemption Calculation Period as specified in the relevant Final Terms;

“**Floating Cap**” means the rate determined in accordance with the following formula:

$$\text{Floating Cap} = \text{Benchmark Rate Level}_3 + \text{Margin}_2$$

“**Floating Floor**” means the rate determined in accordance with the following formula:

$$\text{Floating Floor} = \text{Benchmark Rate Level}_4 + \text{Margin}_3$$

“**Floating Redemption Percentage**” means, subject to any Cap or Floor, the rate determined in accordance with the following formula:

$$\text{Floating Redemption Percentage} = \text{Benchmark Rate Level}_1 + \text{Margin}_1$$

“**Floor**” means the Fixed Floor or Floating Floor, as specified in the relevant Final Terms, which designates the minimum rate which can apply to the relevant calculation;

“**Margin<sub>1</sub>**” means, with respect to a Redemption Calculation Period, the percentage or number for the relevant Redemption Calculation Period as specified in the relevant Final Terms. For the avoidance of doubt, this may have a positive or a negative value or may be equal to zero (0).

“**Margin<sub>2</sub>**” means, with respect to a Redemption Calculation Period, the percentage or number for the relevant Redemption Calculation Period as specified in the relevant Final Terms. For the avoidance of doubt, this may have a positive or a negative value or may be equal to zero (0).

“**Margin<sub>3</sub>**” means, with respect to a Redemption Calculation Period, the percentage or number for the relevant Redemption Calculation Period as specified in the relevant Final Terms. For the avoidance of doubt, this may have a positive or a negative value or may be equal to zero (0).

“**N**” means the number of Redemption Calculation Periods from the Reference Date to the Maturity Date, the Extended Maturity Date or the Optional Redemption Date, as the case may be;

“**Optional Redemption Date**” means each date (if any) specified as such in the relevant Final Terms;

“**Rate<sub>n</sub>**” means, with respect to a Redemption Calculation Period, the Fixed Percentage<sub>1</sub>, Floating Redemption Percentage or Reverse Floater Redemption Percentage for the relevant Redemption Calculation Period, as specified in the relevant Final Terms;

“**Redemption Calculation Date**” means each date specified as such in the relevant Final Terms, and each such date shall be deemed to be an ‘Observation Date’ for the purposes of Condition 6(l) (*Benchmark Rate*);

“**Redemption Calculation Period**” means the period beginning on (and including) the Reference Date and ending on (but excluding) the first Redemption Calculation Date and each successive period beginning on (and including) a Redemption Calculation Date and ending on (but excluding) the next succeeding Redemption Calculation Date, provided that for the purposes of determining the Optional Redemption Amount, the last Redemption Calculation Date shall be the date falling such number of Business Days (as specified in the relevant Final Terms) prior to the Optional Redemption Date;

“**Reference Date**” means the Issue Date or such other date falling prior to the Issue Date and specified as such in the relevant Final Terms;

“**Reference Price**” means the percentage specified as such in the relevant Final Terms;

“**Reverse Floater Redemption Percentage**” means, subject to any Cap or Floor, the rate determined in accordance with the following formula:

$$\text{Reverse Floater Redemption Percentage} = \text{Fixed Percentage}_2 - \text{Benchmark Rate Level}_2$$

(c) **Final Redemption of Resettable Zero Coupon Notes:** In respect of each Resettable Zero Coupon Note, the Final Redemption Amount will be calculated as follows:

(i) if no Reset Date has been validly designated by the Issuer pursuant to Condition 5(f) (*Resettable Zero Coupon Notes*),

$$\text{Final Redemption Amount} = \text{Nominal} \times [(1 + X\%)^M - 1]$$

Where:

“**M**” means the number specified as such in the relevant Final Terms and corresponding to the number of years from the Issue Date to the Maturity Date (or the Extended Maturity Date, if any). For instance, if the Maturity Date falls 10 years after the Issue Date, M=10;

“**Nominal**” means the outstanding nominal amount of the Note;

“**X%**” means the fixed rate specified as such in the relevant Final Terms.

- (ii) if one or more Reset Dates have been validly designated by the Issuer pursuant to Condition 5(f) (*Resettable Zero Coupon Notes*),

$$\text{Final Redemption Amount} = \{ \text{Nominal} \times [(1 + X\%)^M - 1] \} - \text{RIA}$$

Where:

“**M**” means the number of years from the Issue Date to the Maturity Date (or the Extended Maturity Date, if any). For instance, if the Maturity Date falls 10 years after the Issue Date, M=10;

“**Nominal**” means the outstanding nominal amount of the Note;

“**RIA**” means the aggregate Reset Interest Amounts paid by the Issuer prior to the Maturity Date (or the Extended Maturity Date, if any);

“**X%**” means the fixed rate specified as such in the relevant Final Terms.

For the purposes of this Condition 6(c), Reset Date has the meaning set out in Condition 5(f) (*Resettable Zero Coupon Notes*).

- (d) **Final Redemption of Inflation Linked Notes:** If Inflation Linked Notes is specified in the relevant Final Terms, the Final Redemption Amount in respect of Inflation Linked Notes will (i) if Inflation Linked Notes – Redemption at par is applicable, be calculated in accordance with Condition 6(a)(i) (*Final Redemption*), or (ii) if Inflation Linked Notes – Inflation Redemption is applicable, be determined by the Calculation Agent in accordance with the following formula:

$$\text{Final Redemption Amount} = \text{IIR} \times \text{nominal amount of the Notes}$$

If the Final Redemption Amount calculated as set out above is below par, the Notes will be redeemed at par.

For the purposes of this Condition 6(d) (*Final Redemption of Inflation Linked Notes*) only, “**IIR**” means the ratio determined on the date falling such number of Business Days (as specified in the relevant Final Terms) before the Maturity Date (or the Extended Maturity Date, if any) between (i) if the CPI is specified as the Index applicable in the Final Terms, the CPI Daily Inflation Reference Index (as defined in Condition 5(c)(iv)(A) (*Consumer Price Index (CPI)*)) on the Maturity Date (or the Extended Maturity Date, if any) and the Base Reference on the date specified in the relevant Final Terms or (ii) if the HICP is specified as the Index applicable in the Final Terms, the HICP Daily Inflation Reference Index (as defined in Condition 5(c)(iv)(B) (*Harmonised Index of Consumer Prices (HICP)*)) on the Maturity Date (or the Extended Maturity Date, if any) and the Base Reference on the date specified in the relevant Final Terms.

- (e) **Redemption at the Option of the Issuer and Partial Redemption:** If a Call Option is specified in the relevant Final Terms (a “**Call Option**”), the Issuer may, on giving not less than five (5) nor more than 30 days’ irrevocable notice in accordance with Condition 13 (*Notices*) to the holders of Notes (or such other notice period as may be specified in the relevant Final Terms) redeem, all or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption, if any.

For the purposes of Condition 6 (*Redemption, Purchase and Options*), “**Optional Redemption Amount**” means:

- (i) if 'Redemption at par' is specified in the relevant Final Terms, 100 per cent. of the nominal amount of the Note;
- (ii) if 'Zero Coupon Redemption' is specified in the relevant Final Terms, the Optional Redemption Amount determined in accordance with Condition 6(g)(i) (*Zero Coupon Notes*),
- (iii) if 'Variable Zero Coupon Redemption' is specified in the relevant Final Terms, the Optional Redemption Amount determined in accordance with Condition 6(b) (*Variable Zero Coupon Redemption*),
- (iv) if 'Inflation Linked Notes – Inflation Redemption' is specified in the relevant Final Terms, the Optional Redemption Amount determined in accordance with Condition 6(g)(ii) (*Inflation Linked Notes*),

subject in any case, to any maximum or minimum specified in the relevant Final Terms as provided in Condition 5(i) (*Margin, Maximum/Minimum Rates of Interest/Final Redemption Amount/Optional Redemption Amounts and Rounding*).

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

In the case of a partial redemption of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the numbers of the Definitive Materialised Notes to be redeemed which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange requirements of the Regulated Market on which the Notes are listed and admitted to trading.

In the case of a partial redemption of Dematerialised Notes, the redemption may be effected, at the option of the Issuer, by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed, subject to compliance with any other applicable laws and stock exchange requirements of the Regulated Market on which the Notes are listed and admitted to trading.

So long as the Notes are listed and admitted to trading on Euronext Paris and the rules applicable to that Stock Exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation in the city where the Regulated Market on which such Notes are listed and admitted to trading is located, which in the case of Euronext Paris is expected to be *Les Echos*, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes a list of any Materialised Notes, drawn for redemption but not surrendered.

For the avoidance of doubt, a Call Option shall not apply in relation to Resettable Zero Coupon Notes.

- (f) **Redemption at the Option of Noteholders and Exercise of Noteholders' Options:** If Put Option is specified in the relevant Final Terms (a "**Put Option**"), the Issuer shall, at the option of any Noteholder, upon the Noteholder giving not less than 10 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) (the "**Notice Period**") redeem all or, if so provided in the Put Option Notice, some of the Notes on any Optional Redemption Date(s) at their Optional Redemption Amounts (as defined in Condition 6(e) (*Redemption at the Option of the Issuer and Partial Redemption*)) together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit with the Paris Paying Agent at its specified office, and whichever of Euroclear, Clearstream, or, in the case of Notes held through Euroclear France, the relevant Account Holder who holds the Notes in respect of which the Put Option is being exercised, with a copy to the Fiscal Agent, a duly completed option exercise notice ("**Put Option Notice**") in the form obtainable from any Paying Agent within the Notice Period. In the case of Materialised Notes, the Put Option Notice shall have attached to it the relevant Notes (together with all unmatured Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Fiscal Agent or the Paying

Agent with a specified office in Paris as specified in the Put Option Notice. No option so exercised and, where applicable, no Note so deposited or transferred, may be withdrawn without the prior consent of the Issuer.

For the avoidance of doubt, a Put Option shall not apply in relation to Resettable Zero Coupon Notes.

(g) **Optional Redemption:**

(i) **Zero Coupon Notes:**

- (A) The Optional Redemption Amount payable in respect of any Zero Coupon Note (other than a Resettable Zero Coupon Note and a Zero Coupon Note in respect of which Variable Zero Coupon Redemption is specified to apply in the relevant Final Terms) shall be the Amortised Nominal Amount (calculated as provided below) of such Note.
- (B) Subject to the provisions of sub-paragraph (C) below, the “**Amortised Nominal Amount**” of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date (or the Extended Maturity Date, if any) discounted back to the due date for payment at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Optional Redemption Amount payable in respect of any such Note is not paid when due, the Optional Redemption Amount due and payable in respect of such Note shall be the Amortised Nominal Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the reference therein to the “due date for payment” was replaced by a reference to the Relevant Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date (or the Extended Maturity Date, if any), in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date (or the Extended Maturity Date, if any) together with any interest that may accrue in accordance with Condition 5(e) (*Zero Coupon Notes*).

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 as provided in the relevant Final Terms.

(ii) **Inflation Linked Notes:**

- (A) If the relevant Final Terms provides that Condition 6(g)(ii) (*Inflation Linked Notes*) shall apply in respect of Inflation Linked Notes, the Optional Redemption Amount of such Notes in respect of such Notes, as the case may be, will be determined by the Calculation Agent on the following basis:

“**Optional Redemption Amount**” = IIR x nominal amount of the Notes

For the purpose of this Condition only, “**IIR**” means the ratio determined on the fifth Business Day before the date set for redemption between (i) if the CPI is specified as the Index applicable in the Final Terms, the CPI Daily Inflation Reference Index (as defined in Condition 5(c)(iv)(A) (*Consumer Price Index (CPI)*)) on the date set for redemption and the Base Reference specified in the relevant Final Terms or (ii) if the HICP is specified as the Index applicable in the Final Terms, the HICP Daily Inflation Reference Index (as defined in Condition 5(c)(iv)(B) (*Harmonised Index of Consumer Prices (HICP)*)) on the date set for redemption and the Base Reference specified in the relevant Final Terms.

If the Optional Redemption Amount calculated as set out above is below par, the Notes will be redeemed at par.

- (B) If the Inflation Linked Notes (whether or not Condition 6(g)(ii) (*Inflation Linked Notes*) applies) fall to be redeemed for whatever reason before the Maturity Date (or the Extended Maturity Date, if any), the Issuer will pay the Optional Redemption Amount together with interest accrued to the date set for redemption. Such accrued interest will be calculated by the Calculation Agent in respect of the period from, and including the immediately preceding Interest Payment Date or, as the case may be, the Interest Commencement Date to, but excluding, the date set for redemption of such Notes at a rate per annum on the basis of the provisions of Condition 5(c)(iv) (*Rate of Interest for Inflation Linked Notes*) above except that, for such purposes the relevant Interest Determination Date shall be the fifth Business Day prior to the relevant Optional Redemption Date.
- (h) **No Redemption for Taxation Reasons:** If French law should require that payments of principal or interest in respect of any Note be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, such Notes may not be redeemed early.
- (i) **Purchases:** The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price, in accordance with applicable laws and regulations. Unless the possibility of holding and reselling is expressly excluded in the Final Terms, all Notes so purchased by the Issuer may be held and resold in accordance with Article L.213-0-1 of the French *Code monétaire et financier*.
- (j) **Cancellation:** All Notes purchased for cancellation by or on behalf of the Issuer will forthwith be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Notes, by surrendering the Definitive Materialised Notes in question together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.
- (k) **Subscription and use as collateral:** Notwithstanding this Condition 6 (*Redemption, Purchase and Options*), the Issuer may, pursuant to Article L. 513-26 of the French *Code monétaire et financier*, subscribe its own Notes for the sole purpose of pledging them as collateral for the credit operations of the *Banque de France* in accordance with the procedures and conditions laid out by it for its monetary policy and intraday credit operations, in instances where the Issuer is unable to meet its cash-flow needs with other means available to it.
- (l) **Benchmark Rate:** Each Benchmark Rate Level shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified to apply in the relevant Final Terms.

(A) ISDA Determination

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Benchmark Rate Level is to be determined in respect of a Benchmark Rate on any Observation Date, such Benchmark Rate shall be the rate determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this Condition 6(l)(A) (*ISDA Determination*), “**ISDA Rate**” 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:

- (a) the Floating Rate Option is as specified in the relevant Final Terms
- (b) the Designated Maturity is a period specified in the relevant Final Terms and

- (c) the relevant Reset Date is the first day of that Interest Accrual Period or such other date as specified in the relevant Final Terms.

For the purposes of this Condition 6(l)(A) (*ISDA Determination*), “**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

- (a) where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Benchmark Rate Level is to be determined in respect of a Benchmark Rate on any date of determination, such Benchmark Rate shall, subject as provided below, be either:

- (i) the offered quotation; or
- (ii) the arithmetic mean (rounded if necessary in accordance with Condition 5(i) (*Margin, Maximum/Minimum Rates of Interest/Final Redemption Amount/Optional Redemption Amounts and Rounding*)) of the offered quotations,

(expressed as a percentage rate per annum) for the Benchmark Rate which appears or appear, as the case may be, on the Relevant Screen Page at the Relevant Screen Page Time on the relevant date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations;

- (b) if the Relevant Screen Page is not available or, if sub-paragraph (a)(i) applies and no such offered quotation appears on the Relevant Screen Page or, if sub-paragraph (a)(ii) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Benchmark Rate at the Relevant Screen Page Time on the relevant date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Benchmark Rate Level for the relevant date shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (c) if on any Observation Date one only or none of the Reference Banks are providing offered quotations, subject as provided below, the Benchmark Rate Level shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at the Relevant Screen Page Time, deposits in the Specified Currency for a period equal to that which would have been used for the Benchmark Rate by leading banks in the Relevant Inter-Bank Market, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Benchmark Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Benchmark Rate, at which, at the Relevant Screen Page Time, on the relevant date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in the Relevant Inter-Bank Market, provided that, if the Benchmark Rate Level cannot be determined in accordance with the foregoing

provisions of this paragraph, the Benchmark Rate Level shall be determined as at the last preceding date of determination.

Where:

“**Benchmark Rates**” and “**Benchmark Rate**” means each of the rates or the rate specified as such in the relevant Final Terms;

“**Benchmark Rate Level**” means, in respect of a Benchmark Rate and any date of determination, the rate determined for such Benchmark Rate in accordance with this Condition in respect of such date of determination;

“**ISDA Definitions**” means the 2006 ISDA Definitions, as amended and supplemented and published by the International Swaps and Derivatives Association, Inc. (or as otherwise specified in the relevant Final Terms);

“**Observation Date**” means each date specified as an Observation Date in the relevant Final Terms or otherwise deemed to be an Observation Date in accordance with the Terms and Conditions;

“**Reference Banks**” means, (i) in the case of a determination of LIBOR, the principal London office of four (4) major banks in the London inter-bank market; (ii) in the case of a determination of EURIBOR, the principal Euro-zone office of four (4) major banks in the Euro-zone inter-bank market; and (iii) in the case of a determination of any other Benchmark Rate, the principal office of four (4) major banks in the manner specified in the relevant Final Terms, in each case selected by the Principal Paying Agent or as specified in the relevant Final Terms;

“**Relevant Inter-Bank Market**” means the London inter-bank market in the case of LIBOR, or EURO-zone inter-bank market in the case of EURIBOR or such other inter-bank market specified as such in the relevant Final Terms;

“**Relevant Screen Page**” means the screen page specified as such in the relevant Final Terms;

“**Relevant Screen Page Time**” means 11:00 a.m. (London time, in the case of LIBOR, or Brussels time in the case of EURIBOR) or such other time specified as such in the relevant Final Terms; and

“**Specified Currency**” means the currency specified as such in the relevant Final Terms.

## **7 Payments and Talons**

- (a) **Dematerialised Notes:** Payments of principal and interest in respect of Dematerialised Notes shall (in the case of Dematerialised Notes in bearer dematerialised form or administered registered dematerialised form) be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the holders of Notes and, (in the case of Dematerialised Notes in fully registered dematerialised form), to an account denominated in the relevant currency with a Bank designated by the relevant holder of Notes. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.
- (b) **Materialised Notes:** Payments of principal and interest in respect of Materialised Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Materialised Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(v) (*Unmatured Coupons and unexchanged Talons*) or Coupons (in the case of interest, save as specified in Condition 7(f)(v) (*Unmatured Coupons and unexchanged Talons*), 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 holder, by transfer to an account denominated in such currency with a Bank.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Materialised Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such

Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

- (d) **Payments Subject to Fiscal Laws:** All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in any jurisdiction, but without prejudice to the provisions of Condition 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or law implementing an intergovernmental approach thereto. 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 Paying Agents, the Calculation Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent initially appointed by the Issuer and their respective specified offices are listed at the end of the Base Prospectus relating to the Programme of the Notes of the Issuer. The Fiscal Agent, the Paying Agents, the Redenomination Agent, the Consolidation Agent and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case such, do not assume any obligation or relationship of agency for any holder of Note or Coupon. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) Paying Agents having specified offices in at least two major European cities (including Paris so long as the Notes are listed and admitted to trading on Euronext Paris) (v), in the case of Dematerialised Notes in fully registered form, a Registration Agent, (vi) a Paying Agent with a specified office in a European Union member State other than Austria so long as Austria will be obliged to withhold or deduct tax pursuant to provisions of the Directive 2003/48/EC as maintained by the Council Directive (EU) 2015/2060 or any other directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such directive, and (vii) such other agents as may be required by the rules applicable to any other stock exchange on which the Notes may be listed.

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

On a redenomination of the Notes of any Series pursuant to Condition 1(d) (*Redenomination*) with a view to consolidating such Notes with one or more other Series of Notes, in accordance with Condition 12 (*Further Issues and Consolidation*), the Issuer shall ensure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such Notes and such other Series of Notes to be so consolidated with such Notes.

Notice of any such change or any change of any specified office shall promptly be given to the holders of Notes in accordance with Condition 13 (*Notices*).

- (f) **Unmatured Coupons and unexchanged Talons:**
- (i) Upon the due date for redemption of Materialised Notes which comprise Fixed Rate Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Amortised Nominal Amount or

Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9 (*Prescription*)).

- (ii) Upon the due date for redemption of any Materialised Note comprising a Floating Rate Note, unmatured 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 Materialised Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Materialised Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Materialised 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.
- (v) If the due date for redemption of any Materialised 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 definitive Materialised Note. Interest accrued on a Materialised Note that only bears interest after its Maturity Date (or the Extended Maturity Date, if any) shall be payable on redemption of such Materialised Note against presentation (and surrender if appropriate) of the relevant definitive Materialised 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 Materialised Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9 (*Prescription*)).
- (h) **Business Days for payment:** If any date for payment in respect of any Note 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) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) in such jurisdictions as shall be specified as “**Financial Centres**” in the relevant Final Terms and (C) (i) in the case of a payment in a currency other than Euro, where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) in the case of a payment in Euro, which is a TARGET Business Day.
- (i) **Bank:** For the purpose of this Condition 7 (*Payments and Talons*), “**Bank**” means a bank in the principal financial centre of the relevant currency or, in the case of Euro, in a city in which banks have access to the TARGET System.

## 8 Taxation

- (a) **Tax exemption:** All payments of principal, interest and other assimilated revenues by or on behalf of the Issuer in respect of the Notes or Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

- (b) **No Additional Amounts:** If French law should require that payments of principal or interest and other assimilated revenues in respect of any Note, or any Receipt or Coupon relating thereto, be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will not be required to pay any additional amounts.

For the avoidance of doubt, the Issuer or any other person making payments on behalf of the Issuer shall be entitled to deduct and withhold as required, and shall not be required to pay any additional amounts with respect to any such withholding or deduction imposed on or in respect of any Note, pursuant to Sections 1471 through 1474 of the Code (“**FATCA**”), any treaty, intergovernmental agreement, law, regulation, implementing legislation or other official guidance enacted by any jurisdiction implementing FATCA, or any agreement between the Issuer or any other person and the United States or any jurisdiction implementing FATCA.

## 9 Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or 5 years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 10 Representation of holders of Notes

### (a) In respect of the representation of the holders of Notes, the following shall apply:

- (i) If the Notes are issued in France, relevant Final Terms will specify that “Full *Masse*” is applicable and the holders of Notes will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *Masse* and the provisions of the French *Code de Commerce* relating to the *Masse* shall apply subject to the below provisions of this Condition 10(a)(i) (*In respect of the representation of the holders of Notes, the following shall apply*).

The names and addresses of the initial Representative of the *Masse* and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the representative of the single *Masse* of all Tranches in such Series.

The Representative will be entitled, as the case may be, to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the general meeting of the holders of Notes (the “**General Meeting**”).

In accordance with Article R.228-71 of the French *Code de Commerce*, the right of each holder of Notes to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such holder of Notes as of 0:00, Paris time, on the second business day in Paris preceding the date set for the meeting of the relevant General Meeting.

The place where of a General Meeting shall be held will be set out in the notice convening such General Meeting; or

- (ii) If the Notes are issued outside France for the purpose of Article L.228-90 of the French *Code de Commerce*, the relevant Final Terms will specify that “Contractual *Masse*” is applicable and the holders of Notes will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* (in each case, the “*Masse*”) which will be subject to the below provisions of this Condition 10(a)(ii) (*In respect of the representation of the holders of Notes, the following shall apply*).

The *Masse* will be governed by the provisions of the French *Code de commerce* with the exception of Articles L. 228-48, L. 228-59, R. 228-63, R. 228-67, R. 228-69 and R. 228-76 subject to the following provisions:

**(A) Legal Personality**

The *Masse* will be a separate legal entity and will act in part through one or two representatives (each a “**Representative**”) and in part through a general meeting of the holders of Notes (the “**General Meeting**”).

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

**(B) Representatives**

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

- the Issuer, the members of its Board of Directors (*conseil d’administration*), its statutory auditors, its employees and their ascendants, descendants and spouses; or
- companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors, Executive Board or Supervisory Board, their statutory auditors, employees and their ascendants, descendants and spouses; or
- persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representatives and their alternates will be set out in the Final Terms.

The remuneration of each Representative, and date(s) of payment thereof, will be set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of one or both Representatives, such Representative(s) will be replaced by one or both Representatives, as the case may be. In the event of the death, retirement or revocation of appointment of one or both alternate Representatives, an alternate will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

**(C) Powers of Representative**

The Representatives, acting jointly or separately, shall, in the absence of any decision to the contrary of the General Meeting and except as provided by paragraph 1 of Article L. 513-24 of the French *Code monétaire et financier*, have the power to take all acts of management necessary in order to defend the common interests of the holders of Notes.

All legal proceedings against the holders of Notes or initiated by them, must be brought by or against the Representatives; except that, should preservation, judicial reorganisation or liquidation (*sauvegarde*, *redressement judiciaire* or *liquidation judiciaire*) proceedings be commenced against the Issuer, the specific controller would file the proof of debt of all creditors (including the holders of Notes) of the Issuer benefiting from the *Privilège*.

The Representatives may not be involved in the management of the affairs of the Issuer.

**(D) General Meeting**

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representatives. One or more holders of Notes, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representatives a demand for convocation of the General Meeting. If such General Meeting has not been convened

within two months after such demand, the holders of Notes may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, hour, place and agenda of any General Meeting will be published as provided under Condition 13 (*Notices*).

Each holder of a Note has the right to participate in a General Meeting in person, by proxy, correspondence or videoconference or any other means of telecommunication allowing the identification of the participating Noteholders. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

In accordance with Article R. 228-71 of the French *Code de commerce*, the rights of each holder of a Note to participate in a General Meeting must be evidenced by entries in the books of the relevant Account Holder of the name of such holder of a Note on the second business day in Paris preceding the date set for the relevant General Meeting at 0.00, Paris time.

**(E) Powers of the General Meetings**

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representatives and the alternate Representatives and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representatives to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) by holders of Notes, nor establish any unequal treatment between the holders of Notes nor decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if holders of Notes present or represented hold at least a quarter of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by holders of Notes attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 13 (*Notices*).

**(b) Information to holders of Notes**

Each holder of a Note or representative thereof will have the right, as from the date specified in the notice of the General Meeting, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant holders of Notes at the registered office of the Issuer, at the specified offices of any of the Paying Agents and at any other place specified in the notice of the General Meeting.

**(c) Expenses**

The Issuer will pay all expenses relating to the operation of the *Masse* (including those incurred by the Representatives in the proper performance of their functions and duties), and those relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable on the Notes.

(d) **Single Masse**

The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 12 (*Further Issues and Consolidation*), shall, for the defence of their respective common interests, be grouped in a single *Masse*. The Representatives appointed in respect of the first Tranche of any Series of Notes will be the Representatives of the single *Masse* of all Tranches in such Series.

For the avoidance of doubt, in this Condition 10 (*Representation of holders of Notes*), the term “**outstanding**” shall not include those Notes subscribed or purchased by the Issuer pursuant to, respectively, Articles L. 513-26 and L. 213-0-1 of the French *Code monétaire et financier* that are held by it and not cancelled.

## 11 Replacement of Definitive Materialised Notes, Coupons and Talons

If, in the case of any Materialised Notes, a definitive Materialised Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and regulations of the Regulated Market on which the Notes are listed and admitted to trading, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to holders of Notes, 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 definitive Materialised Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Notes, Coupons or Talons must be surrendered before replacements will be issued.

## 12 Further Issues and Consolidation

- (a) **Further Issues:** The Issuer may from time to time without the consent of the holders of Notes or Coupons create and issue further Notes to be assimilated (*assimilées*) with the Notes provided such Notes and the further Notes carry rights identical in all respects (or in all respects save for the principal amount thereof and the first payment of interest specified in the relevant Final Terms) and that the terms of such Notes provide for such assimilation and references in these Conditions to “Notes” shall be construed accordingly.
- (b) **Consolidation:** The Issuer may from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than 30 days’ prior notice to the holders of Notes in accordance with Condition 13 (*Notices*), without the consent of the holders of Notes or Coupons, consolidate the Notes of one Series denominated in Euro with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other Notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

## 13 Notices

- (a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or (ii) at the option of the Issuer, they are published (a) so long as such Notes are listed and admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*) or (b) they are published in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) or (c) they are published following Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the French *Autorité des marchés financiers* (the “**AMF**”) or so long as such Notes are listed and admitted to trading on any Regulated Market in a leading daily newspaper with general circulation in the city where the Regulated Market on which such Notes are listed and admitted to trading is located, if the rules of such Regulated Market so require or (d) so long as the Notes are listed and admitted to trading on the Luxembourg Stock

Exchange's Regulated Market, notices may also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

- (b) Notices to the holders of Materialised Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if published (i) so long as such Notes are listed and admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*) or (ii) at the option of the Issuer, in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) or (iii) they are published following Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF or so long as such Notes are listed and admitted to trading on any Regulated Market in a leading daily newspaper with general circulation in the city where the Regulated Market on which such Notes are listed and admitted to trading is located, if the rules of such Regulated Market so require or (iv) so long as the Notes are listed and admitted to trading on the Luxembourg Stock Exchange's Regulated Market, notices may also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).
- (c) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Holders of coupons shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Notes in accordance with this Condition.
- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as required by Conditions 13(a), (b) and (c) above; except that (i) (a) so long as such Notes are listed and admitted to trading on Euronext Paris in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*) or (b) following Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF or (c) so long as such Notes are listed and admitted to trading on any Regulated Market and the rules applicable to that Regulated Market so require, notices shall be published in a leading daily newspaper with general circulation in the city Regulated Market on which such Notes are listed and admitted to trading is located, or (d) so long as the Notes are listed and admitted to trading on the Luxembourg Stock Exchange's Regulated Market, notices may also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and (ii) notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 10 (*Representation of holders of Notes*) shall also be published (a) so long as such Notes are listed and admitted to trading on the Euronext Paris and the rules of such Stock Exchange so permit, on the website of the AMF in France or (b) in a leading daily newspaper of general circulation in Europe.

## 14 Method of Publication of the Final Terms

The Base Prospectus (including any document incorporated by reference), the supplement(s) to the Base Prospectus, as the case may be, and the Final Terms related to Notes listed and admitted to trading and/or offered to the public will be published on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)). Copies of these documents may be obtained from Compagnie de Financement Foncier 4, Quai de Bercy, 94224 Charenton, France, and, in respect of the Base Prospectus (including any document incorporated by reference) and the supplement(s) to the Base Prospectus, such documents will be available on the website of the Issuer ([www.foncier.fr](http://www.foncier.fr)).

In relation to the Notes admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and/or offered to the public in Luxembourg, the Final Terms will be published, without prejudice of any provisions of the Prospectus Directive, upon each relevant issue, in a manner complying with Article 14 of the Prospectus Directive in an electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

Each time the Notes are admitted to trading on Euronext Paris, the Notes are also admitted to trading on the Regulated Market of the Luxembourg Stock Exchange. As a consequence, the Final Terms will be available in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

In addition, should the Notes be listed and admitted to trading on a Regulated Market other than Euronext Paris and the Regulated Market of the Luxembourg Stock Exchange, the Final Terms relating to those Notes will provide whether this Base Prospectus (including any document incorporated by reference), the supplement(s) to the Base Prospectus, as the case may be, and the relevant Final Terms will be published on the website of (x) such Regulated Market or/and (y) the competent authority of the Member State in the EEA where such Regulated Market is situated.

## **15 Hardship (*Imprévision*)**

Article 1195 of the French *Code civil* shall not apply to these Conditions.

## **16 Governing Law and Jurisdiction**

- (a) **Governing Law:** The Notes, the Coupons and the Talons and all non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, French law.
- (b) **Jurisdiction:** Any claim against the Issuer in connection with any Notes, Coupons or Talons may be brought before any competent court in Paris.

## TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALIZED NOTES

### Temporary Global Certificates

A Temporary Global Certificate without interest coupons, will initially be issued in connection with Materialised Notes. Upon the initial deposit of such Temporary Global Certificate with a common depositary for Euroclear and Clearstream (the “**Common Depositary**”), Euroclear or Clearstream will credit the accounts of each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depositary may also credit with a nominal amount of Notes the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems. Conversely, a nominal amount of Notes that is initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream or other clearing systems.

### Exchange

Each Temporary Global Certificate issued in respect of Materialised Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with U.S. Treasury Regulations §1.163-(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Internal Revenue Code of 1986, as amended) (the “**C Rules**”) or in a transaction to which the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”) is not applicable, in whole, but not in part, for the Definitive Materialised Notes and
- otherwise, in whole but not in part, upon certification as to non-U.S. beneficial ownership (a form of which shall be available at the specified offices of any of the Paying Agents) for Definitive Materialised Notes.

### Delivery of Definitive Materialised Notes

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Notes. In this Base Prospectus, “**Definitive Materialised Notes**” means, in relation to any Temporary Global Certificate, the Definitive Materialised Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Notes will be security printed in accordance with any applicable legal and requirements of the Regulated Market. Forms of such Definitive Materialised Notes shall be available at the specified offices of any of the Paying Agents set out in the Schedules to the Amended and Restated Agency Agreement.

### Exchange Date

“**Exchange Date**” means, in relation to a Temporary Global Certificate in respect of any Materialised Notes, the day falling after the expiry of 40 days after its issue date, provided that in the event any further Materialised Notes which are to be assimilated with such first mentioned Materialised Notes are issued prior to such day pursuant to Condition 12(a), the Exchange Date may, at the option of the Issuer, be postponed to the day falling after the expiry of 40 days after the issue date of such further Materialised Notes.

## **USE OF PROCEEDS**

The net proceeds of the issue of the Notes will be used for the Issuer's general corporate purposes. If in respect of any particular issue of Notes, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

## SUMMARY OF THE LEGISLATION AND REGULATIONS RELATING TO *SOCIÉTÉS DE CRÉDIT FONCIER*

### ***Entities entitled to issue Obligations Foncières***

Prior to the introduction of French law no. 99-532 of 25 June 1999 governing savings and financial security (the “**Law**”), now integrated into the French *Code monétaire et financier* (the “**Code**”), only Crédit Foncier de France and Crédit Communal d’Alsace-Lorraine were entitled to issue *obligations foncières*. The Law created a whole new category of credit institutions (*sociétés de crédit foncier*) the exclusive purpose of which is to grant or acquire secured loans from the proceeds of the issue of *obligations foncières* as well as other forms of notes or borrowings.

Article L. 513-2 of the Code provides that the sole purpose of *sociétés de crédit foncier* is to grant or acquire guaranteed loans, exposures to public bodies and the securities referred to in Articles L. 513-3 to L. 513-7 of the Code.

In order to finance such categories of loans, securities or exposures, *sociétés de crédit foncier* issue *obligations foncières* which benefit from a *privilege* as described in Article L. 513-11, and to acquire other resources having an issuing contract or subscription which refers to that *privilege*.

*Sociétés de crédit foncier* may also provide financing for the activities referred to above through the issue of bonds or resources which do not benefit from the *privilege*.

Holders of *obligations foncières* or of these other borrowings benefit from a *privilege* (priority right of payment) on all the assets and revenues of the *sociétés de crédit foncier* and are allowed to operate in a bankruptcy remote environment.

*Sociétés de crédit foncier* may grant or acquire either mortgage-backed loans or loans to states or state-owned entities (regional and local authorities) and issue *obligations foncières* (or incur other forms of borrowings) in order to finance these loans.

The Code allows *sociétés de crédit foncier* to issue ordinary bonds or raise funds which do not benefit from the *privilege*.

Pursuant to Article L. 513-2 of the Code, *sociétés de crédit foncier* may not hold shares in other companies.

### ***Eligible receivables***

The mortgage-backed loans include loans which are secured by a first-ranking mortgage. Other types of charges and security interest also qualify under certain conditions provided in particular they are at least equivalent to a first-ranking mortgage such as a guarantee given by a credit institution or an insurance company that does not belong to the same group as the relevant *société de crédit foncier*. The property must be located in France, in the European Economic Area (the “**EEA**”), in a Member State of the European Community (“**EC**”) or in a State benefiting from the best credit rating given by a rating agency recognised by the French *Autorité de contrôle prudentiel et de résolution* (formerly known as *Commission Bancaire*) as provided in Article L. 511-44 of the Code. Article R. 513-1 of the Code provides, *inter alia*, that the mortgage-backed loans cannot exceed a threshold of 60 per cent. of the property’s value, except under certain conditions.

The other eligible receivables comprise, *inter alia*, loans granted to, or bonds issued by, state or state-owned entities located within the EEA, in a Member State of the EC or in a State benefiting from the best credit rating given by a rating agency recognised by the French *Autorité de contrôle prudentiel et de résolution* (formerly known as *Commission Bancaire*) as provided in Article L. 511-44 of the Code, or wholly guaranteed by such entities, and specific investments (namely units and bonds (*titres de créance*) issued by *organismes de titrisation*, which are French securitisation vehicles, or other similar vehicles, the assets of which comprise at least 90 per cent. of secured loans or loans to state or state-owned entities).

As provided in Article L. 513-7 of the Code, *sociétés de crédit foncier* may not make any other investments, except investments in securities which are sufficiently secure and liquid to be held as so-called replacement values, as defined in Article R. 513-6 of the Code.

### **Over-Collateralisation**

Article L. 513-12 of the Code provides for the principle of over-collateralisation (*surdimensionnement*), which entails that the total amount of the assets of a *société de crédit foncier* must be at all times greater than the global amount of liabilities benefiting from the *privilege*.

*Sociétés de crédit foncier* must appoint a specific controller (*contrôleur spécifique*) with the approval of the French *Autorité de contrôle prudentiel et de résolution* whose mission is to ensure that the principle of over-collateralisation is at all times complied with. In particular, the specific controller must certify that the principle of over-collateralisation is satisfied in connection with (i) the *société de crédit foncier*'s quarterly programme of issues benefiting from the *privilege* and (ii) any specific issue also benefiting from the *privilege* whose amount is greater than Euro 500 million. The specific controller must verify the quality of the assets, the process of yearly revaluation and the quality of the asset liability management (ALM).

### **Privilege**

For bonds to qualify as *obligations foncières* and for other resources to benefit from the *privilege*, the documentation relating thereto must explicitly refer to such *privilege*. *Sociétés de crédit foncier* may enter into derivative transactions for hedging *obligations foncières* and other resources benefiting from the *privilege*; the amounts due under these derivative transactions also benefit from the *privilege*.

The sums resulting from the eligible receivables and from derivative transactions, together with deposits made by *sociétés de crédit foncier* with other credit institutions, are allocated in priority to the payment of any sums due in relation to the *obligations foncières* or other financial resources benefiting from the *privilege*.

### **Insolvency remoteness**

Finally, Article L. 513-20 of the Code precludes the extension of insolvency proceedings in respect of the *société de crédit foncier*'s parent company to the *société de crédit foncier*.

The Code provides for a regime which derogates in many ways from the French legal provisions relating to insolvency proceedings. In particular, in the event of conciliation proceeding (*procédure de conciliation*) preservation proceeding (*procédure de sauvegarde*), judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) of a *société de crédit foncier*, all claims benefiting from the *privilege*, including interest thereon, must be paid on their due dates and in preference to all other claims, whether or not secured or statutorily preferred and, until payment in full of all such preferred claims, no other creditors may take any action against the assets of the *société de crédit foncier*.

In addition, the provision of French insolvency law which provides that certain transactions entered into in the months preceding the commencement of insolvency proceedings (*période suspecte*) are voidable has been set aside by the Code in respect of *sociétés de crédit foncier* (Article L. 513-18 of the Code).

The judicial liquidation (*liquidation judiciaire*) of a *société de crédit foncier* will not result in the acceleration of payment of *obligations foncières* and other debts benefiting from the *privilege*.

## DESCRIPTION OF COMPAGNIE DE FINANCEMENT FONCIER

### I) INFORMATION ABOUT THE ISSUER

#### History and development of the Issuer

Compagnie de Financement Foncier is a credit institution authorised as a *financial company* and a *société de crédit foncier* by a decision of the French Credit Institutions and Investment Companies Committee (*CECEI - Comité des Etablissements de Crédit et des Entreprises d'Investissements*, now known as *Autorité de contrôle prudentiel et de résolution*) on 23 July 1999. Consequently, it is governed by the general body of legislative and regulatory provisions applicable to credit institutions and, as a *société de crédit foncier* (“SCF”), by the specific provisions of Section IV of the second part of French law no. 99-532 of 25 June 1999 governing savings and financial security, which has been incorporated into Articles L.515-13 to L.515-33 (which, with the entry into force of ordinance 2013-544 dated 27 June 2013, were replaced by Articles L. 513-2 to L. 513-27) of the French *Code monétaire et financier* (the “Code”).

It is a wholly-owned subsidiary of Crédit Foncier de France (A-/A2/A)<sup>4</sup> and affiliate of BPCE (A)/A2/A)<sup>4</sup> (the “central body” of Groupe BPCE, which, with 15 Banques Populaires and 17 Caisses d'Epargne, constitutes the 2nd largest banking group in France<sup>5</sup>). Its sole business is to finance the mortgage and public-sector lending activities of both its parent company and Groupe BPCE as a whole, through the issuance of *obligations foncières*.

The registered office of the Issuer is located at 19, rue des Capucines, 75001 Paris, France and is registered with the Trade and Companies Registry of Paris under reference number 421 263 047 RCS Paris.

The Issuer was incorporated on 22 December 1998 for a period of 99 years.

The Issuer’s legal and commercial name is Compagnie de Financement Foncier.

#### Investments

Pursuant to Article L. 513-2 of the Code, the Issuer is prohibited from owning shares in other companies.

### II) BUSINESS OVERVIEW

#### Principal activities

As a SCF, the objects of Compagnie de Financement Foncier are to grant or acquire secured loans which are financed by the issue of *obligations foncières*, or by raising funds benefiting or not from the privilege created by Article L. 513-11 of the Code (the “*Privilège*”).

More specifically, the purpose of the Compagnie de Financement Foncier (Article 2 of the by-laws), in the context of the laws and regulations applicable to SCF, is to:

1. to conduct all transactions mentioned in Articles L. 513-2 *et seq.* of the Code without restrictions in terms of the countries in which it operates than those resulting from said articles.

These transactions include, in particular:

- granting or acquiring secured loans, exposures to public authorities and investments and securities as defined in Articles L. 513-3 to L. 513-5 and L. 513-7 of the Code;
- financing these types of loans, exposures, investments and securities by issuing covered bonds known as *obligations foncières* benefiting from the *Privilège* defined in Article L. 513-11 of the Code and by raising other resources whose issuance or subscription agreement mentions this *Privilège*.

The Compagnie de Financement Foncier may also finance the activities mentioned above by issuing bonds or resources that do not benefit from the *Privilège*. It may issue the promissory notes referred to in Articles L. 313-42 to L. 313-49-1 of the Code.

<sup>4</sup> Standard & Poor's/Moody's/Fitch, updated as of the registration document's filing date.

<sup>5</sup> Market shares: 21.6% of market share for customer savings and 20.7% for customer credits (source: Banque de France Q3-2016 – all non-financial customers).

Notwithstanding any other provisions or stipulations to the contrary, the Company may carry out temporary transfers of its securities in accordance with Articles L. 211-22 to L. 211-34 of the Code, pledge securities accounts pursuant to Article L. 211-20 of said Code and assign all or some of the receivables that it holds in accordance with Articles L. 211-36 to L. 211-40 or in accordance with Articles L. 313-23 to L. 313-35, whether or not these receivables are professional. The receivables or securities thus assigned or transferred do not fall within the scope of the “*privilège*” defined in Article L. 513-11 of the Code and are not booked pursuant to Article L. 513-12 of said Code.

As an exception to Articles 1300 of the French *Code civil* and L. 228-44 and L. 228-74 of the French *Code de commerce*, the Company may subscribe for its own *obligations foncières* solely for the purpose of using them as collateral for refinancing facilities of the *Banque de France* under the conditions set forth in Article L. 513-26 of the Code.

The Company cannot hold equity investments.

In addition, pursuant to Article R. 513-7 of the Code, the Company, as a SCF, shall ensure at all times that it has sufficient funds to cover its liquidity requirements, for a period of 180 days.

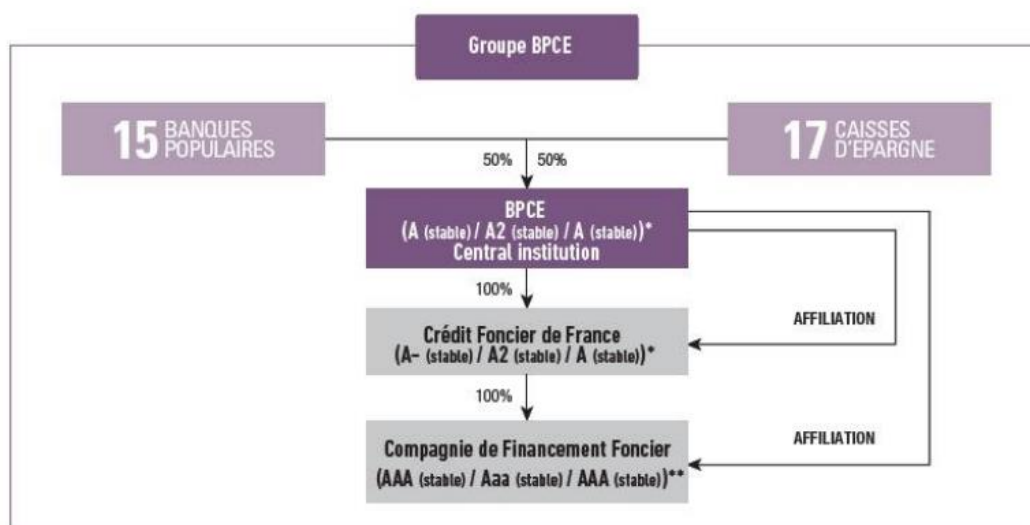
2. concluding with any credit institution or financial company, all agreements necessary for:
  - servicing and recovering loans, exposures and securities;
  - managing bonds and other resources;
  - more generally, providing all services necessary to manage the assets, liabilities and the financial balances of the Company;
  - as well as all agreements concerning the distribution and refinancing of loans.
3. acquiring and holding all property and equipment necessary to fulfil its purpose or arising from the recovery of its loans and contracting with any authorised third party any agreement related to the acquisition, ownership, management, maintenance and disposal of such assets.
4. concluding, with any insurance company, any agreement that serves the corporate purpose, notably to hedge risks related to borrowers, risks in respect of both assets securing the loans and assets held by the Company, and the liability risks of the Company or its corporate officers.
5. in connection with its own activity or on behalf of other companies, providing customers with and managing payment processes, in particular:
  - for the payment of funds or the receipt of all cash flows arising from loan activities;
  - for maintenance of any financial relationship or account with any other credit institution, financial company or credit institution, financial relationship or public entity;
  - for the management of technical accounts in respect of expenses and receipts.
6. participating in any system for interbank settlements, settlement-delivery of securities and all clearing system, as well as in any transaction within the framework of the monetary policy of the European Central Bank, that contributes to the development of the Company’s activities.
7. more generally:
  - carrying out all operations contributing to the fulfilment of its corporate purpose, as long as such transactions comply with the purpose of SCF as defined in the legislation and regulations that regulate their activity;
  - entering into any agreement that allows the Company to use essential outsourcing services and related controls.

### III) ORGANISATIONAL STRUCTURE

Since the merger of holding companies previously owned by the Banques Populaires (BP Participations) and Caisses d’Epargne (CE Participations) on 5 August 2010 within the Central body (BPCE), Crédit Foncier de France’s is wholly owned by Groupe BPCE, the second banking group in France (*market shares: 21.6% of market share for customer savings and 20.7% for customer credits (source: Banque de France Q3-2016 – all non-financial customers)*).

The following diagram illustrates the position of the Compagnie de Financement Foncier within the Groupe BPCE as at 23 March 2017:

- **Focus on the positioning of Compagnie de Financement Foncier**



\* Ratings of Senior debts for BPCE and Crédit Foncier de France, as of 23 March 2017.

\*\* Ratings (S&P/Moody's/Scope) of obligations foncières, as of 23 March 2017.

#### IV) ADDITIONAL INFORMATION

##### Share capital

As at 31 December 2016, the share capital of the Issuer, which is not listed on any exchange, consisted of 158,591,246 fully paid ordinary shares of EUR16 nominal value each (for a total capital of EUR2,537,459,936). Nearly all of the share capital of the Company is held by Crédit Foncier de France. As required by the by-laws of the Company, each member of the Board of Directors must own at least one share during his or her term of office.

##### Memorandum and articles of association

Please refer to section “Business overview - Principal activities” above.

#### V) MATERIAL CONTRACTS

Please refer to section “Relationship between Compagnie de Financement Foncier and Crédit Foncier de France” below.

**VI) THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST**

**I. SPECIFIC CONTROLLER'S CERTIFICATION ON THE VALUATION AND PERIODIC REVIEW METHODS OF THE REAL ESTATE ASSET AT 31 DECEMBER 2016 AND THEIR RESULTS**

To the Board of Directors of Compagnie de Financement Foncier,

In our capacity as the Specific Controller of Compagnie de Financement Foncier, and pursuant to the Article 5 of regulation No. 99-10 of the French Banking and Financial Services Regulatory Committee, we proceeded to the assessment of the validity, in accordance with regulations in force, of the methods used to value the real estate assets underlying the loans and their results, and of the methods for periodically reviewing their value, as published together with the financial statements for the year ended 31 December 2016 and appended hereto.

The valuation methods and their results for real estate assets and the methods for periodically reviewing their value have been defined and implemented under the responsibility of your company's management.

Our responsibility is to assess the validity of this procedure in terms of its compliance with regulations in force as of 31 December 2016.

We implemented the diligences that we considered necessary in view of the professional standards of the *Compagnie nationale des Commissaires aux comptes* applicable to this assignment. Our work consisted in checking the compliance of:

- the procedures, the valuation and periodic review methods and their results, in their design and application, with regulations in force as of 31 December 2016;
- the information published together with the annual financial statements with, on one hand, the system for the valuation and periodic review implemented, and on the other hand, with the results arising from the implementation of the valuation system.

Based on our work, we have the following comments and observations:

- the valuation methods for the real estate assets and their results or the methods for periodically reviewing their value as published together with the financial statements for the year ended 31 December 2016, generally respect Articles 2 to 4 of Regulation No. 99-10 of the French Banking and Financial Services Regulatory Committee;
- however, it should be specified that, on the basis of our tests and internal controls made by *Crédit Foncier* on behalf of *Compagnie de Financement Foncier*, the 2016 operational implementation of periodic review of pledges value could be improved regarding the complete application of statistical methods used. However, this observation has no impact on safe nature of pledges value realised in 2016.

Paris, 21 March 2017

The Specific Controller

**CAILLIAU DEDOUT et Associés**  
**Laurent BRUN**

19, rue Clément Marot  
75008 Paris

COMPAGNIE DE FINANCEMENT FONCIER  
4, quai de Bercy  
94224 Charenton Cedex

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## II. PROCEDURE FOR THE VALUATION AND PERIODIC REVIEW OF THE VALUE OF THE ASSETS UNDERLYING THE LOANS AS OF 31 DECEMBER 2016

### I - Valuation method applied to the assets underlying loans

#### General asset valuation principles

The procedure described below has been determined pursuant to Articles 1 and 2 of CRBF regulation No. 99-10, as amended by regulation No. 2002-02 and the decrees of 7 May 2007 and 23 February 2011 transposing European directive 2006/48/EC of 26 May 2014 and 3 November 2014 law into French law.

Real estate financed by eligible loans or posted as collateral for these loans is subject to cautions appraisal.

The valuation is performed taking into account the long-term sustainable aspects of the property, the normal and local market conditions, the current use and alternative appropriate uses of the property.

#### Derogation rule used by Compagnie de Financement Foncier

For loans originated between 1 January 2003 and 31 December 2006, in accordance with the provisions of CRBF regulation No. 99-10 and a decision by the Chairman of Crédit Foncier de France's Executive Board dated 28 July 2003, a cost of the transaction without discount is understood to be an estimated value of the asset for all transactions with individuals involving residential property where a transaction cost is less than €350,000.

Following the changes to CRBF regulation No. 99-10, this principle was extended to include:

- for the period between 7 May 2007 and 23 February 2011, all residential property transactions with individuals where a transaction cost is less than €450,000 or where an outstanding principal amount on the acquired loan or a total amount authorised is less than €360,000;
- beginning on 24 February 2011, all residential property transactions with individuals where a transaction cost is less than €600,000 or where an outstanding principal amount on the acquired loan or a total amount authorised is less than €480,000.

Above these thresholds, the appraised value is considered as the value of the property.

#### Summary

The above-mentioned rules, applied since 24 February 2011, are summarised in the following table:

| Type of asset                                       | Cost of transaction is less than €600,000 or acquired loan less than €480,000 | Cost of transaction is €600,000 or more, or acquired loan €480,000 or more |
|-----------------------------------------------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| <b>Residential Property for private individuals</b> | Transaction cost                                                              | Appraisal                                                                  |
| <b>Residential Property for Professionals</b>       | Appraisal                                                                     | Appraisal                                                                  |
| <b>Commercial property (1)</b>                      | Appraisal                                                                     | Appraisal                                                                  |

(1) Property for professional use means all properties other than residential and multiple-use properties where the value allocated to the residential part is less than 75% of the total value of the property.

An appraisal is made of all collateral underlying authorised loans (*i.e* signed by the parties) during the year, regardless of whether or not they are implemented.

Other collateral (securing loans authorised before 1 December 2015 and already valued or re-valued) is subject to a periodic review of its value as presented hereafter (see Sections II, III and IV).

## II – Methods used for periodic review of residential assets for individuals and professionals

The methods described below apply to all loans transferred or assigned to Compagnie de Financement Foncier.

Following the migration in November 2015 to the shared Groupe BPCE IT system, the revaluation methods were changed for residential loans to professionals and non-residential assets. This change, however, only affects a small proportion of the loan book held by Compagnie de Financement Foncier.

Two methods are used: a statistical method, sub-divided into two variants depending on the customer segment and property type, and an expert appraisal method:

### A – Statistical method

Two variant statistical methods are used for periodic reviews of the pledged value of residential properties depending on the valuation engine used:

- **A1 Crédit Foncier statistical method** unchanged from previous years and implemented in the valuation engine in the Crédit Foncier's IT system. These valuations are based on value change indices derived from prices provided by Crédit Foncier Immobilier appraisers:  
for individual residential properties,  
annually.
- **A2 BPCE statistical method**, using an engine installed on the group's IT system. This permits valuation, using indices based on property prices  
for professional residential properties,  
semi-annually.

In the special case of collateral located in the Netherlands and Belgium, country-specific indices are used (Stadim for Belgium and the PBK indices, produced by the Dutch real estate registry, for the Netherlands).

#### Revaluation of Belgian guarantees

Crédit Foncier proceeded to a revaluation of the guarantees of its Belgian branch for 2016, through its servicer, Stater. This revaluation carried out as of 30 June 2016 covers a 18-month period as the last revaluation dates from 31 December 2014.

6,917 guarantees were revalued representing an overall valuation amount of €1,528m, i.e. an average increase in value of 3.6% (after excluding guarantees that increased or decreased by more than 20%) associated with 6,917 loans with an outstanding amount of €735m.

#### Revaluation of Dutch guarantees

Revaluation was made of a total of 690 guarantees associated with 718 loans representing a total outstanding value of €57m.

Revaluation was conducted based on the PBK Index developed by the Netherlands land registry. In 2016, the index average rose by 3.24% (after excluding 2 guarantees with year on year changes of more than 15%).

### A1 – Crédit Foncier periodic statistical review method

#### i) Principles

The model is based on the preparation of indices. The indices obtained are the changes observed from one year to the next in market values, clarifying that, in accordance with the relevant legislation, an appraisal is carried out, in compliance with the law, on the basis of a prudent assessment (which is then revalued by applying the indices).

The indices reflect four distinct geographical categories:

- (i) the 107 sites established by postal code by the INSEE (French National Institute for Statistics and Economic Studies). They are defined as being urban areas with more than 50,000 inhabitants. The list of these urban areas and their composition changes as the urban fabric and real estate markets evolve;

- (ii) outside these areas, the “non-urban” real estate market is divided into administrative regions that date from before the 1 January 2016 reforms (20 regions, not including Corsica and Île-de-France);
- (iii) Île-de-France, excluding the city of Paris, is valued separately using specific indices for each of its seven departments;
- (iv) Paris is also valued separately using a specific index.

Indices for each of these four categories (urban, non-urban, Île-de-France and Paris), are grouped according to postal codes, and broken down as follows:

- Urban areas: 107 Apartment indices / 107 House indices;
- Non-urban area: 20 House indices;
- Île-de-France (excluding Paris): 7 Apartment indices / 7 House indices;
- Paris: 1 Apartment index.

When the apartment/home distinction is not available for a particular item of collateral, the lower of the two indices for the corresponding postal code is used.

When the collateral is in Corsica or in the Dom-Toms (French overseas departments and territories) the annual trend indices used for the corresponding type of housing are:

- for apartments: the average of the apartment indices for urban areas;
- for houses: the lower of the two averages for houses in urban areas and for regions.

#### ii) Revaluation cycle management

Real estate value indices are updated annually. New indices are established each November based on the period ending on 30 September.

The revaluation cycle is thus managed on a one year rolling period from 30 September of year “n-1” to 30 September of year “n”.

In light of the extraordinary jump in the 2015 re-valuation, the newly derived indices, based on 30 September 2016 observations of the 15-month price trend (from June 2015 to September 2016), were restated on an annualized basis.

#### iii) Sources

These indices are based on an *ad hoc* survey and on appraiser estimates carried out each year by the Crédit Foncier Immobilier’s Research department with the network of regional real estate appraisers, quarterly gross statistical real estate information available in its database and regional indicators from [www.marche-immo.com](http://www.marche-immo.com).

### **A2 – BPCE periodic statistical review method**

#### i) Principles

The statistical review method used by BPCE applies to residential real estate assets granted to professionals and depends on the property’s location.

It is based on average property prices in each department, taken from data bases maintained by notaries:

- for property in Île-de-France (outside the city itself, where average prices are indexed by arrondissement) from a commercial data base provided by the company Paris Notaires Services for Île-de-France;
- for property in other metropolitan departments, from the PERVAL data base covering the rest of France;
- for property in the Dom-Toms, the index used is the national re-evaluation index from the PERVAL data base.

### **B – Appraiser estimate revaluation method**

This category, in application of Basel II regulations (Order of 20 February, 2007 Article 168), concerns residential real estate posted as collateral for a debt of over €3 million.

Each property in this category is individually revalued every 3 years by means of appraisal. The appraiser determines a prudential mortgage value based on a thorough analysis of the type of asset and its specific aspects and on a prudent, forward-looking view of the market.

In each of the two years between each 3-year appraisal, the property is revalued using a statistical method:

- method A.1 for Individual customers;
- method A.2 for Professional customers (“Corporates”).

### **III - Methods for periodic review of real estate for professional use (non-residential)**

In accordance with CRBF regulation 99-10, the following revaluation method is used for properties for professional use:

#### **B – Appraiser estimate reevaluation method**

This category concerns property for professional use (non-residential) where the loan has been transferred or assigned to the Compagnie de Financement Foncier.

Each property in this category is individually revalued every year by means of appraisal. The appraiser determines a prudential mortgage value based on a thorough analysis of the type of asset and its specific aspects and on a prudent, forward-looking view of the market.

### **IV - Summary table of methods**

| <b>[•]</b>      | <b>Loan</b>                                                                     | <b>Loan less than €3m</b> | <b>Loan</b>                                                                     |
|-----------------|---------------------------------------------------------------------------------|---------------------------|---------------------------------------------------------------------------------|
| Residential     | Individual appraisal (method B) every 3 years and method A.1 in the other years | Method A.2<br>Annually    | Individual appraisal (method B) every 3 years and method A.2 in the other years |
| Non-residential | Individual appraisal (method B)                                                 |                           | Individual appraisal (method B)<br>Annually                                     |

## STRINGENT RISK MANAGEMENT RULES AND COMMITMENTS TO THE MARKET

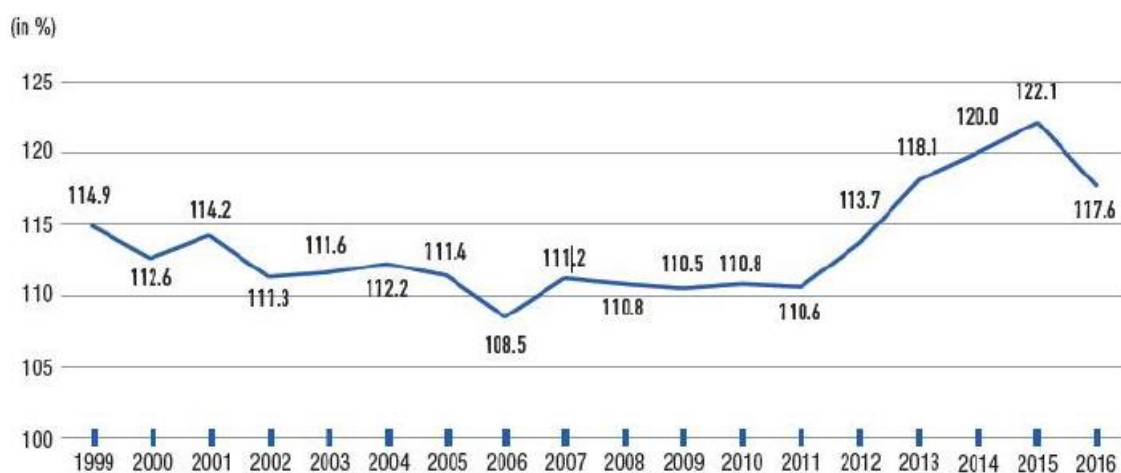
### A. Overcollateralization

Overcollateralization, defined by law (Article L. 513-12 of the Code), requires that the total weighted asset amount of *société de crédit foncier* (in accordance with the regulations set by CRBF<sup>6</sup>) is always at least 105% of the total amount of liabilities benefiting from the legal privilege. One of the Specific Controller's duties is to monitor compliance with this regulatory overcollateralization rule.

With €3.2 billion in capital, €2.2 billion in subordinated debt and €10.5 billion in unsecured debt, Compagnie de Financement Foncier's overcollateralization is well above the legal minimum ratio of 105%, and is 117.6% at 31 December 2016.

Since the creation of Compagnie de Financement Foncier in 1999, this regulatory ratio has always been above 108%.

#### Overcollateralization ratio since 1999



#### *Maintaining a high overcollateralization ratio specific to Compagnie de Financement Foncier*

In addition to the safety provided by the institutional framework and to ensure the best ratings from the major rating agencies, Compagnie de Financement Foncier has initiated additional management measures.

These measures result in compliance with a specific collateralisation ratio for each rating agency based on its methodology.

In particular, since 2009, it set up measures to maintain at all times a volume of non-privileged liabilities at least equal to 5% of the liabilities that benefit from the legal privilege.

The holders of *obligations foncières* who benefit from the privilege are also protected by the relative weight of non-privileged resource holders, since these are not repaid in priority.

As part of its internal rules, two minimum overcollateralization levels, based on asset quality and interest rate risk, are regularly calculated in relation with the quality of its assets and with the interest rate risk estimated on Compagnie de Financement Foncier. The first ratio covers the credit risk on its assets, while the second ensures that the overall interest rate risk on its balance sheet is covered.

The sum of these two ratios must meet Compagnie de Financement Foncier's minimum overcollateralization commitment. Overcollateralization – which in Compagnie de Financement Foncier's case consists of equity and

<sup>6</sup> Regulation No. 99-10 of 9 July 1999 concerning *sociétés de crédit foncier* and *sociétés de financement de l'habitat*, as amended by regulations No. 2001-02 of 26 June 2001 and 2002-02 of 15 July 2002, and by orders of 7 May 2007 and 23 February 2011

long-term subordinated and unsecured liabilities – must enable a *société de crédit foncier* to withstand stress test scenarios on credit, interest rate and liquidity risk.

If some or all of these risk scenarios occur, this high level of overcollateralization will enable Compagnie de Financement Foncier to maintain payments on its *obligations foncières*.

#### ***Overcollateralisation of credit risk***

Regarding overcollateralization associated with credit risk, Compagnie de Financement Foncier's loan portfolio is divided into six sub-categories, by type of borrower, type of property being financed and type of collateral provided. Each sub category has its own minimum overcollateralization ratio for outstanding loans and an overcollateralization for the estimated loans anticipating a two years-production (see table below).

The following minimum overcollateralization ratios are currently applied:

| Asset class                                   | Outstanding | Origination |
|-----------------------------------------------|-------------|-------------|
| Subsidised sector (in run-off)                | 3.0%        | n.a.        |
| Low-income home loans and Interest-free loans | 2.5%        | 3.0%        |
| Individuals / First-time home ownership loans | 3.0%        | 3.5%        |
| Individuals / Buy-to-let                      | 25.0%       | 30%         |
| Public Sector                                 | 3.0%        | 3.0%        |
| Social housing                                | 4.5%        | 4.5%        |

#### ***Overcollateralization of interest rate risk***

The overcollateralization required to cover Compagnie de Financement Foncier's overall interest rate risk depends on the size of its balance sheet and equals to 0.5% of Compagnie de Financement Foncier's total assets.

The overcollateralization required is equal to the credit overcollateralization to which the overcollateralization related to the interest rate risk is added. The level chosen is thus globally more conservative.

#### ***Continuous monitoring of overcollateralization levels***

To ensure that compliance with the overcollateralization requirements is maintained at all times, it is monitored on an on-going basis.

In addition to the compliance of the regulatory ratio, if Compagnie de Financement Foncier observes on a quarterly basis, one of the above thresholds, all asset purchases are immediately suspended and non-privileged resources are used to increase overcollateralization above the minimum required amount.

### **B. Financed LTV for residential mortgage loans**

#### ***Principle of financed LTV for residential mortgage loans***

The Loan-to-Value ratio on residential mortgage loans is the ratio of the outstanding principal over the value of the underlying real estate asset. The present value of the asset is revalued annually to monitor compliance with this ratio.

The regulatory annual valuation of assets, as required by the regulation, is based on a prudent assessment of the property's long-term characteristics, local market conditions, the current use of the property and other possible uses. All of this information is provided by Crédit Foncier Immobilier - Expertise, Crédit Foncier de France's wholly-owned subsidiary, Veritas-certified, of which experts are either certified by a court and/or qualified as Chartered Surveyors (MRICS<sup>7</sup>). The Specific Controller monitors these appraisals each year to verify compliance with the real-estate market parameters used in the valuation process, as described in the risk control and management report section of the registration document.

## C. Credit risk

### *Asset purchasing criteria by category*

In addition to the fact that regulations require that a *société de crédit foncier* invest only in high quality assets, Compagnie de Financement Foncier sets up additional asset purchasing criteria for each asset category, so as to limit its exposure to credit risk (see Risk control and monitoring report, paragraph 2.2.3).

The purchase filter was slightly widened in 2016 for retail mortgage loans (excluding the Belgian subsidiary). It was done without taking any additional risk thanks to the implementation of a termination clause: if a loan benefitting from this criteria widening becomes doubtful in the first four years following an acquisition, the disposal of this loan will be cancelled and it will be then transferred back to Crédit Foncier at par.

Concerning French Local Authorities' loans, they are purchased based on their internal rating which is determined by the Group BPCE rating system. Loans benefitting from a less advantageous ratings are eliminated. Also, starting from 2016 Crédit Foncier can assign long terme Corporate loans benefitting from a formalized first rank mortgage which dates less than one year to Compagnie de Financement Foncier. In this case a specific process with strict quality criteria and limits on outstandings is applied.

Compagnie de Financement Foncier also refinances its parent company by assigning loans and receivables that are subject to the same eligibility criteria as those applied to direct purchases. The assignment of assets is made in the form of mortgage notes on retail loans or on French Local Authorities' loans granted pursuant to the article L.211-38. All the loans and receivables assigned in the form of mortgage notes are subject to a monthly control where doubtful loans are eliminated.

Furthermore, Compagnie de Financement Foncier replacement values have very good external credit ratings. The minimum acceptable credit rating for each asset (except for intragroup assets and assets guaranteed by collateral) depends on the investment horizon and must meet the minimum rating criteria of each of the three major rating agencies, as shown below:

|                          | Standard & Poor's | Moody's         | Fitch           |
|--------------------------|-------------------|-----------------|-----------------|
| From 0 to 59 days        | ST: A1            | ST: P1          | ST: F1          |
| From 60 days to 6 months | ST: A1+           | ST: P1; LT: Aa3 | ST: F1; LT: AA- |
| More than 6 months       | LT: AAA           | LT: Aaa         | LT: AAA         |

### *Limiting market counterparty risk*

Crédit Foncier group's risk policy specifies permarket counterparty risk limits and Compagnie de Financement Foncier observes these limits in its decision process.

<sup>7</sup> MRICS: Member accredited by the Royal Institution of Chartered Surveyors (RICS). The RICS is a professional organisation whose mission is to regulate and promote the real estate profession.

For its hedging transactions Compagnie de Financement Foncier executes a framework convention with each of its counterparties, with asymmetrical collateralisation and other specific terms set forth in an appendix to this agreement.

Each counterparty agrees to pay Compagnie de Financement Foncier on a daily basis (or on a weekly basis for some of them) a security deposit equal to its net debt position, without reciprocity from Compagnie de Financement Foncier.

#### **D. Managing balance sheet risks**

##### ***Managing interest rate risk***

Compagnie de Financement Foncier is committed to keeping its interest rate gaps within the specific limits set for each period and to correct any excess observed by the following quarter:

| <b>Interest rate gap observation period</b> | <b>Maximum interest rate gap as a % of projected balance sheet</b> |
|---------------------------------------------|--------------------------------------------------------------------|
| Less than 2 years                           | 2%                                                                 |
| 2 - 5 years                                 | 3%                                                                 |
| 5 - 10 years                                | 5%                                                                 |
| More than 10 years                          | 10%                                                                |

##### ***Liquidity risk hedging***

Beyond the legislative constraints requiring that sociétés de crédit foncier ensure that, at all times, all of their cash flows are hedged for a period of 180 days, Compagnie de Financement Foncier has its own additional strict rules. These rules guarantee that it always maintains enough liquidity to honour its privileged liability commitments with no need for new resources for one year in a run-off scenario (i.e. with no new activity).

The high quality of its eligible securities and receivables enables Compagnie de Financement Foncier to have an immediate access to significant amounts of funding from central banks, such as the ECB.

Thus, Compagnie de Financement Foncier cash position is sufficient at any given time to meet the contractual payments on its privileged debt over the coming twelve months.

##### ***No foreign exchange risk***

Compagnie de Financement Foncier prohibits any open foreign exchange positions. As such, all asset purchases or refinancing transactions that are not denominated in euros are systematically hedged against foreign exchange risk.

In practice, Compagnie de Financement Foncier limits its residual foreign exchange positions to €3m by currency with a €5m cap for all currencies.

## RELATIONSHIP BETWEEN COMPAGNIE DE FINANCEMENT FONCIER AND CRÉDIT FONCIER DE FRANCE

As stipulated by law, Compagnie de Financement Foncier draws on the technical and human resources of its parent company under agreements binding the two companies; these agreements, which are regulated as defined by Article L. 225-38 of the French *Code de commerce*, cover all of the Company's activities.

The general principles applied in preparing these agreements are described below.

The texts as drafted taking into account the special nature of the relationship between Crédit Foncier de France and its subsidiary Compagnie de Financement Foncier.

Sixteen agreements are signed by Crédit Foncier de France and Compagnie de Financement Foncier as of 31 December 2016, namely:

- a framework agreement, setting forth the general principles;
  - an agreement for loan assignments;
  - an agreement for loan servicing and recovery;
  - an agreement governing financial services;
  - an asset/liability management (ALM) agreement;
  - an administrative and accounting management agreement;
  - a service agreement on internal control and compliance;
  - an agreement related to the implementation of information technology services;
  - an agreement concerning human resources;
  - an agreement concerning compensation for services;
  - an agreement related to settlement bank services;
  - a guarantee agreement for adjustable-rate loans;
  - a guarantee and compensation agreement;
  - a paying agent agreement;
  - an agreement related to shareholder's account advance effective as of 15 September 2015, the date the account was established;
  - an agreement relating to the assignment of mortgage ranking/priority;
- and two agreements between Crédit Foncier de France, Compagnie de Financement Foncier and a third-party:
- an agreement relating to management and recovery of loans subsidised by the French State;
  - the renewal of the broker agreement (with BPCE, Caisses d'Epargne and Crédit Foncier de France);

Apart from its corporate officers, Compagnie de Financement Foncier does not have any direct employees.

## Information on groupe Crédit Foncier, to which Compagnie de Financement Foncier belongs

The principal business of Crédit Foncier de France is to grant mortgage loans to individuals and real estate professionals, grant loans to local authorities, provide structured financing and to issue bonds to finance these loans.

From its creation in 1852 and until 1999, Crédit Foncier de France held the special status as a *société de crédit foncier* and as such, issuing *obligations foncières*.

Acting as a key player in the specialized real estate financing market and responsible for distributing French state subsidized loans, following the real estate crisis in the 1990's and the abolition of subsidised loans, in 1999 Crédit Foncier de France joined the private sector after its 90% acquisition by the Groupe Caisse d'Épargne.

In the legal context governing this acquisition, the Parliament created a specific new status for *sociétés de crédit foncier*. Compagnie de Financement Foncier was then founded and authorised as a *société de crédit foncier* by the *Comité des Etablissements de Crédit et des Entreprises d'Investissements* ("CECEI"). Crédit Foncier de France transferred all its property commitments and pledged assets to Compagnie de Financement Foncier pursuant to Article 110 of law 99-532 from 25 June 1999.

After having been affiliated with the Groupe Caisse d'Épargne between 1999 and 2009, Crédit Foncier de France became affiliated in 2009 to Groupe BPCE, which resulted from the merger of Caisses d'Épargne and Banques Populaire networks. Since 5 August 2010, Crédit Foncier de France has been fully owned by the Central body of BPCE.

Crédit Foncier de France is a major player in real estate financing services.

## Key events of Crédit Foncier group

Key features of the year 2015:

### Acquisitions and disposals

Compagnie de Financement Foncier continued its business activity in 2015 in keeping with Groupe Crédit Foncier's strategic guidelines, in synergy with Groupe BCPE.

- Over the year, Compagnie de Financement Foncier financed a net amount of €5.8 billion of real estate loans, previously granted by Crédit Foncier to its retail customers. Half of these purchases were loans benefiting from a double guarantee, on one side a first rank mortgage and, on the other side, a guarantee from the French state through the *Fonds de Garantie à l'Accession Sociale*.

Compagnie de Financement Foncier also adapted the structure of the *billets hypothécaires* (Mortgage notes) subscribed by Crédit Foncier in order to improve the matching of their interest rates and liquidity with the loans in guarantee of the notes. During this operation, Compagnie de Financement Foncier bought some of these underlying loans, increasing its share of real estate loans owned directly. These purchases were carried out under exceptional conditions which necessitate the slight relaxing of the purchase filters' criteria. In compensation, an individual monthly follow-up is performed on these loans and as soon as a default occurs, the disposal of the loan is cancelled, removing the asset that would not have been bought otherwise.

Purchases of public sector assets were more limited, around €0.5 billion. As far as mobilisation operations are concerned, the same restructuration was applied to loans guaranteed by portfolio of loans to French local authorities pursuant to Article L. 211-38 of the Code, still to improve matching of the cash flows from the loans and the ones from the underlying assets brought in guarantee.

- Compagnie de Financement Foncier refinanced Crédit Foncier for €380 million through the mobilisation, pursuant to Article L. 211-38, of a portfolio of *Crédit Impôt Recherche* receivables previously acquired from Natixis;
- Compagnie de Financement Foncier further reduced its balance sheet total through the sale of international assets amounting to €1.9 billion. Compagnie de Financement Foncier thus disposed of all its positions in Austria, including the three lines of bonds issued by HETA; and sold all its sovereign exposures to Slovenia, Ireland, Cyprus and Hungary.

- In order to increase its liquidity reserve and a high level of Liquidity Coverage Ratio, without degrading its cash level, Compagnie de Financement Foncier bought to Crédit Foncier for €1.3 billion of French and Italian sovereign bonds that she then transferred back to its parent company under repurchase agreement.

#### Funding and cash management

In parallel, Compagnie de Financement Foncier issued a gross amount of €8.4 billion in obligations foncières, broken down as follows:

- €7.0 billion in new issuances on the market, of which €0.7 billion were private placements;
- €0.8 billion in issuances subscribed by Vauban Mobilisations Garanties, a wholly-owned subsidiary of Crédit Foncier;
- €0.6 billion of debt restructuring operations (buy-back of old lines and their replacement with securities having longer maturities).

All issuances in 2015 were denominated in euros; they show that German investors were the most active investors in Compagnie de Financement Foncier's issuances, as well as a strengthened presence of central banks.

2015 was marked by the following benchmark public issuances:

- €1 billion at 10 years in January;
- €1 billion at 5 years in February;
- €1.5 billion at 3 years in June;
- €1.5 billion at 7 years in September;
- €1.25 billion at 5 years in October.

Compagnie de Financement Foncier transferred €1.1 billion in mortgage loans during the CFHL-2 2015 securitisation operation which enabled Groupe Crédit Foncier to sell and deconsolidate a total amount of €1.4 billion of home loans.

In addition, Compagnie de Financement Foncier also sold to third parties €41 million in loans to public entities in France.

#### Restructuring of the derivatives portfolio

Since 2011, in the context of the implementation of the EMIR directive and new rating agencies methodologies, Compagnie de Financement Foncier has been engaged in a major restructuring programme in order to reduce its derivatives portfolio, without changing the nature of the interest rate and foreign exchange terms of its balance sheet.

In February and in November 2015, two derivative compression operations were realised with Crédit Foncier, for a notional amount of €26.3 billion, resulting in the payment of a net termination balance of €9 million to Crédit Foncier.

These transactions are neutral with respect to Compagnie de Financement Foncier's net income; the termination balances are spread for accounting purposes over the remaining life of the balance sheet items that were hedged by these derivatives.

Key features of the year 2016:

#### Acquisitions and disposals

In 2016, Compagnie de Financement Foncier continued its business activity in 2016 in keeping with groupe Crédit Foncier's strategic guidelines, in synergy with Groupe BPCE.

During 2016, Compagnie de Financement Foncier acquired €6.7bn in loans from Crédit Foncier including related receivables, plus €2.6m in unreleased loans.

Under Article L. 211-38 of the Code, which allows an institution to grant a loan to another financial institution, the repayment of which is secured by a pool of receivables, Compagnie de Financement Foncier has for several years arranged credit lines with its parent company, Crédit Foncier, amounting to €10.3bn at December 31, 2016, and with certain Caisses d'Épargne or Banques Populaires banks, amounting to €0.2bn. The same facility was also granted to BPCE SA, amounting to €8.9bn at end-2016 excluding related receivables. Total loans granted under these facilities were collateralized for €19.6bn.

Outstanding mortgage notes acquired by Compagnie de Financement Foncier from Crédit Foncier totaled €7.3bn at 31 December 2016 (collateralized for €7.8bn), up €1.6bn from the end of 2015.

Replacement values of Compagnie de Financement Foncier, amounted to €6.8bn. In addition to working cash balances, replacement values essentially comprise loans granted under Article L. 211-38 of the Code.

Turning to funding activities, Compagnie de Financement Foncier issued €5.4bn of obligations foncières in 2016, within the limit of the annual issuance program. It also has the option to access the refinancing facilities of the Banque de France under the comprehensive guarantee management mechanism or Gestion globale des garanties (3G pool). No securities were pledged as collateral to the European Central Bank in 2016.

The groupe Crédit Foncier continued to reduce its international exposure in 2016, in accordance with its strategic plan launched in 2011. In total, outstandings of €97.4m (foreign currencies converted at source value) were sold by Compagnie de Financement Foncier in 2016. These disposals, together with the unwinding of the associated hedging swaps, generated net capital losses of nearly zero in 2016, compared with a loss of -€4m before taxes in 2015 on the disposals' amount of €1.6bn. Those results appear in the income statement under "Gains or losses on long-term investments".

#### Off-balance sheet optimization transactions

In order to meet the twofold objective of (i) reducing off-balance sheet commitments to minimize the amount of capital allocated to derivatives, and (ii) limiting counterparty exposures, Compagnie de Financement Foncier conducts transactions to optimize its interest rate derivative portfolio on a regular basis.

In 2016, an optimization transaction was conducted internally with Crédit Foncier for a notional amount of €2.1bn and a net termination balance of €10.5m. Furthermore, Compagnie de Financement Foncier canceled several interest rate hedging swaps in 2016, for a total of €3.9bn, resulting in the receipt of balances totalling €109.9m (spread over the remaining term of the underlying assets).

In addition, several swap transactions with external counterparties were assigned to Natixis SA, leading to the receipt of compensation in the amount of €7.7m.

#### Early repayments

Given the low interest rate environment, the average rate of early repayment for loans to individuals remains high at 13.1% of outstanding loans in 2016. The outflows of assets amounted to €4.3bn.

The impact of these early repayments consisted mainly of:

- accelerated amortization of acquisition premiums/discounts for a total of €140m in full-year 2016;
- collection of €83m in prepayment penalties, in excess of the amount budgeted, one-third of which was transferred to Crédit Foncier for services rendered (charge booked under general operating expenses).

### Funding and cash management

In parallel, Compagnie de Financement Foncier issued a gross amount of €5.4bn in obligations foncières, broken down as follows:

- €5.2bn in new issuances on the market, of which €1.2bn were private placements;
- €0.2bn of debt restructuring operations (buyback of old lines and their replacement with securities having longer maturities).

All issuances in 2016 were denominated in euros. Placement shows that German investors were the most active, followed by investors from France, Scandinavia, the Benelux and Asia. The granularity and diversity of the investor base, with more than 25% outside the eurozone, meant a reduction in Eurosystem allocations.

There were four benchmark public issues in 2016:

- €1bn 10-year maturity in January;
- €1bn 6-year maturity in March;
- €1bn 8-year maturity in April;
- €1bn 10-year maturity in September.

The covered bond issuances as well as cash flows generated by a high level of early repayments made it possible to ensure an important volume of acquisitions throughout the year.

### **Specialised subsidiary within a large group**

Compagnie de Financement Foncier is a credit institution authorised as a *financial company* and a *société de crédit foncier*. As a wholly-owned subsidiary of Crédit Foncier de France (A-/A2/A), and as an affiliate of BPCE (A/A2/A), the company's sole purpose is to finance the mortgage and public-sector lending activities of both its parent company and Groupe BPCE as a whole, through the issuance of *obligations foncières*.

## RECENT DEVELOPMENTS

### Indebtedness

Compagnie de Financement Foncier has issued between 1 January 2017 and 31 May 2017 *Obligations Foncières* for an amount of Euro 3,290,000,000.00 or its equivalent in other currencies, measured in accordance with French GAAP.

### Financial information as at 31 March 2017 and as at 31 March 2016

The following quarterly financial information is un-audited and has not been reviewed.

For the avoidance of doubt, the financial information as at 31 March 2017 and as at 31 March 2016<sup>8</sup> is reproduced in its entirety in the table below.

In thousands of euros

| Assets                                               | 31 March 2017     | 31 March 2016     |
|------------------------------------------------------|-------------------|-------------------|
| Cash due from central banks and post office accounts | 1,520,000         | 2,300,018         |
| Treasury notes and similar securities                | 3,467,389         | 3,615,098         |
| Due from banks                                       | 29,420,046        | 21,245,410        |
| Customers loans                                      | 39,372,426        | 41,453,608        |
| Bonds and other fixed income securities              | 5,921,613         | 12,389,935        |
| Shares and other variable income securities          |                   |                   |
| Other long term securities                           | 0                 | 4                 |
| Equity in subsidiary companies                       |                   |                   |
| Intangible fixed assets                              |                   |                   |
| Tangible fixed assets                                |                   |                   |
| Equity                                               |                   |                   |
| Other assets                                         | 16,127            | 42,627            |
| Prepayments deferred charges and accrued income      | 2,669,692         | 3,125,546         |
| <b>Total Assets</b>                                  | <b>82,387,293</b> | <b>84,172,246</b> |

<sup>8</sup> Free translation of the French BALO (Bulletin des Annonces Légales Obligatoires) published on 24/05/2017 and on 30/05/2016, respectively under number 1702394 and number 1502428.

In thousands of euros

| Liabilities and Equity                             | 31 March 2017     | 31 March 2016     |
|----------------------------------------------------|-------------------|-------------------|
| Cash due to central banks and post office accounts |                   |                   |
| Due to banks                                       | 8,718,815         | 8,862,976         |
| Customer deposits                                  | 8                 | 17                |
| Debt securities                                    | 66,018,419        | 66,467,534        |
| Other liabilities                                  | 2,040,320         | 3,242,599         |
| Accruals and deferred income(*)                    | 2,388,573         | 2,349,289         |
| Provisions for liabilities and charges             | 20,663            | 16,139            |
| Subordinated debt                                  | 0                 | 0                 |
| Fund for general banking risks                     | 20,000            | 20,000            |
| Equity other than fund for general banking risks   | 3,180,495         | 3,213,692         |
| Subscribed capital stock                           | 2,537,460         | 2,537,460         |
| Share premiums                                     | 343,002           | 343,002           |
| Reserves                                           | 114,468           | 107,843           |
| Revaluation variation                              |                   |                   |
| Regulated provisions and investment subsidies      |                   |                   |
| Retained earnings                                  | 91,889            | 92,901            |
| Net income for the year                            | 93 676**          | 132,486           |
| <b>Total Liabilities and Equity</b>                | <b>82,387,293</b> | <b>84,172,246</b> |

(\*)

- Of which un-audited net income for the first quarterly borrowing 2017 of €20,663
- Of which un-audited net income for the first quarterly borrowing 2016 of €43,382 thousand

(\*\*) On 31 March 2017, unaudited net income according to French accounting standards is a gain of €20,663 thousand

**In thousands of euros**

| <b>Off-Balance Sheet</b>                                    | <b>31 March 2017</b> | <b>31 March 2016</b> |
|-------------------------------------------------------------|----------------------|----------------------|
| Commitments given :                                         |                      |                      |
| <i>Financing commitments</i> .....                          |                      |                      |
| - Commitments in favour of banks                            |                      |                      |
| - Commitments in favour of customers                        | 873,405              | 685,612              |
| <i>Guarantee commitments</i> .....                          |                      |                      |
| - Commitments from banks                                    |                      |                      |
| - Commitments from customers                                |                      |                      |
| <i>Securities commitments</i> .....                         |                      |                      |
| - Other commitments given                                   | 0                    | 134,171              |
| <i>Commitments given for Insurance activities</i> .....     |                      |                      |
| Commitments received :                                      |                      |                      |
| <i>Financing commitments</i> .....                          |                      |                      |
| - Commitments received from banks.....                      | 3,052,571            | 3,490,807            |
| <i>Guarantee commitments</i> .....                          |                      |                      |
| - Commitments received from banks.....                      | 6,652,496            | 5,537,218            |
| <i>Securities commitments</i> .....                         |                      |                      |
| - Other commitments received.....                           |                      |                      |
| <i>Commitments received from Insurance activities</i> ..... |                      |                      |

## TAXATION

*The following is a general description of certain withholding tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is subject to any change in law and interpretation hereof that may take effect after such date, possibly with a retroactive effect.*

### LUXEMBOURG - TAXATION

*The following is a summary limited to certain tax considerations in Luxembourg relating to the Notes that may be issued under the Programme and specifically contains information on taxes on the income from the securities withheld at source. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in or ownership and disposition of the Notes.*

#### **Withholding tax**

Under Luxembourg tax law currently in effect and subject to the exception below there is no Luxembourg withholding tax on payments of interest, including accrued but unpaid interest.

In accordance with the law of 23 December 2005, as amended, interest payments made by Luxembourg paying agents to Luxembourg resident individual beneficial owners are subject to a 20 per cent. withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

### FRANCE – TAXATION

*The following is a summary limited to certain withholding tax considerations in France that may be relevant to holders or beneficial owners of Notes issued under the Programme who do not currently hold shares of the Issuer. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in or ownership and disposition of the Notes.*

#### **Notes issued as from 1 March 2010**

Payments of interest and other assimilated revenues made by the Issuer with respect to Notes issued on or after 1 March 2010 (other than Notes (described below) which are assimilated (*assimilables* for the purpose of French Law) with Notes issued prior to 1 March 2010 benefiting from the exemption from the withholding tax of Article 131 *quater* of the French *Code général des impôts*) will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a “**Non-Cooperative State**”). If such payments under the Notes are made outside France in a Non-Cooperative State, a 75 % withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other assimilated revenues on such Notes will not be deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution established in such a Non-Cooperative State (subject to certain exceptions). Under certain conditions, any such non-deductible interest and other assimilated revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other assimilated revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of

the French *Code général des impôts*, at a rate of 30% or 75% (subject to the more favourable provisions of any applicable double tax treaty).

Notwithstanding the foregoing, neither the 75% withholding tax set out under Article 125 A III of the French *Code général des impôts* nor the non-deductibility set out under Article 238 A of the French *Code général des impôts* or the withholding tax set out under Article 119 bis 2 that may be levied as a result of such non-deductibility, to the extent the relevant interest and other assimilated revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, will apply in respect of a particular issue of Notes if the Issuer can prove that the main purpose and effect of such issue of Notes were not that of allowing the payments of interest and other assimilated revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the French administrative guidelines (BOI-INT-DG-20-50-20140211, n°550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211, n°70 and 80, and BOI-IR-DOMIC-10-20-20-60-20150320, n°10), an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the main purpose and effect of such issue of Notes, if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than in a Non-Cooperative State. For this purpose, an “equivalent offer” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a French or foreign regulated market or multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the operations of a central depository or of a securities payment and delivery systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

**Notes issued before 1 March 2010 and Notes which are assimilated (*assimilables* for the purpose of French law) to Notes issued before 1 March 2010**

Payments of interest and other assimilated revenues made by the Issuer with respect to (i) Notes issued (or deemed issued) outside France as provided under Article 131 *quater* of the French *Code général des impôts*, before 1 March 2010 and whose maturity date was not extended as from that date and (ii) Notes issued on or after 1 March 2010 and which are assimilated to (*assimilables* for the purpose of French law) and form a single series with such Notes, will continue to be exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*. Pursuant to the French tax administrative guidelines (BOI-RPPM-RCM-30-10-30-30-20140211, n°100), the exemption will also apply if the payments are made outside France in a Non-Cooperative State.

Notes issued before 1 March 2010, whether denominated in Euro or in any other currency, and constituting *obligations* under French law, or *titres de créances négociables* within the meaning of the French tax administrative guidelines (BOI-RPPM-RCM-30-10-30-30-20140211, n°50), or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside the Republic of France for the purpose of Article 131 *quater* of the French *Code général des impôts*, in accordance with the aforementioned administrative guidelines.

In addition, interest and other assimilated revenues paid by the Issuer on Notes issued before 1 March 2010 (or Notes issued as from 1 March 2010 and which are to be assimilated (*assimilables* for the purpose of French law) with such Notes) will be subject neither to the non-deductibility set out under Article 238 A of the French *Code général des impôts* nor to the withholding tax set out in Article 119 *bis* 2 of the French *Code général des impôts* solely on account of their being paid to a bank account opened in a financial institution established in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

### **Payments made to French tax resident individuals**

Where the paying agent (*établissement payeur*) is established in France, pursuant to Article 125 A of the French *Code général des impôts* subject to certain limited exceptions, interest and other assimilated revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5% on such interest and other assimilated revenues paid to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

### **FATCA WITHHOLDING**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including France) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019. Noteholders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## SUBSCRIPTION AND SALE

Subject to the terms and the conditions contained in an amended and restated dealer agreement dated 16 June 2017 (the “**Amended and Restated Dealer Agreement**”) between the Issuer, the Permanent Dealers and the Arranger, 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 sold by the Issuer through the Dealers, acting as agents of the Issuer. The Amended and Restated Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the update of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes having a Specified Denomination of less than Euro 100,000 will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Amended and Restated Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### Selling Restrictions

#### Prohibition of Sales to EEA Retail Investors

From 1 January 2018, unless the Final Terms in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of IMD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined the Prospectus Directive; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Prior to 1 January 2018, and from that date if the Final Terms in respect of any Obligations Foncières specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable” in relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Public Offer**”), following the date of publication of a prospectus in relation to such Notes 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 Public Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such final terms and the Issuer has consented in writing to its use for the purpose of that Public Offer;

- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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

For the purposes of this provision, 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, the expression “**Prospectus Directive**” means Directive 2003/71/EC, as amended, and includes any relevant implementing measure in the Relevant Member State.

#### **France**

Each Dealer has represented and agreed that:

**(a) Offer to the public in France**

it has only made and will only make an offer of Notes to the public in France on or after the date of publication of the prospectus relating to those Notes approved by the *Autorité des marchés financiers* (the “AMF”), all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF, and ending at the latest on the date which is 12 months after the date of the approval of the Base Prospectus; or

**(b) Private Placement in France**

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

#### **United States**

The Notes have not been and will not be registered under the U.S. Securities Act and include Materialised Notes having a maturity of more than one year that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or, in the case of Materialised Notes, delivered within the United States or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Each Dealer has agreed that it will not offer, sell or deliver the Notes except as permitted by the Amended and Restated Dealer Agreement. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) and U.S. Treasury Regulations promulgated thereunder.

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

The relevant Final Terms or Supplement to the Prospectus will specify whether U.S. Treasury Regulations §1.163-(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the “**C Rules**”) or U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the “**D Rules**”) are applicable in relation to the issuance of a Tranche of the Notes unless such Tranche of the Notes is issued in circumstances in which the Notes will not constitute registration required obligations under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the applicable terms of such Notes as a transaction to which TEFRA is not applicable.

#### **United Kingdom**

Each Dealer has represented, warranted and agreed that:

- (i) in relation to any Notes which have a maturity of less than one year from the date of their issue, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### **Belgium**

The Notes may not be distributed in Belgium by way of an offer of securities to the public, as defined in Article 3 §1 of the Belgian Law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets, as amended (the “**Belgian Prospectus Law**”), save in those circumstances set out in Article 3 §2-4 of the Belgian Prospectus Law.

The offering is exclusively conducted under applicable private placement exemptions and therefore it has not been and will not be notified to, and the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes has not been and will not be approved by, the Belgian Financial Services and Markets Authority (“*Autorité des services et marchés financiers / Autoriteit voor financiële diensten en markten*”) (the “**FSMA**”).

Accordingly, the offering may not be advertised and each of the Dealers has represented and agreed that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes and that it has not distributed, and will not distribute, any memorandum, information circular, brochure or any similar documents, directly or indirectly, to any individual or legal entity in Belgium other than:

- (i) qualified investors, as defined in Article 10 of the Belgian Prospectus Law;
- (ii) investors required to invest a minimum of €100,000 (per investor and per transaction);

and in any other circumstances set out in Article 3 §2-4 of the Belgian Prospectus Law.

This Base Prospectus has been issued only for the personal use of the above investors and exclusively for the purpose of the offering of Notes. Accordingly, the information contained herein may not be used for any other purpose nor disclosed to any other person in Belgium.

The Notes are not intended to be sold to Belgian Consumers. Accordingly, Notes issued under this Programme will not be offered to, or placed with Belgian consumers.

For these purposes, a “**Belgian Consumer**” has the meaning provided by the Belgian Code of Economic Law, as amended from time to time (*Wetboek van 28 februari 2013 van economisch recht/Code du 28 février 2013 de droit économique*), being any natural person resident or located in Belgium acting for purposes which are outside his/her trade, business or profession.

### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Dealers has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and shall not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws, ministerial guidelines and regulations of Japan.

### **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 a Supplement to the Prospectus.

No action has been taken in any jurisdiction that would permit an offer to the public 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 that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives 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 therefore.

Each of the Dealers and the Issuer has represented and agreed that Materialised Notes may only be issued outside France.

## FORM OF FINAL TERMS 1

### FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF NOTES WITH A DENOMINATION OF LESS THAN EURO 100,000 TO BE LISTED AND ADMITTED TO TRADING ON A REGULATED MARKET OR REGULATED MARKETS AND/OR OFFERED TO THE PUBLIC IN THE EUROPEAN ECONOMIC AREA

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS]** - The Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC (“**IMD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC, as amended (the “**Prospectus Directive**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.]<sup>9</sup>

**Final Terms dated [•]**

[LOGO, if document is printed]

**COMPAGNIE DE FINANCEMENT FONCIER**

Euro 125,000,000,000

Euro Medium Term Note Programme

for the issue of *Obligations Foncières*

Due from one month from the date of original issue

**SERIES NO: [•]**

**TRANCHE NO: [•]**

**[Brief Description and Amount of *Obligations Foncières*]**

**Issued by: COMPAGNIE DE FINANCEMENT FONCIER (the “Issuer”)**

Issue Price: [•] per cent.

**[Name(s) of Manager(s)]**

<sup>9</sup> Delete legend if the offer of the Notes is concluded prior to 1 January 2018, or on and after that date the Notes do not constitute “packaged” products, in which case, insert “Not Applicable” in paragraph 11(vi) of Part B below. Include legend if the offer of the Notes will be concluded on or after 1 January 2018, the Notes may constitute “packaged” products and the Issuer intends to prohibit the Notes being offered, sold or otherwise made available to EEA retail investors. In this case insert “Applicable” in paragraph 11(vi) of Part B below.

[Any person making or intending to make an offer of the Notes may only do so in those Public Offer Jurisdictions mentioned in Paragraph 11(vii) of Part B below, provided such person is [an Authorised Offeror] in that paragraph and that such offer is made during the Offer Period specified for such purpose therein: or (ii) otherwise in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances]

The expression “**Prospectus Directive**” means Directive 2003/71/EC, as amended, and includes any relevant implementing measure in the Relevant Member State.]

## 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 16 June 2017 which received visa n°17-275 from the *Autorité des marchés financiers* (the “**AMF**”) on 16 June 2017 [and the supplement(s) to the Base Prospectus dated [•] which received visa n°[•] from the AMF on [•] (the “**Supplement[s]**”) which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC, as amended (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]. A summary of the issue of the Notes is annexed to these Final Terms. 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 [as so supplemented]. The Base Prospectus [and the Supplement(s)] [is] [are] available for viewing on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)), and copies may be obtained from Compagnie de Financement Foncier, 4, Quai de Bercy, 94224 Charenton Cedex, France.

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus and/or an Offering Circular with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) which are the [•] EMTN Conditions which are incorporated by reference in the Base Prospectus dated 16 June 2017. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Directive 2003/71/EC, as amended (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated 16 June 2017 which received visa n°17-275 from the AMF on 16 June 2017 [and the supplement(s) to the Base Prospectus dated [•] which received visa n°[•] from the AMF on [•] (the “**Supplement[s]**”)], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, including the [•] EMTN Conditions which are incorporated by reference in the Base Prospectus. A summary of the issue of the Notes is annexed to these Final Terms. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the [•] EMTN Conditions and the Base Prospectus dated 16 June 2017 [and the Supplement[s]]. The Base Prospectus [and the Supplement[s]] [is][are] available for viewing at the office of the Fiscal Agent or each of the Paying Agents and, if relevant, on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)), and copies may be obtained from Compagnie de Financement Foncier, 4, Quai de Bercy, 94224 Charenton Cedex, France.

*[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]*

- |    |                    |                                  |
|----|--------------------|----------------------------------|
| 1. | Issuer:            | Compagnie de Financement Foncier |
| 2. | (i) Series Number: | [•]                              |

|                                                |                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (ii) Tranche Number:                           | [•]                                                                                                                                                                                                                                                                                                                      |
| (iii) Date on which the Notes become fungible: | [Not Applicable/ The Notes will be assimilated ( <i>assimilées</i> ) and form a single series with the existing [ <i>insert description of the Series</i> ] issued by the Issuer on [ <i>insert date</i> ] (the “ <b>Existing Notes</b> ”) as from the Issue Date of this Tranche.]                                      |
| 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 [ <i>insert date</i> ],(if applicable)]                                                                                                                                                                                                        |
| 6. Specified Denominations:                    | [•] ( <i>one denomination only for Dematerialised Notes</i> ) <sup>10</sup>                                                                                                                                                                                                                                              |
| 7. (i) Issue Date:                             | [•]                                                                                                                                                                                                                                                                                                                      |
| (ii) Interest Commencement Date:               | [Specify/Issue Date/Not Applicable]                                                                                                                                                                                                                                                                                      |
| 8. Maturity Date:                              | [specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year] [If applicable, refer to paragraph 9 below for the Extended Maturity Date]                                                                                                                        |
| 9. Extended Maturity Date:                     | [[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]/Not Applicable.]                                                                                                                                                                                 |
| 10. Interest Basis:                            | [[•] per cent. Fixed Rate]<br>[[•] month [ <i>specify particular reference rate or</i> EURIBOR/LIBOR/EONIA/CMS Rate/TEC10] +/- [•] per cent. Floating Rate]<br>[Fixed/Floating Rate]<br>[Zero Coupon]<br>[Inflation Linked Note – Fixed Interest/Inflation Interest]<br>[( <i>further particulars specified below</i> )] |
| 11. Redemption Basis <sup>11</sup> :           | [Inflation Linked Notes – [Redemption at par/Inflation Redemption]] [Subject to any                                                                                                                                                                                                                                      |

<sup>9</sup> Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and having a maturity of less than one year must have a minimum denomination of Sterling 100,000 (or its equivalent in other currencies).

<sup>10</sup> If the Final Redemption Amount is less than 100% of the nominal value the Notes will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

|                                                                                                     |                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                     | purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date [or the Extended Maturity Date] at [•] per cent. of their nominal amount / pursuant to Condition 6(d) (for Inflation Linked Notes, as the case may be)] |
| 12. Change of Interest Basis:                                                                       | [Applicable - Fixed/Floating Rate ] / [Not Applicable]<br>[(Further particulars specified below in “Fixed/Floating Rate Note Provisions”)]<br>[Not Applicable]                                                                                         |
| 13. Put/Call Options:                                                                               | [Noteholder Put]<br>[Issuer Call]<br>[(further particulars specified below)]                                                                                                                                                                           |
| 14. Maximum/Minimum Rates of Interest, Final Redemption Amounts and/or Optional Redemption Amounts: | [Applicable/Not Applicable] (If not applicable, delete the remaining sub paragraphs of this paragraph)                                                                                                                                                 |
| <b>Maximum Rate of Interest:</b>                                                                    | [Applicable/Not Applicable] (If not applicable, delete the remaining sub paragraphs of this paragraph)                                                                                                                                                 |
| (i) Fixed Percentage:                                                                               | [•]/[Not Applicable]                                                                                                                                                                                                                                   |
| (ii) Variable Rate:                                                                                 | [Applicable/Not Applicable] (If not applicable, delete the remaining sub paragraphs of this paragraph)                                                                                                                                                 |
| (iii) Manner in which the Benchmark Rate is to be determined:                                       | [Screen Rate Determination][ISDA Determination]                                                                                                                                                                                                        |
| (iv) Screen Rate Determination:                                                                     | [Applicable/Not Applicable] (If not applicable, delete the remaining sub paragraphs of this paragraph)                                                                                                                                                 |
| - Benchmark Rate:                                                                                   | [•]                                                                                                                                                                                                                                                    |
| - ISDA Definitions:                                                                                 | [•]                                                                                                                                                                                                                                                    |
| - Reference Banks:                                                                                  | [•]                                                                                                                                                                                                                                                    |
| - Relevant Inter-Bank Market:                                                                       | [•]                                                                                                                                                                                                                                                    |
| - Relevant Screen Page:                                                                             | [•]                                                                                                                                                                                                                                                    |
| - Relevant Screen Page Time:                                                                        | [•]                                                                                                                                                                                                                                                    |
| - Specified Currency:                                                                               | [•]                                                                                                                                                                                                                                                    |
| (v) ISDA Determination:                                                                             | [Applicable/Not Applicable] (If not applicable, delete the remaining sub paragraphs of this paragraph)                                                                                                                                                 |
| - Floating Rate Option:                                                                             | [•]                                                                                                                                                                                                                                                    |
| - Designated Maturity:                                                                              | [•]                                                                                                                                                                                                                                                    |
| - Reset Date:                                                                                       | [•]                                                                                                                                                                                                                                                    |
| (vi) Margin:                                                                                        | [•]                                                                                                                                                                                                                                                    |

|                                            |                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Minimum Rate of Interest:</b>           |                                                                            | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i>                                                                                                                                                                                                                                                                                                                                                                                   |
| (i)                                        | Fixed Percentage:                                                          | [•]/[Not Applicable]                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| (ii)                                       | Variable Rate:                                                             | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i>                                                                                                                                                                                                                                                                                                                                                                                   |
| (iii)                                      | Manner in which the Benchmark Rate is to be determined:                    | [Screen Rate Determination][ISDA Determination]                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| (iv)                                       | Screen Rate Determination:                                                 | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i>                                                                                                                                                                                                                                                                                                                                                                                   |
|                                            | - Benchmark Rate:                                                          | [•]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                            | - ISDA Definitions:                                                        | [•]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                            | - Reference Banks:                                                         | [•]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                            | - Relevant Inter-Bank Market:                                              | [•]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                            | - Relevant Screen Page:                                                    | [•]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                            | - Relevant Screen Page Time:                                               | [•]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                            | - Specified Currency:                                                      | [•]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| (v)                                        | ISDA Determination:                                                        | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i>                                                                                                                                                                                                                                                                                                                                                                                   |
|                                            | - Floating Rate Option:                                                    | [•]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                            | - Designated Maturity:                                                     | [•]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                            | - Reset Date:                                                              | [•]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| (vi)                                       | Margin:                                                                    | [•]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Maximum Final Redemption Amount:</b>    |                                                                            | [•]/[Not Applicable]                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Minimum Final Redemption Amount:</b>    |                                                                            | [•]/[Not Applicable]                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Maximum Optional Redemption Amount:</b> |                                                                            | [•]/[Not Applicable]                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Minimum Optional Redemption Amount:</b> |                                                                            | [•]/[Not Applicable]                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 15.                                        | (i) Status of the Notes:                                                   | [Obligations Foncières]                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                            | (ii) Dates of the corporate authorisations for issuance of Notes obtained: | Decision of the <i>Conseil d'administration</i> of Compagnie de Financement Foncier dated [•] authorising the issue of the Notes and authorising, <i>inter alios</i> , its <i>Président Directeur Général</i> and its <i>Directeur Général Délégué</i> to sign and execute all documents in relation to the issue of Notes, and decision of the <i>Conseil d'administration</i> of the Issuer dated [•] authorising the quarterly programme of borrowings which benefit from the <i>privège</i> |

referred to in Article L. 513-11 of the French *Code monétaire et financier* up to and including Euro [•] billion for the [•] quarter of 20[•].

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

### 16. Fixed Rate Note Provisions

(i) Rate [(s)] of Interest:

[Applicable/Applicable for the purposes of the interest on the Inflation Linked Note/Applicable as the Pre Switch Rate/Applicable as the Post Switch Rate/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

[•] per cent. per annum with respect to each Interest Accrual Period][The Rates of Interest set out in the following table][payable [annually/semi-annually/quarterly/monthly] in arrear[:]

Relevant Interest Rate of Interest:  
Accrual Period:

|                                                   |                                                                                         |
|---------------------------------------------------|-----------------------------------------------------------------------------------------|
| [•]                                               | [•]                                                                                     |
| <i>(Specify relevant Interest Accrual Period)</i> | <i>(Specify relevant Rate of Interest corresponding to the Interest Accrual Period)</i> |

(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] *(Note that this item relates to interest period end dates and not to the date and place of payment, to which item 28 relates)*

(iii) Interest Period Date(s):

[•]  
*(Not applicable unless different from Interest Payment Date)*

(iv) Fixed Coupon Amount [(s)]:

[•] per [•] in nominal amount

(v) Broken Amount(s):

[•] payable on the Interest Payment Date falling in/on [•]

(vi) Day Count Fraction (Condition 5(a)):

[Actual/Actual / Actual/Actual – ISDA / Act/Act / Act/Act (ISDA) / Actual/365 – FBF / Actual/Actual – FBF / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]

(vii) Determination Date(s) (Condition 5(a)):

[•] in each year *(insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date (or Extended 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))*

## 17. Floating Rate Note Provisions

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

- (i) Interest Period(s): [•]
- (ii) Specified Interest Payment Dates: [•]
- (iii) First Interest Payment Date: [•]
- (iv) Interest Period Date: [•] *(not applicable unless different from Interest Payment Date)*
- (v) Business Day Convention: [Following Business Day Convention/ Following Business Day Except the Following Month Convention/Preceding Business Day Convention/other (give details)]. *(Note that this item relates to interest period end dates and not to the date and place of payment, to which item 28 relates)*
- (vi) Business Centre(s) (Condition 5(a)): [•]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/FBF Determination/ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [•]
- (ix) Screen Rate Determination (Condition 5(c)(iii)(C)): [•]
- Reference Rate: [EURIBOR/LIBOR/EONIA/CMS Rate/TEC10]
- Relevant Inter-Bank Market: [•]
- Relevant Screen Page 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]], subject to adjustment in accordance with [Following Business Day Convention/ Following Business Day Except the Following Month Convention/Preceding Business Day Convention].]*
- Relevant Screen Page: [•]
- [Relevant Currency: [•]]
- [Relevant Financial Centre: [•]]

|                                                                                       |                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| - [Designated Maturity:                                                               | [•]                                                                                                                                                                                                                                                          |
| - [Specified Time:                                                                    | [•]                                                                                                                                                                                                                                                          |
| (x) FBF Determination (Condition 5(c)(iii)(A)):                                       | [•]                                                                                                                                                                                                                                                          |
| - Floating Rate:                                                                      | [•]                                                                                                                                                                                                                                                          |
| - Floating Rate Determination Date ( <i>Date de Détermination du Taux Variable</i> ): | [•]                                                                                                                                                                                                                                                          |
| - FBF Definitions: (if different from those set out in the Conditions):               | [•]                                                                                                                                                                                                                                                          |
| (xi) ISDA Determination (Condition 5(c)(iii)(B)):                                     |                                                                                                                                                                                                                                                              |
| • Floating Rate Option:                                                               | [•]                                                                                                                                                                                                                                                          |
| • Designated Maturity:                                                                | [•]                                                                                                                                                                                                                                                          |
| • Reset Date:                                                                         | [•]                                                                                                                                                                                                                                                          |
| (xii) Margin(s):                                                                      | [+/-] [•] per cent. per annum                                                                                                                                                                                                                                |
| (xiii) Minimum Rate of Interest:                                                      | [Not Applicable] / [•] per cent. per annum                                                                                                                                                                                                                   |
| (xiv) Maximum Rate of Interest:                                                       | [Not Applicable] / [•] per cent. per annum                                                                                                                                                                                                                   |
| (xv) Day Count Fraction (Condition 5(a)):                                             | [Actual/Actual / Actual/Actual – ISDA / Act/Act / Act/Act (ISDA) / Actual/365 – FBF / Actual/Actual – FBF / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]                |
| (xvi) Determination Date(s) (Condition 5(a)):                                         | [•] in each year ( <i>insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date (or Extended 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)</i> ) |
| <b>18. Zero Coupon Note Provisions</b>                                                | [Applicable/Not Applicable] ( <i>If Not Applicable, delete the remaining subparagraphs of this paragraph</i> )                                                                                                                                               |
| (i) Amortisation Yield (Condition 6(g)):                                              | [•] per cent. per annum                                                                                                                                                                                                                                      |
| (ii) Day Count Fraction (Condition 5(a)):                                             | [Actual/Actual / Actual/Actual – ISDA / Act/Act / Act/Act (ISDA) / Actual/365 – FBF / Actual/Actual – FBF / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]                |
| (iii) Determination Date(s) (Condition 5(a)):                                         | [•] in each year ( <i>insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date (or Extended Maturity Date) in the case of a long or short first or last Coupon. N.B. only relevant where Day Count</i>                                    |

## 19. Inflation Linked Note Interest Provisions

*Fraction is Actual/Actual (ICMA))*

[Inflation Linked Notes – Fixed Interest Applicable/Inflation Linked Notes – Inflation Interest Applicable/Not Applicable] *(If Not Applicable, delete the remaining subparagraphs of this paragraph)*

*[(If Inflation Linked Notes – Fixed Interest is Applicable add the following) (see [16] of these Final Terms for details as to the Rate of Interest applicable)]*

- (i) Index: [CPI/HICP]
- (ii) Calculation Agent responsible for calculating the interest due (if not the Calculation Agent): [•]
- (iii) Interest Period(s): [•]
- (iv) Interest Payment Date(s): [•]
- (v) Interest Period Date(s): [•]

*(Not applicable unless different from Interest Payment Date)*

- (vi) Interest Determination Date: [•]
- (vii) Base Reference: [CPI/HICP] Daily inflation Reference Index applicable on [specify date] (amounting to: [•])
- (viii) Business Centre(s) (Condition 5(a)): [•]
- (ix) Minimum Rate of Interest: [Not Applicable]/[•] per cent. per annum
- (x) Maximum Rate of Interest: [Not Applicable]/[•] per cent. per annum
- (xi) Day Count Fraction (Condition 5(a)): [Actual/Actual / Actual/Actual – ISDA / Act/Act / Act/Act (ISDA) / Actual/365 – FBF / Actual/Actual – FBF / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]
- (xii) Determination Date(s) (Condition 5(a)): [•] in each year *(insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date (or Extended 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))*

## 20. Fixed/Floating Rate Note Provisions

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

- (i) Issuer Change of Interest Basis: [Applicable/Not Applicable]
- (ii) Automatic Change of Interest Basis: [Applicable/Not Applicable]
- (iii) Pre Switch Rate: Determined in accordance with [Condition 5(b), as though the Note was a Fixed Rate

|                                                                                |                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                | Note/Condition 5(c), as though the Note was a Floating Rate Note] with further variables set out in line item [•] of these Final Terms                                                                                     |
| (iv) Post Switch Rate:                                                         | Determined in accordance with [Condition 5(b), as though the Note was a Fixed Rate Note/Condition 5(c), as though the Note was a Floating Rate Note] with further variables set out in line item [•] of these Final Terms  |
| (v) Switch Date:                                                               | [•]                                                                                                                                                                                                                        |
| (vi) Minimum notice period required for notice from the Issuer:                | [•] Business Days prior to the Switch Date                                                                                                                                                                                 |
| <b>21. Rate Switch and Rate Lock-In Provisions</b>                             | [Applicable/ Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                             |
| (i) Issuer Rate Switch Option:                                                 | [Applicable/ Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                             |
| (a) Post Switch Rate:                                                          | Determined in accordance with [Condition 5(b), as though the Note was a Fixed Rate Note/Condition 5(c), as though the Note was a Floating Rate Note] with further variables set out in line item [•] of these Final Terms. |
| (b) Switch Date:                                                               | [•]                                                                                                                                                                                                                        |
| (c) Minimum notice period required for Rate Switch Notice from the Issuer:     | [•] Business Days prior to the Switch Date.                                                                                                                                                                                |
| (ii) Rate Lock-In:                                                             | [Applicable/ Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                             |
| (a) Barrier:                                                                   | [•]                                                                                                                                                                                                                        |
| (b) Manner in which the Benchmark Rate Level <sub>A</sub> is to be determined: | [Screen Rate Determination][ISDA Determination]                                                                                                                                                                            |
| (c) Screen Rate Determination:                                                 | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                              |
| - Benchmark Rate:                                                              | [•]                                                                                                                                                                                                                        |
| - ISDA Definitions:                                                            | [•]                                                                                                                                                                                                                        |
| - Reference Banks:                                                             | [•]                                                                                                                                                                                                                        |
| - Relevant Inter-Bank Market:                                                  | [•]                                                                                                                                                                                                                        |
| - Relevant Screen Page:                                                        | [•]                                                                                                                                                                                                                        |
| - Relevant Screen Page Time:                                                   | [•]                                                                                                                                                                                                                        |
| - Specified Currency:                                                          | [•]                                                                                                                                                                                                                        |
| (d) ISDA Determination:                                                        | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                              |
| - Floating Rate Option:                                                        | [•]                                                                                                                                                                                                                        |

- Designated Maturity: [•]
- Reset Date: [•]
- (e) Margin: [•]
- (f) Calculation Agent responsible for calculating the interest due (if not the Calculation Agent): [•]
- (g) Interest Period(s): [•]
- (h) Specified Interest Payment Date(s): [•]
- (i) Interest Determination Date: [•]
- (j) Day Count Fraction: [Actual/Actual / Actual/Actual – ISDA / Act/Act / Act/Act (ISDA) / Actual/365 – FBF / Actual/Actual – FBF / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]

## PROVISIONS RELATING TO REDEMPTION

### 22. 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): [Redemption at par][Zero Coupon Redemption] [Inflation Linked Notes – Inflation Redemption] *(The method of calculation of such amount(s) is determined in Condition 6(e))*
- (iii) If redeemable in part:
  - (a) Minimum Redemption Amount to be redeemed: [•]
  - (b) Maximum Redemption Amount to be redeemed: [•]
- (iv) Notice period: [•]

### 23. 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): [Redemption at par][Zero Coupon Redemption] [Inflation Linked Notes – Inflation Redemption] *(The method of calculation of such amount(s) is determined in Condition 6(f))*
- (iii) Notice Period: [•]

**24. Final Redemption Amount of each Note<sup>12</sup>**

|                                                                                                                             |                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                             | [[•]] per Note of [•] Specified Denomination<br>(for fungible issues of Notes<br>only)][Redemption at par] [Inflation Linked<br>Notes – Redemption at par][Inflation Linked<br>Notes – Inflation Redemption (see line item<br>[•] for more details)] |
| Inflation Linked Notes – Provisions relating to the Final<br>Redemption Amount:                                             | [Applicable/Not Applicable]<br>(If not applicable, delete the remaining sub-<br>paragraphs of this paragraph)                                                                                                                                        |
| (i) Determination date of IIR:                                                                                              | [•] Business Days prior to the Maturity Date<br>[or the Extended Maturity Date]                                                                                                                                                                      |
| (ii) Index:                                                                                                                 | [CPI/HICP]                                                                                                                                                                                                                                           |
| (iii) Final Redemption Amount in respect of Inflation<br>Linked Notes:                                                      | [Condition 6(d) applies]                                                                                                                                                                                                                             |
| (iv) Base Reference:                                                                                                        | [CPI/HICP] Daily Inflation Reference Index<br>applicable on [specify date] (amounting to: [•])                                                                                                                                                       |
| (v) Inflation Index Ratio (IIR):                                                                                            | [•]                                                                                                                                                                                                                                                  |
| (vi) Party responsible for calculating the Rate of<br>Interest and/or Interest Amount(s) (if not the<br>Calculation Agent): | [•]                                                                                                                                                                                                                                                  |

**25. Optional Redemption Amount**

|                                                                                                                            |                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| <b>Inflation Linked Notes – Provisions relating to the<br/>Optional Redemption Amount:</b>                                 | [Applicable / Not Applicable]<br>(If not applicable, delete the remaining sub-<br>paragraphs of this paragraph) |
| (i) Index:                                                                                                                 | [CPI/HICP]                                                                                                      |
| (ii) Optional Redemption Amount in respect of<br>Inflation Linked Notes:                                                   | [Condition 6(g)(ii) applies]                                                                                    |
| (iii) Base Reference:                                                                                                      | [CPI/HICP] Daily Inflation Reference Index<br>applicable on [specify date] (amounting to: [•])                  |
| (iv) Inflation Index Ratio:                                                                                                | [•]                                                                                                             |
| (v) Party responsible for calculating the Rate of<br>Interest and/or Interest Amount(s) (if not the Calculation<br>Agent): | [•]                                                                                                             |

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

|                           |                                                                                            |
|---------------------------|--------------------------------------------------------------------------------------------|
| <b>26. Form of Notes:</b> | [Dematerialised Notes/ Materialised Notes]<br>(Materialised Notes are only in bearer form) |
|---------------------------|--------------------------------------------------------------------------------------------|

<sup>11</sup> If the Final Redemption Amount is less than 100% of the nominal value the Notes will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

|                                                                                                                        |                                                                                                                                                                                                                                                               |
|------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                        | <i>[Delete as appropriate]</i>                                                                                                                                                                                                                                |
| (i) Form of Dematerialised Notes:                                                                                      | [Not Applicable/specify whether Bearer dematerialised form ( <i>au porteur</i> ) / Administered Registered dematerialised form ( <i>au nominatif administré</i> ) / Fully Registered dematerialised form ( <i>au nominatif pur</i> )]                         |
| (ii) Registration Agent:                                                                                               | [Not Applicable/Applicable] <i>if applicable give name and details</i> (note that a registration agent must be appointed in relation to Fully Registered Dematerialised Notes only)                                                                           |
| (iii) Temporary Global Certificate:                                                                                    | [Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Notes on <b>[•]</b> (the “ <b>Exchange Date</b> ”), being 40 days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]        |
| (iv) Applicable TEFRA exemption:                                                                                       | [C Rules/D Rules/TEFRA not applicable] ( <i>Only applicable to Materialised Notes</i> )                                                                                                                                                                       |
| 27. Exclusion of the possibility to request identification of the Noteholders as provided by Condition 1(a)(i)         | [Applicable] ( <i>if the possibility to request identification of the Noteholders as provided by Condition 1(a)(i) is contemplated delete this paragraph</i> )                                                                                                |
| 28. Financial Centre(s) (Condition 7(h)) or other special provisions relating to Payment Dates:                        | [Not Applicable/Give details]. ( <i>Note that this item relates to the date and place of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which items 16(ii), 17(v) and 19(iv) relate</i> )      |
| Adjusted Payment Date (Condition 7(h)):                                                                                | [The next following business day unless it would thereby fall into the next calendar month, in which such event such date shall be brought forward to the immediately preceding business day.] [The immediately preceding business day]/[Other <sup>*</sup> ] |
| 29. Talons for future Coupons to be attached to Definitive Materialised Notes (and dates on which such Talons mature): | [Yes/No/Not Applicable. <i>If yes, give details</i> ] ( <i>Only applicable to Materialised Notes</i> )                                                                                                                                                        |
| 30. Redenomination, renominatisation and reconventioning provisions:                                                   | [Not Applicable/The provisions [in Condition 1(d)] apply]                                                                                                                                                                                                     |
| 31. Consolidation provisions:                                                                                          | [Not Applicable/The provisions [in Condition 12(b)] apply]                                                                                                                                                                                                    |
| 32. Representation of holders of Notes <i>Masse</i> (Condition 10):                                                    | [[Full <i>Masse</i> ]/[Contractual <i>Masse</i> ] shall apply] ( <i>Note that: (i) in respect of any Tranche</i>                                                                                                                                              |

\* In the market practice, if any date for payment in respect of Fixed Rate Notes, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day (as defined in Condition 7(h)).

*of Notes issued outside France, Condition 10 (a)(ii) (Contractual Masse) may be elected by the Issuer; (ii) in respect of any Tranche of Notes issued inside France, Condition 10 (a) (i) (Full Masse) shall apply).*

Name and address of the Representative: [•]

Name and address of the alternate

Representative: [•]

The Representative will receive no remuneration/The Representative will receive a remuneration of [•]

## **PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [*specify relevant regulated market*] of the Notes described herein] pursuant to the Euro 125,000,000,000 Euro Medium Term Note Programme of Compagnie de Financement Foncier.

## **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:

Duly represented by:

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Paris] / [the Official List of the Luxembourg Stock Exchange] / [*specify relevant regulated market*] with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Paris] / [the Official List of the Luxembourg Stock Exchange] / [*specify relevant regulated market*]] with effect from [•].] [Not Applicable.]
- (Where documenting a fungible issue, need to indicate that original securities are already listed and admitted to trading.)
- (ii) Regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading: [•]

### 2. TERMS AND CONDITIONS OF THE OFFER

- Offer Price: [Issue Price][*specify*]
- Conditions to which the offer is subject: [Not Applicable/*give details*]
- Offer Period (including any possible amendments): [*specify*]
- Description of the application process: [Not Applicable/*give details*]
- Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable/*give detail*]
- Details of the minimum and/or maximum amount of application: [Not Applicable/*give details*]
- Details of the method and time limits for paying up and delivering the Notes: [Not Applicable/*give details*]
- Manner in and date on which results of the offer are to be made public: [Not Applicable/*give details*]
- Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable/*give details*]

|                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Whether tranche(s) have been reserved for certain countries:                                                                            | [Not Applicable/ <i>give details</i> ]                                                                                                                                                                                                                                                                                                                                                         |
| Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: | [Not Applicable/ <i>give details</i> ]                                                                                                                                                                                                                                                                                                                                                         |
| Amount of any expenses and taxes specifically charged to the subscriber or purchaser:                                                   | [Not Applicable/ <i>give details</i> ]                                                                                                                                                                                                                                                                                                                                                         |
| Consent of the Issuer to use the Prospectus during the Offer Period:                                                                    | [Not Applicable / Applicable with respect to any Authorised Offeror specified below]                                                                                                                                                                                                                                                                                                           |
| Authorised Offeror(s) in the various countries where the offer takes place:                                                             | [Not Applicable / <i>Name(s) and address(es) of the financial intermediary(ies) appointed by the Issuer to act as Authorised Offeror(s)/ Any financial intermediary which satisfies the conditions set out below in item “Conditions attached to the consent of the Issuer to use the Prospectus”</i> ]                                                                                        |
| Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.        | [None/ <i>give details</i> ]                                                                                                                                                                                                                                                                                                                                                                   |
| Conditions attached to the consent of the Issuer to use the Prospectus:                                                                 | [Not Applicable / <i>Where the Issuer has given a general consent to any financial intermediary to use the Prospectus, specify any additional conditions to or any condition replacing those set out on pages 5 and 6 of the Base Prospectus or indicate “See conditions set out in the Base Prospectus”. Where Authorised Offeror(s) have been designated herein, specify any condition</i> ] |

### 3. [SPECIFIC CONTROLLER

The specific controller (*contrôleur spécifique*) of the Issuer has certified on [•] [and on [•]] that the value of the assets of the Issuer will be greater than the value of its liabilities benefiting from the *privilège* defined in Article L. 513-11 of the *Code monétaire et financier*, after settlement of this issue and of the issues which have been the subject of previous attestations and that the coverage ratio of the Issuer is compliant with the minimum overcollateral ratio specified in Article R.513-8 of the *Code monétaire et financier*.]

### 4. RATINGS

|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ratings: | <p>The Programme has been rated Aaa by Moody’s Investors Service (“<b>Moody’s</b>”), AAA by Standard &amp; Poor’s Ratings Services (“<b>S&amp;P</b>”) and AAA by Scope Ratings AG (“<b>Scope</b>”).</p> <p>For Moody’s, Notes issued under the Programme are deemed to have the same rating as the Programme, investors are invited to check on a regular basis the rating assigned to the Programme which is publicly disclosed via Moody’s rating desk or moodys.com.</p> |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

The Notes issued under the Programme will be rated [AAA] by S&P<sup>13</sup> and [AAA] by Scope.

[[Each of [S&P], [Moody's] and [Scope]] is established in the European Union and registered under Regulation (EU) No 1060/2009 (as amended) (the "**CRA Regulation**"). As such, [each of [S&P], [Moody's] and [Scope]] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation ([www.esma.europa.eu/supervision/credit-rating-agencies/risk](http://www.esma.europa.eu/supervision/credit-rating-agencies/risk)).]

*(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.)*

## 5. [NOTIFICATION]

The *Autorité des marchés financiers* in France [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 Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

## 6. [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 ["Subscription and Sale"] so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]

*[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

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

[(i) Reasons for the offer:

[•]

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

<sup>13</sup> An obligation rated "AAA" has the highest rating assigned by Standard & Poor's Rating Services. The obligor capacity to meet its financial commitment on the obligation is extremely strong (source: Standard & Poor's Ratings Services). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency without notice.

- [(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 12 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.)*
- 8. [Fixed Rate Notes only – YIELD]**  
Indication of yield: [•]  
Calculated as *[include details of method of calculation in summary form]* on the Issue Date]
- 9. [Floating Rate Notes only - HISTORIC INTEREST RATES]**  
Details of historic [LIBOR/EURIBOR/EONIA/CMS Rate/TEC10] rates can be obtained from [Reuters].]
- 10. [Inflation Linked Notes only – PERFORMANCE OF INDEX AND OTHER INFORMATION CONCERNING THE UNDERLYING]**
- (i) Name of underlying index: [•]
- (ii) Information about the index, its volatility and past and future performance can be obtained: [•]
- The Issuer [intends to provide post-issuance information *[specify what information will be reported and where it can be obtained]*] [does not intend to provide post-issuance information].
- 11. DISTRIBUTION**
- (i) Method of distribution [Syndicated / Non-syndicated]
- (ii) If syndicated:
- (A) 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 names 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.)*
- (B) Date of Subscription Agreement: [•]
- (C) Stabilising Manager(s) (if any): [Not Applicable/give name(s) and address(es)]
- (iii) If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
- (iv) Total commission and concession: [•] per cent. of the Aggregate Nominal Amount.
- (v) Additional selling restrictions: [Not Applicable/give details]

- (vi) Prohibition of Sales to EEA Retail Investors: [Not Applicable/Applicable]
- (If the offer of the Notes is concluded prior to 1 January 2018, or on and after that date, the Notes do not constitute “packaged” products, in which case, “Not Applicable” should be specified. If the offer of the Notes will be concluded on or after 1 January 2018, the Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)*
- (vii) Non-exempt offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [specify, if applicable]] other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported] (“Public Offer Jurisdiction(s)”) during the period from [specify date] until [specify date] (“Offer Period”).

## 12. OPERATIONAL INFORMATION

- ISIN: [•]
- Common Code: [•]
- Depositories:
- (i) Euroclear France to act as Central Depository [Yes/No]
- (ii) Common Depository for Euroclear Bank S.A./N.V. and Clearstream Luxembourg [Yes/No]
- Any clearing system(s) other than Euroclear and Clearstream and the relevant identification number(s): [Not Applicable/give name(s) and number(s) [and address(es)]]
- Delivery: Delivery [against/free of] payment
- Names and addresses of additional Paying Agent(s) (if any): [•]
- The aggregate principal amount of Notes issued has been translated into Euro at the rate of [currency] [•] per Euro 1.00, producing a sum of: [Not Applicable/Euro [•]] (Only applicable for Notes not denominated in Euro)

**[ANNEX-ISSUE SPECIFIC SUMMARY]**

*[insert the issue specific summary]*

## FORM OF FINAL TERMS 2

### FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF NOTES WITH A DENOMINATION OF AT LEAST EURO 100,000 TO BE LISTED AND ADMITTED TO TRADING ON A REGULATED MARKET

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS]** - The Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC (“**IMD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC, as amended (the “**Prospectus Directive**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>14</sup>

**Final Terms dated [•]**

[LOGO, if document is printed]

**COMPAGNIE DE FINANCEMENT FONCIER**

Euro 125,000,000,000

Euro Medium Term Note Programme

for the issue of *Obligations Foncières*

Due from one month from the date of original issue

**SERIES NO: [•]**

**TRANCHE NO: [•]**

**[Brief Description and Amount of *Obligations Foncières*]**

**Issued by: COMPAGNIE DE FINANCEMENT FONCIER (the “Issuer”)**

Issue Price: [•] per cent.

**[Name(s) of Manager(s)]**

<sup>14</sup> Delete legend if the offer of the Notes is concluded prior to 1 January 2018, or on and after that date the Notes do not constitute “packaged” products, in which case, insert “Not Applicable” in paragraph 9(v) of Part B below. Include legend if the offer of the Notes will be concluded on or after 1 January 2018, the Notes may constitute “packaged” products and the Issuer intends to prohibit the Notes being offered, sold or otherwise made available to EEA retail investors. In this case insert “Applicable” in paragraph 9(v) of Part B below.

## 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 16 June 2017 which received visa n°17-275 from the *Autorité des marchés financiers* (the “AMF”) on 16 June 2017 [and the supplement(s) to the Base Prospectus dated [•] which received visa n°[•] from the AMF on [•] (the “**Supplement[s]**”) ] which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC, as amended (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 [as so supplemented]. The Base Prospectus [and the Supplement(s)] [is] [are] available for viewing at the office of the Fiscal Agent or each of the Paying Agents and on the website of the AMF (www.amf-france.org), and copies may be obtained from [Compagnie de Financement Foncier, 4, Quai de Bercy, 94224 Charenton Cedex, France].

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus and/or an Offering Circular with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) which are the [•] EMTN Conditions which are incorporated by reference in the Base Prospectus dated 16 June 2017. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Directive 2003/71/EC, as amended (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated 16 June 2017 which has received visa n°17-275 from the AMF on 16 June 2017 [and the supplement(s) to the Base Prospectus dated [•] which received visa n°[•] from the AMF on [•] (the “**Supplement[s]**”), which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, including the [•] EMTN Conditions which are incorporated by reference in the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the [•] EMTN Conditions and the Base Prospectus dated 16 June 2017 [and the Supplement(s)]. The Base Prospectus [and the Supplement(s)] [is] [are] available for viewing on the website of the AMF (www.amf-france.org), and copies may be obtained from Compagnie de Financement Foncier, 4, Quai de Bercy, 94224 Charenton Cedex, France.

*[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]*

|   |                                                       |                                                                                                                                                                                                                                                                                     |
|---|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Issuer:                                               | Compagnie de Financement Foncier                                                                                                                                                                                                                                                    |
| 2 | (i) Series Number:                                    | [•]                                                                                                                                                                                                                                                                                 |
|   | (ii) Tranche Number:                                  | [•]                                                                                                                                                                                                                                                                                 |
|   | (iii) Date on which the Notes become fungible:        | [Not Applicable/ The Notes will be assimilated ( <i>assimilées</i> ) and form a single series with the existing [ <i>insert description of the Series</i> ] issued by the Issuer on [ <i>insert date</i> ] (the “ <b>Existing Notes</b> ”) as from the Issue Date of this Tranche.] |
| 3 | Specified Currency or Currencies:                     | [•]                                                                                                                                                                                                                                                                                 |
| 4 | Aggregate Nominal Amount of Notes listed and admitted |                                                                                                                                                                                                                                                                                     |

|    |                                  |                                                                                                                                                                                                                                                                                                                                                                                              |
|----|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | to trading:                      |                                                                                                                                                                                                                                                                                                                                                                                              |
|    | (i) Series:                      | [•]                                                                                                                                                                                                                                                                                                                                                                                          |
|    | (ii) [Tranche:                   | [•]]                                                                                                                                                                                                                                                                                                                                                                                         |
| 5  | Issue Price:                     | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date], (if applicable)]                                                                                                                                                                                                                                                                                    |
| 6  | Specified Denominations:         | [•] (one denomination only for Dematerialised Notes) <sup>15</sup>                                                                                                                                                                                                                                                                                                                           |
| 7  | (i) Issue Date:                  | [•]                                                                                                                                                                                                                                                                                                                                                                                          |
|    | (ii) Interest Commencement Date: | [Specify/Issue Date/Not Applicable]                                                                                                                                                                                                                                                                                                                                                          |
| 8  | Maturity Date:                   | [specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year] [If applicable, refer to paragraph 9 below for the Extended Maturity Date]                                                                                                                                                                                            |
| 9  | Extended Maturity Date:          | [specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]/Not Applicable.]                                                                                                                                                                                                                                                      |
| 10 | Interest Basis:                  | [[•] per cent. Fixed Rate]<br>[[•] month [specify particular reference rate or EURIBOR/LIBOR/EONIA/ CMS Rate/TEC10 ] +/- [•] per cent. Floating Rate]<br>[Fixed/Floating Rate]<br>[Zero Coupon]<br>[Zero Coupon – Resettable]<br>[Zero Coupon/Fixed Rate]<br>[Inflation Linked Note – Fixed Interest/Inflation Interest]<br>[Formula Linked Note]<br>[(further particulars specified below)] |
| 11 | Redemption Basis <sup>16</sup> : | [[•]] per Note of [•] Specified Denomination (for fungible issues of Notes only)][Redemption at par][Variable Zero Coupon Redemption][Resettable Zero Coupon Notes][Inflation Linked Notes –                                                                                                                                                                                                 |

<sup>15</sup> Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and having a maturity of less than one year must have a minimum denomination of Sterling 100,000 (or its equivalent in other currencies).

<sup>16</sup> If the Final Redemption Amount is less than 100% of the nominal value the Notes will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

|    |                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----|-------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |                                                                                                 | Redemption at par][Inflation Linked Notes – Inflation Redemption (see line item [.] for more details)]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 12 | Change of Interest Basis:                                                                       | [Applicable - Fixed/Floating Rate]<br>[Applicable – Zero Coupon/Fixed Rate]<br>[Not Applicable]<br>[(Further particulars specified below in<br>[“Fixed/Floating Rate Note Provisions”]<br>[“Zero Coupon/Fixed Rate Note Provisions”])]<br>[Not Applicable]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 13 | Put/Call Options:                                                                               | [Noteholder Put]<br>[Issuer Call]<br>[(further particulars specified below)]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 14 | Maximum/Minimum Rates of Interest, Final Redemption Amounts and/or Optional Redemption Amounts: | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i><br><b>Maximum Rate of Interest:</b><br>[Applicable/ Applicable to the Interest Accrual Period(s) commencing on [.] and ending on [.] / Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i><br>(i) Fixed Percentage: [•/Not Applicable]<br>(ii) Variable Rate: [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i><br>(iii) Manner in which the Benchmark Rate is to be determined: [Screen Rate Determination][ISDA Determination]<br>(iv) Screen Rate Determination: [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i><br>- Benchmark Rate: [•]<br>- ISDA Definitions: [•]<br>- Reference Banks: [•]<br>- Relevant Inter-Bank Market: [•]<br>- Relevant Screen Page: [•]<br>- Relevant Screen Page Time: [•]<br>- Specified Currency: [•]<br>(v) ISDA Determination: [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i><br>- Floating Rate Option: [•]<br>- Designated Maturity: [•] |

|                                                                               |                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| - Reset Date:                                                                 | [•]                                                                                                                                                                                                            |
| (vi) Margin:                                                                  | [•]                                                                                                                                                                                                            |
| <b>Minimum Rate of Interest:</b>                                              | [Applicable/ Applicable to the Interest<br>Accrual Period(s) commencing on [•]<br>and ending on [•]/ Not Applicable] <i>(If<br/>not applicable, delete the remaining sub<br/>paragraphs of this paragraph)</i> |
| (i) Fixed Percentage:                                                         | [•/Not Applicable]                                                                                                                                                                                             |
| (ii) Variable Rate:                                                           | [Applicable/Not Applicable] <i>(If not<br/>applicable, delete the remaining sub<br/>paragraphs of this paragraph)</i>                                                                                          |
| (iii) Manner in which the Benchmark Rate is to be<br>determined:              | [Screen Rate Determination][ISDA<br>Determination]                                                                                                                                                             |
| (iv) Screen Rate Determination:                                               | [Applicable/Not Applicable] <i>(If not<br/>applicable, delete the remaining sub<br/>paragraphs of this paragraph)</i>                                                                                          |
| - Benchmark Rate:                                                             | [•]                                                                                                                                                                                                            |
| - ISDA Definitions:                                                           | [•]                                                                                                                                                                                                            |
| - Reference Banks:                                                            | [•]                                                                                                                                                                                                            |
| - Relevant Inter-Bank Market:                                                 | [•]                                                                                                                                                                                                            |
| - Relevant Screen Page:                                                       | [•]                                                                                                                                                                                                            |
| - Relevant Screen Page Time:                                                  | [•]                                                                                                                                                                                                            |
| - Specified Currency:                                                         | [•]                                                                                                                                                                                                            |
| (v) ISDA Determination:                                                       | [Applicable/Not Applicable] <i>(If not<br/>applicable, delete the remaining sub<br/>paragraphs of this paragraph)</i>                                                                                          |
| - Floating Rate Option:                                                       | [•]                                                                                                                                                                                                            |
| - Designated Maturity:                                                        | [•]                                                                                                                                                                                                            |
| - Reset Date:                                                                 | [•]                                                                                                                                                                                                            |
| (vi) Margin:                                                                  | [•]                                                                                                                                                                                                            |
| <b>Maximum Final Redemption Amount:</b>                                       | [•/Not Applicable]                                                                                                                                                                                             |
| <b>Minimum Final Redemption Amount:</b>                                       | [•/Not Applicable]                                                                                                                                                                                             |
| <b>Maximum Optional Redemption Amount:</b>                                    | [•/Not Applicable]                                                                                                                                                                                             |
| <b>Minimum Optional Redemption Amount:</b>                                    | [•/Not Applicable]                                                                                                                                                                                             |
| 15 (i) Status of the Notes:                                                   | [Obligations Foncières]                                                                                                                                                                                        |
| (ii) Dates of the corporate authorisations for issuance<br>of Notes obtained: | Decision of the <i>Conseil<br/>d'administration</i> of Compagnie de<br>Financement Foncier dated [•]<br>authorising the issue of the Notes and                                                                 |

authorising, *inter alios*, its *Président Directeur Général* and its *Directeur Général Délégué* to sign and execute all documents in relation to the issue of Notes, and decision of the *Conseil d'administration* of the Issuer dated [•] authorising the quarterly programme of borrowings which benefit from the *privilège* referred to in Article L. 513-11 of the French *Code monétaire et financier* up to and including Euro [•] billion for the [•] quarter of 20[•].

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

### 16 Fixed Rate Note Provisions

[Applicable/ Applicable for the purposes of the interest on the Inflation Linked Note/Applicable for the purposes of a Formula Linked Note/Applicable as the Pre Switch Rate/Applicable as the Post Switch Rate/Not Applicable] (*If Not Applicable, delete the remaining subparagraphs of this paragraph*)

#### (i) Rate [(s)] of Interest:

[[•] per cent. per annum with respect to each Interest Accrual Period][The Rates of Interest set out in the following table][payable [annually/semi-annually/quarterly/monthly] in arrear[:]

Relevant Interest Rate of Interest:  
Accrual Period:

|                                            |                                                                                  |
|--------------------------------------------|----------------------------------------------------------------------------------|
| [•]                                        | [•]                                                                              |
| (Specify relevant Interest Accrual Period) | (Specify relevant Rate of Interest corresponding to the Interest Accrual Period) |

#### (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]

(Note that this item relates to interest period end dates and not to the date and place of payment, to which item 41 relates)

#### (iii) Interest Period Date(s):

[•]  
(Not applicable unless different from Interest Payment Date)

- (iv) Fixed Coupon Amount [(s)]: [•] per [•] in nominal amount
- (v) Broken Amount(s): [•] payable on the Interest Payment Date falling in/on [•]
- (vi) Day Count Fraction (Condition 5(a)): [Actual/Actual / Actual/Actual – ISDA / Act/Act / Act/Act (ISDA) / Actual/365 – FBF / Actual/Actual – FBF / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]
- (vii) Determination Date(s) (Condition 5(a)): [•] in each year (*insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date (or Extended 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)*)

## 17 Floating Rate Note Provisions

- [Applicable/Applicable as the Pre Switch Rate/Applicable as the Post Switch Rate/Applicable for the purposes of a Formula Linked Note/Not Applicable] (*If Not Applicable, delete the remaining sub-paragraphs of this paragraph.*)
- (i) Interest Period(s): [•]
- (ii) Specified Interest Payment Dates: [•]
- (iii) First Interest Payment Date: [•]
- (iv) Interest Period Date: [•] (*not applicable unless different from Interest Payment Date*)
- (v) Business Day Convention: [Following Business Day Convention/ Following Business Day Except the Following Month Convention/Preceding Business Day Convention/other (*give details*)]. (*Note that this item relates to interest period end dates and not to the date and place of payment, to which item 41 relates*)
- (vi) Business Centre(s) (Condition 5(a)): [•]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/FBF Determination/ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [•]

|        |                                                                                       |                                                                                                                                                                                                                                                                                                                                           |
|--------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (ix)   | Screen Rate Determination (Condition 5(c)(iii)(C)):                                   | [•]                                                                                                                                                                                                                                                                                                                                       |
|        | - Reference Rate:                                                                     | [EURIBOR/LIBOR/EONIA/CMS Rate/TEC10 ]                                                                                                                                                                                                                                                                                                     |
|        | - Relevant Inter-Bank Market:                                                         | [•]                                                                                                                                                                                                                                                                                                                                       |
|        | - Relevant Screen Page 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][, subject to adjustment in accordance with [Following Business Day Convention/ Following Business Day Except the Following Month Convention/Preceding Business Day Convention].] |
|        | - Relevant Screen Page:                                                               | [•]                                                                                                                                                                                                                                                                                                                                       |
|        | - [Relevant Currency:                                                                 | [•]]                                                                                                                                                                                                                                                                                                                                      |
|        | - [Relevant Financial Centre:                                                         | [•]]                                                                                                                                                                                                                                                                                                                                      |
|        | - [Designated Maturity:                                                               | [•]]                                                                                                                                                                                                                                                                                                                                      |
|        | - [Specified Time:                                                                    | [•]]                                                                                                                                                                                                                                                                                                                                      |
| (x)    | FBF Determination (Condition 5(c)(iii)(A)):                                           | [•]]                                                                                                                                                                                                                                                                                                                                      |
|        | - Floating Rate:                                                                      | [•]                                                                                                                                                                                                                                                                                                                                       |
|        | - Floating Rate Determination Date ( <i>Date de Détermination du Taux Variable</i> ): | [•]                                                                                                                                                                                                                                                                                                                                       |
|        | - FBF Definitions: (if different from those set out in the Conditions):               | [•]                                                                                                                                                                                                                                                                                                                                       |
| (xi)   | ISDA Determination (Condition 5(c)(iii)(B)):                                          |                                                                                                                                                                                                                                                                                                                                           |
|        | • Floating Rate Option:                                                               | [•]                                                                                                                                                                                                                                                                                                                                       |
|        | • Designated Maturity:                                                                | [•]                                                                                                                                                                                                                                                                                                                                       |
|        | • Reset Date:                                                                         | [•]                                                                                                                                                                                                                                                                                                                                       |
| (xii)  | Margin(s):                                                                            | [+/-] [•] per cent. per annum                                                                                                                                                                                                                                                                                                             |
| (xiii) | Minimum Rate of Interest:                                                             | [Not Applicable] / [•] per cent. per annum                                                                                                                                                                                                                                                                                                |
| (xiv)  | Maximum Rate of Interest:                                                             | [Not Applicable] / [•] per cent. per annum                                                                                                                                                                                                                                                                                                |
| (xv)   | Day Count Fraction (Condition 5(a)):                                                  | [Actual/Actual / Actual/Actual – ISDA / Act/Act / Act/Act (ISDA) / Actual/365 – FBF / Actual/Actual – FBF / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360                                                                                                                                                       |

|                                                     |                                                                                                                                                                                                                                                              |
|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                     | (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]                                                                                                                                                                                                    |
| (xvi) Determination Date(s) (Condition 5(a)):       | [•] in each year ( <i>insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date (or Extended 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)</i> ) |
| <b>18 Zero Coupon Note Provisions</b>               | [Applicable] [Applicable for the purposes of Zero Coupon/Fixed Rate Notes, subject to Condition 5(g)]/[Not Applicable] ( <i>If Not Applicable, delete the remaining sub-paragraphs of this paragraph</i> )                                                   |
| (i) Amortisation Yield (Condition 6(g)):            | [•] per cent. per annum][Not Applicable] ( <i>Not applicable for Resettable Zero Coupon Notes</i> )                                                                                                                                                          |
| (ii) Resettable (Condition 5(h)):                   | [Applicable][Not Applicable] ( <i>If Not Applicable, delete the remaining sub-paragraphs of this paragraph</i> )                                                                                                                                             |
| - Reset Date(s):                                    | [•]                                                                                                                                                                                                                                                          |
| - Maximum Number of Reset Date(s):                  | [•]                                                                                                                                                                                                                                                          |
| - Reset Expiry Date:                                | The date falling [•] Business Days immediately preceding the relevant Reset Date.                                                                                                                                                                            |
| - X%:                                               | [•] per cent. per annum.                                                                                                                                                                                                                                     |
| - Default Rate (Condition 5(e)):                    | [•] per cent. per annum.                                                                                                                                                                                                                                     |
| (iii) Day Count Fraction (Condition 5(a)):          | [Actual/Actual / Actual/Actual – ISDA / Act/Act / Act/Act (ISDA) / Actual/365 – FBF / Actual/Actual – FBF / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]                |
| (iv) Determination Date(s) (Condition 5(a)):        | [•] in each year ( <i>insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date (or Extended 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)</i> ) |
| <b>19 Inflation Linked Note Interest Provisions</b> | [Inflation Linked Notes – Fixed Interest Applicable/Inflation Linked Notes – Inflation Interest Applicable /Not                                                                                                                                              |

|        |                                                                                                |                                                                                                                                                                                                                                                                                         |
|--------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        |                                                                                                | Applicable] <i>(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)</i><br>[ <i>(If Inflation Linked Notes – Fixed Interest is Applicable add the following)</i> (see [16] of these Final terms for details as to the Rate of Interest applicable)]<br>[CPI/HICP] |
| (i)    | Index:                                                                                         |                                                                                                                                                                                                                                                                                         |
| (ii)   | Calculation Agent responsible for calculating the interest due (if not the Calculation Agent): | [•]                                                                                                                                                                                                                                                                                     |
| (iii)  | Interest Period(s):                                                                            | [•]                                                                                                                                                                                                                                                                                     |
| (iv)   | Interest Payment Date(s)                                                                       | [•]                                                                                                                                                                                                                                                                                     |
| (v)    | Interest Period Date(s):                                                                       | [•]                                                                                                                                                                                                                                                                                     |
|        |                                                                                                | <i>(Not applicable unless different from Interest Payment Date)</i>                                                                                                                                                                                                                     |
| (vi)   | Interest Determination Date:                                                                   | [•]                                                                                                                                                                                                                                                                                     |
| (vii)  | Base Reference:                                                                                | [CPI/HICP] Daily inflation Reference Index applicable on [specify date] (amounting to: [•])                                                                                                                                                                                             |
| (viii) | Business Centre(s) (Condition 5(a)):                                                           | [•]                                                                                                                                                                                                                                                                                     |
| (ix)   | Minimum Rate of Interest:                                                                      | [Not Applicable]/[•] per cent. per annum                                                                                                                                                                                                                                                |
| (x)    | Maximum Rate of Interest:                                                                      | [Not Applicable]/[•] per cent. per annum                                                                                                                                                                                                                                                |
| (xi)   | Day Count Fraction (Condition 5(a)):                                                           | [Actual/Actual / Actual/Actual – ISDA / Act/Act / Act/Act (ISDA) / Actual/365 – FBF / Actual/Actual – FBF / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]                                           |
| (xii)  | Determination Date(s) (Condition 5(a)):                                                        | [•] in each year <i>(insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date (or Extended 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))</i>                              |
| 20     | <b>Index Formula</b>                                                                           | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                                                                                           |
| (i)    | Index1:                                                                                        | [Index Reference Rate / CPI Reference Rate/ HICP Reference Rate]                                                                                                                                                                                                                        |

- (ii) Designated Maturity of Index1: [•]
- (iii) Index2: [Index Reference Rate / CPI Reference Rate / HICP Reference Rate / zero]
- (iv) Designated Maturity of Index2: [•]
- (v) Participation: [•]
- (vi) Spread: [•] per cent.
- (vii) Leverage<sub>1</sub>: [[•] with respect to each Interest Accrual Period][The Leverage<sub>1</sub> set out in the following table:]
- | Interest Period:                                  | Accrual | Leverage <sub>1</sub> : |
|---------------------------------------------------|---------|-------------------------|
| [•]                                               |         | [•]                     |
| <i>(Specify relevant Interest Accrual Period)</i> |         |                         |
- (viii) Leverage<sub>2</sub>: [[•] with respect to each Interest Accrual Period][The Leverage<sub>2</sub> set out in the following table:]
- | Interest Period:                                  | Accrual | Leverage <sub>2</sub> : |
|---------------------------------------------------|---------|-------------------------|
| [•]                                               |         | [•]                     |
| <i>(Specify relevant Interest Accrual Period)</i> |         |                         |
- (ix) Interest Period(s): [•]
- (x) Specified Interest Payment Dates: [•]
- (xi) First Specified Interest Payment Date: [•]
- (xii) Interest Period Date: [•]
- (Not applicable unless different from Interest Payment Date)*
- (xiii) Business Day Convention: [Following Business Day Convention/  
Following Business Day Except  
the Following Month  
Convention/Preceding Business Day  
Convention/other *(give details)*]
- (xiv) Business Centre(s) (Condition 5(a)): [•]
- (xv) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [•]
- (xvi) Screen Rate Determination for Index1 (Condition

|                                                                      |                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5(c)(iii)(C):                                                        | [Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )                                                                                                                                                                                                                                                       |
| -- Reference Rate:                                                   | [•]                                                                                                                                                                                                                                                                                                                                                                   |
| -- Interest Determination Date(s):                                   | [[•] / [•] [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date] [, subject to adjustment in accordance with [Following Business Day Convention/ Following Business Day Except the Following Month Convention/Preceding Business Day Convention/other (give details)].] |
| -- Relevant Screen Page:                                             | [•]                                                                                                                                                                                                                                                                                                                                                                   |
| -- [Reference Currency:                                              | [•]]                                                                                                                                                                                                                                                                                                                                                                  |
| -- [Relevant Financial Centre:                                       | [•]]                                                                                                                                                                                                                                                                                                                                                                  |
| -- [Designated Maturity:                                             | [As specified above for Index1]                                                                                                                                                                                                                                                                                                                                       |
| -- [Specified Time:                                                  | [•]]                                                                                                                                                                                                                                                                                                                                                                  |
| (xvii) Screen Rate Determination for Index2 (Condition 5(c)(iii)(C): | [Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )                                                                                                                                                                                                                                                       |
| -- Reference Rate:                                                   | [•]                                                                                                                                                                                                                                                                                                                                                                   |
| -- Interest Determination Date(s):                                   | [[•] / [•] [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date] [, subject to adjustment in accordance with [Following Business Day Convention/ Following Business Day Except the Following Month Convention/Preceding Business Day Convention/other (give details)].] |
| -- Relevant Screen Page:                                             | [•]                                                                                                                                                                                                                                                                                                                                                                   |
| -- [Reference Currency:                                              | [•]]                                                                                                                                                                                                                                                                                                                                                                  |
| -- [Relevant Financial Centre:                                       | [•]]                                                                                                                                                                                                                                                                                                                                                                  |
| -- [Designated Maturity:                                             | [As specified above for Index2]                                                                                                                                                                                                                                                                                                                                       |
| -- [Specified Time:                                                  | [•]]                                                                                                                                                                                                                                                                                                                                                                  |
| (xviii) ISDA Determination for Index1 (Condition 5(c)(iii)(B):       | [Applicable/Not Applicable] ( <i>If not applicable, delete the remaining</i>                                                                                                                                                                                                                                                                                          |

|                                                               |                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                               | <i>sub-paragraphs of this paragraph)</i>                                                                                                                                                                                                                                                                                                                              |
| -- Floating Rate Option:                                      | [•]                                                                                                                                                                                                                                                                                                                                                                   |
| -- Designated Maturity:                                       | [As specified above for Index1]                                                                                                                                                                                                                                                                                                                                       |
| -- Reset Date:                                                | [•]                                                                                                                                                                                                                                                                                                                                                                   |
| (xix) ISDA Determination for Index2 (Condition 5(c)(iii)(B)): | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                                                                                                                                                                         |
| -- Floating Rate Option:                                      | [•]                                                                                                                                                                                                                                                                                                                                                                   |
| -- Designated Maturity:                                       | [As specified above for Index2]                                                                                                                                                                                                                                                                                                                                       |
| -- [Relevant Financial Centre:                                | [•]]                                                                                                                                                                                                                                                                                                                                                                  |
| -- Reset Date:                                                | [•]                                                                                                                                                                                                                                                                                                                                                                   |
| (xx) Inflation determination for Index1:                      | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                                                                                                                                                                         |
| (a) Index:                                                    | [CPI Reference Rate / HICP Reference Rate]                                                                                                                                                                                                                                                                                                                            |
| (b) 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] [, subject to adjustment in accordance with [Following Business Day Convention/ Following Business Day Except the Following Month Convention/Preceding Business Day Convention/other (give details)].] |
| (c) <sub>M</sub> :                                            | [•] month(s)                                                                                                                                                                                                                                                                                                                                                          |
| (d) <sub>M</sub> :                                            | [•] month(s)                                                                                                                                                                                                                                                                                                                                                          |
| (e) Day Count Fraction:                                       | [Actual/Actual / Actual/Actual – ISDA / Act/Act / Act/Act (ISDA) / Actual/365 – FBF / Actual/Actual – FBF / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]                                                                                                                         |
| (f) Business Centre(s) (Condition 5(a)):                      | [•](Note that this item relates to interest period end dates and not to the date and place of payment, to which item 41 relates)                                                                                                                                                                                                                                      |
| (g) Minimum Rate of Interest:                                 | [Not Applicable]/[•] per cent. per annum                                                                                                                                                                                                                                                                                                                              |

|                                                |                                                                                                                                                                                                                                               |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (h) Maximum Rate of Interest:                  | [Not Applicable]/[•] per cent. per annum                                                                                                                                                                                                      |
| (xxi) Inflation determination for Index2:      | [Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )                                                                                                                               |
| (a) Index:                                     | [CPI Reference Rate / HICP Reference Rate]                                                                                                                                                                                                    |
| (b) Interest Determination Date:               | [•]                                                                                                                                                                                                                                           |
| (c) <sub>M</sub> :                             | [•] month(s)                                                                                                                                                                                                                                  |
| (d) <sub>M</sub> :                             | [•] month(s)                                                                                                                                                                                                                                  |
| (e) Day Count Fraction:                        | [Actual/Actual / Actual/Actual – ISDA / Act/Act / Act/Act (ISDA) / Actual/365 – FBF / Actual/Actual – FBF / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)] |
| (f) Business Centre(s) (Condition 5(a)):       | [•]( <i>Note that this item relates to interest period end dates and not to the date and place of payment, to which item 41 relates</i> )                                                                                                     |
| (g) Minimum Rate of Interest:                  | [Not Applicable]/[•] per cent. per annum                                                                                                                                                                                                      |
| (h) Maximum Rate of Interest:                  | [Not Applicable]/[•] per cent. per annum                                                                                                                                                                                                      |
| (xxii) Minimum Rate of Interest:               | [Not Applicable]/[•] per cent. per annum                                                                                                                                                                                                      |
| (xxiii) Maximum Rate of Interest:              | [Not Applicable]/[•] per cent. per annum                                                                                                                                                                                                      |
| (xxiv) Margin(s):                              | [zero]                                                                                                                                                                                                                                        |
| (xxv) Day Count Fraction (Condition 5(a)):     | [Actual/Actual / Actual/Actual – ISDA / Act/Act / Act/Act (ISDA) / Actual/365 – FBF / Actual/Actual – FBF / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)] |
| (xxvi) Determination Date(s) (Condition 5(a)): | [•] in each year ( <i>insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date (or Extended Maturity Date) in the case of a long or short first or last Coupon. N.B. only relevant where Day Count Fraction is</i>         |

## 21 Underlying Formula

[Applicable/Not Applicable] *(If Not Applicable, delete the remaining subparagraphs of this paragraph)*

- |           |                                                                                                                              |                                                                                                                                                                                                                                                                 |
|-----------|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i)       | Designated Maturity:                                                                                                         | [•]                                                                                                                                                                                                                                                             |
| (ii)      | Reference Currency:                                                                                                          | [•]                                                                                                                                                                                                                                                             |
| (iii)     | Relevant Screen Page:                                                                                                        | [•]                                                                                                                                                                                                                                                             |
| (iv)      | Relevant Screen Time:                                                                                                        | [•][a.m.][p.m.] ([•] time)                                                                                                                                                                                                                                      |
| (v)       | Participation:                                                                                                               | [•]                                                                                                                                                                                                                                                             |
| (vi)      | Spread:                                                                                                                      | [-][+] [•] per cent. per annum                                                                                                                                                                                                                                  |
| (vii)     | Underlying:                                                                                                                  | [TEC][CMS Rate]                                                                                                                                                                                                                                                 |
| (viii) k: |                                                                                                                              | [•]                                                                                                                                                                                                                                                             |
| (ix)      | Interest Period(s):                                                                                                          | [•]                                                                                                                                                                                                                                                             |
| (x)       | Specified Interest Payment Dates:                                                                                            | [•]                                                                                                                                                                                                                                                             |
| (xi)      | First Specified Interest Payment Date:                                                                                       | [•]                                                                                                                                                                                                                                                             |
| (xii)     | Interest Period Date:                                                                                                        | [•]                                                                                                                                                                                                                                                             |
|           |                                                                                                                              | <i>(Not applicable unless different from Interest Payment Date)</i>                                                                                                                                                                                             |
| (xiii)    | Business Day Convention:                                                                                                     | [Following Business Day Convention/<br>Following Business Day Except the<br>Following Month Convention/Preceding<br>Business Day Convention/other <i>(give details)</i> ]                                                                                       |
| (xix)     | Business Centre(s) (Condition 5(a)):                                                                                         | [•]                                                                                                                                                                                                                                                             |
| (xv)      | Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): | [•]                                                                                                                                                                                                                                                             |
| (xvi)     | Minimum Rate of Interest:                                                                                                    | [Not Applicable]/[•] per cent. per annum                                                                                                                                                                                                                        |
| (xvii)    | Maximum Rate of Interest:                                                                                                    | [Not Applicable]/[•] per cent. per annum                                                                                                                                                                                                                        |
| (xviii)   | Day Count Fraction (Condition 5(a)):                                                                                         | [Actual/Actual / Actual/Actual – ISDA /<br>Act/Act / Act/Act (ISDA) / Actual/365 –<br>FBF / Actual/Actual – FBF /<br>Actual/Actual-ICMA / Actual/365<br>(Fixed) / Actual/360 / 30/360 / 360/360<br>(Bond Basis) / 30E/360 / Eurobond<br>Basis / 30E/360 (ISDA)] |

|    |                                                                                                     |                                                                                                                                                                                                                                                              |
|----|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | (xix) Determination Date(s) (Condition 5(a)):                                                       | [•] in each year ( <i>insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date (or Extended 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)</i> ) |
|    | (xx) Interest Determination Date                                                                    | [•]                                                                                                                                                                                                                                                          |
| 22 | <b>CPI Formula</b>                                                                                  | [Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )                                                                                                                                              |
|    | (i) M:                                                                                              | [•] month(s)                                                                                                                                                                                                                                                 |
|    | (ii) M:                                                                                             | [•] month(s)                                                                                                                                                                                                                                                 |
|    | (iii) Spread:                                                                                       | [•]                                                                                                                                                                                                                                                          |
|    | (iv) Calculation Agent responsible for calculating the interest due (if not the Calculation Agent): | [•]                                                                                                                                                                                                                                                          |
|    | (v) Interest Period(s):                                                                             | [•]                                                                                                                                                                                                                                                          |
|    | (vi) Specified Interest Payment Date(s):                                                            | [•]                                                                                                                                                                                                                                                          |
|    | (vii) Interest Determination Date:                                                                  | [•]                                                                                                                                                                                                                                                          |
|    | (viii) Day Count Fraction:                                                                          | [Actual/Actual / Actual/Actual – ISDA / Act/Act / Act/Act (ISDA) / Actual/365 – FBF / Actual/Actual – FBF / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]                |
|    | (ix) Business Centre(s) (Condition 5(a)):                                                           | [•] ( <i>Note that this item relates to interest period end dates and not to the date and place of payment, to which item 41 relates</i> )                                                                                                                   |
|    | (x) Minimum Rate of Interest:                                                                       | [Not Applicable]/[•] per cent. per annum                                                                                                                                                                                                                     |
|    | (xi) Maximum Rate of Interest:                                                                      | [Not Applicable]/[•] per cent. per annum                                                                                                                                                                                                                     |
|    | (xii) Business Day Convention:                                                                      | [Following Business Day Convention/ Following Business Day Except the Following Month Convention/Preceding Business Day Convention/other ( <i>give details</i> )]                                                                                            |
| 23 | <b>HICP Formula</b>                                                                                 | [Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )                                                                                                                                              |
|    | (i) M:                                                                                              | [•] month(s)                                                                                                                                                                                                                                                 |
|    | (ii) M:                                                                                             | [•] month(s)                                                                                                                                                                                                                                                 |
|    | (iii) Spread:                                                                                       | [•]                                                                                                                                                                                                                                                          |

- (iv) Calculation Agent responsible for calculating the interest due (if not the Calculation Agent): [•]
- (v) Interest Period(s): [•]
- (vi) Specified Interest Payment Date(s): [•]
- (vii) Interest Determination Date: [•]
- (viii) Day Count Fraction: [Actual/Actual / Actual/Actual – ISDA / Act/Act / Act/Act (ISDA) / Actual/365 – FBF / Actual/Actual – FBF / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]
- (ix) Business Centre(s) (Condition 5(a)): [•](Note that this item relates to interest period end dates and not to the date and place of payment, to which item 41 relates)
- (x) Minimum Rate of Interest: [Not Applicable]/[•] per cent. per annum
- (xi) Maximum Rate of Interest: [Not Applicable]/[•] per cent. per annum
- (xii) Business Day Convention: [Following Business Day Convention/ Following Business Day Except the Following Month Convention/Preceding Business Day Convention/other (give details)]

## 24 Leveraged Floating Rate Formula

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

- (i) Margin: [[•] with respect to each Interest Accrual Period][The Margin set out in the following table:]

Interest Accrual Margin:  
Period:

|                                            |                           |
|--------------------------------------------|---------------------------|
| [•]                                        | [•]                       |
| (Specify relevant Interest Accrual Period) | (Specify relevant Margin) |

- (ii) Leverage: [[•] with respect to each Interest Accrual Period][The Leverage set out in the following table:]

Interest Accrual Leverage:  
Period:

|                                            |                             |
|--------------------------------------------|-----------------------------|
| [•]                                        | [•]                         |
| (Specify relevant Interest Accrual Period) | (Specify relevant Leverage) |

|        |                                                                                                |                                                                                                                                                                                                                                               |
|--------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (iii)  | Manner in which the Benchmark Rate is to be determined:                                        | [Screen Rate Determination][ISDA Determination]                                                                                                                                                                                               |
| (iv)   | Screen Rate Determination:                                                                     | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                                                 |
|        | - Benchmark Rate:                                                                              | [•]                                                                                                                                                                                                                                           |
|        | - ISDA Definitions:                                                                            | [•]                                                                                                                                                                                                                                           |
|        | - Reference Banks:                                                                             | [•]                                                                                                                                                                                                                                           |
|        | - Relevant Inter-Bank Market:                                                                  | [•]                                                                                                                                                                                                                                           |
|        | - Relevant Screen Page:                                                                        | [•]                                                                                                                                                                                                                                           |
|        | - Relevant Screen Page Time:                                                                   | [•]                                                                                                                                                                                                                                           |
|        | - Specified Currency:                                                                          | [•]                                                                                                                                                                                                                                           |
| (v)    | ISDA Determination:                                                                            | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                                                 |
|        | - Floating Rate Option:                                                                        | [•]                                                                                                                                                                                                                                           |
|        | - Designated Maturity:                                                                         | [•]                                                                                                                                                                                                                                           |
|        | - Reset Date:                                                                                  | [•]                                                                                                                                                                                                                                           |
| (vi)   | Calculation Agent responsible for calculating the interest due (if not the Calculation Agent): | [•]                                                                                                                                                                                                                                           |
| (vii)  | Interest Period(s):                                                                            | [•]                                                                                                                                                                                                                                           |
| (viii) | Specified Interest Payment Date(s):                                                            | [•]                                                                                                                                                                                                                                           |
| (ix)   | Interest Determination Date:                                                                   | [•]                                                                                                                                                                                                                                           |
| (x)    | Day Count Fraction:                                                                            | [Actual/Actual / Actual/Actual – ISDA / Act/Act / Act/Act (ISDA) / Actual/365 – FBF / Actual/Actual – FBF / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)] |
| (xi)   | Business Centre(s) (Condition 5(a)):                                                           | [•] <i>(Note that this item relates to interest period end dates and not to the date and place of payment, to which item 41 relates)</i>                                                                                                      |
| (xii)  | Business Day Convention:                                                                       | [Following Business Day Convention/ Following Business Day Except the Following Month Convention/Preceding Business Day Convention/other <i>(give details)</i> ]                                                                              |

25

Reverse Floater Formula

(i)

Rate of Interest relating to Initial Interest Periods:

[Fixed Interest

See item [16] relating to Fixed Rate Note Provisions]

[Floating Interest

See item [17] relating to Floating Rate Note Provisions]

(ii)

Initial Interest Periods:

[•]

(Specify relevant Interest Accrual Periods)

(iii)

Subsequent Interest Periods:

[•]

(Specify relevant Interest Accrual Periods)

(iv)

Fixed Percentage:

[[•] with respect to each Interest Accrual Period][The Fixed Percentage set out in the following table:]

Interest Accrual Period:

[•]

Fixed Percentage:

[•]

(Specify relevant Interest Accrual Period)

(Specify relevant Margin)

(v)

Manner in which the Benchmark Rate is to be determined:

[Screen Rate Determination][ISDA Determination]

(vi)

Screen Rate Determination:

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

- Benchmark Rate:

[•]

- ISDA Definitions:

[•]

- Reference Banks:

[•]

- Relevant Inter-Bank Market:

[•]

- Relevant Screen Page:

[•]

- Relevant Screen Page Time:

[•]

- Specified Currency:

[•]

(vii)

ISDA Determination:

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

- Floating Rate Option:

[•]

- Designated Maturity:

[•]

- Reset Date:

[•]

|           |                                                                                                       |                                                                                                                                                                                                                                               |
|-----------|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|           | (viii) Calculation Agent responsible for calculating the interest due (if not the Calculation Agent): | [•]                                                                                                                                                                                                                                           |
|           | (ix) Interest Period(s):                                                                              | [•]                                                                                                                                                                                                                                           |
|           | (x) Specified Interest Payment Date(s):                                                               | [•]                                                                                                                                                                                                                                           |
|           | (xi) Interest Determination Date:                                                                     | [•]                                                                                                                                                                                                                                           |
|           | (xi) Day Count Fraction:                                                                              | [Actual/Actual / Actual/Actual – ISDA / Act/Act / Act/Act (ISDA) / Actual/365 – FBF / Actual/Actual – FBF / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)] |
|           | (xii) Business Centre(s) (Condition 5(a)):                                                            | [•](Note that this item relates to interest period end dates and not to the date and place of payment, to which item 41 relates)                                                                                                              |
|           | (xiii) Business Day Convention:                                                                       | [Following Business Day Convention/ Following Business Day Except the Following Month Convention/Preceding Business Day Convention/other (give details)]                                                                                      |
| <b>26</b> | <b>Maximum-Minimum VolBond Formula</b>                                                                | [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)                                                                                                                                        |
|           | (i) Manner in which the Benchmark Rate is to be determined:                                           | [Screen Rate Determination][ISDA Determination]                                                                                                                                                                                               |
|           | (ii) Screen Rate Determination:                                                                       | [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)                                                                                                                                        |
|           | - Benchmark Rate:                                                                                     | [•]                                                                                                                                                                                                                                           |
|           | - ISDA Definitions:                                                                                   | [•]                                                                                                                                                                                                                                           |
|           | - Reference Banks:                                                                                    | [•]                                                                                                                                                                                                                                           |
|           | - Relevant Inter-Bank Market:                                                                         | [•]                                                                                                                                                                                                                                           |
|           | - Relevant Screen Page:                                                                               | [•]                                                                                                                                                                                                                                           |
|           | - Relevant Screen Page Time:                                                                          | [•]                                                                                                                                                                                                                                           |
|           | - Specified Currency:                                                                                 | [•]                                                                                                                                                                                                                                           |
|           | (iii) ISDA Determination:                                                                             | [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)                                                                                                                                        |
|           | - Floating Rate Option:                                                                               | [•]                                                                                                                                                                                                                                           |
|           | - Designated Maturity:                                                                                | [•]                                                                                                                                                                                                                                           |
|           | - Reset Date:                                                                                         | [•]                                                                                                                                                                                                                                           |

|        |                                                                                                |                                                                                                                                                                                                                                                                  |
|--------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (iv)   | Leverage:                                                                                      | [[•] with respect to each Interest Accrual Period][The Leverage set out in the following table:]                                                                                                                                                                 |
|        |                                                                                                | Interest Accrual Leverage:<br>Period:                                                                                                                                                                                                                            |
|        |                                                                                                | [•] [•]<br>(Specify relevant (Specify relevant<br>Interest Accrual Leverage)<br>Period)                                                                                                                                                                          |
| (v)    | Calculation Agent responsible for calculating the interest due (if not the Calculation Agent): | [•]                                                                                                                                                                                                                                                              |
| (vi)   | Interest Period(s):                                                                            | [•]                                                                                                                                                                                                                                                              |
| (vii)  | Specified Interest Payment Date(s):                                                            | [•]                                                                                                                                                                                                                                                              |
| (viii) | Interest Determination Date:                                                                   | [•]                                                                                                                                                                                                                                                              |
| (ix)   | Day Count Fraction:                                                                            | [Actual/Actual / Actual/Actual – ISDA / Act/Act / Act/Act (ISDA) / Actual/365 – FBF / Actual/Actual – FBF / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]                    |
| (x)    | Interest Observation Period(s):                                                                | Period from and including each date falling [•] Business Days immediately preceding the first day of the relevant Interest Accrual Period to and including the date falling [•] Business Days immediately preceding the last day of that Interest Accrual Period |
| (xi)   | Performance Observation Date(s):                                                               | [•] [Each date falling every [1][7][30][60][90][180][365] days after [•]]                                                                                                                                                                                        |
| (xii)  | Business Centre(s) (Condition 5(a)):                                                           | [•](Note that this item relates to interest period end dates and not to the date and place of payment, to which item 41 relates)                                                                                                                                 |
| (xiii) | Business Day Convention:                                                                       | [Following Business Day Convention/ Following Business Day Except the Following Month Convention/Preceding Business Day Convention/other (give details)]                                                                                                         |
| 27     | <b>Pre/Post VolBond Formula</b>                                                                | [Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)                                                                                                                                                            |
| (i)    | Manner in which the Benchmark Rate is to be determined:                                        | [Screen Rate Determination][ISDA Determination]                                                                                                                                                                                                                  |



|           |                                                                                |                                                                                                                                                          |
|-----------|--------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
|           | (xii) Business Centre(s) (Condition 5(a)):                                     | [•](Note that this item relates to interest period end dates and not to the date and place of payment, to which item 41 relates)                         |
|           | (xiii) Business Day Convention:                                                | [Following Business Day Convention/ Following Business Day Except the Following Month Convention/Preceding Business Day Convention/other (give details)] |
| <b>28</b> | <b>Digital Formula</b>                                                         | [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)                                                   |
|           | (i) Underlying Rate:                                                           | [Underlying Fixed Percentage]/[Underlying Benchmark Rate Level]/[Underlying Spread Rate]                                                                 |
|           | (ii) Underlying Fixed Percentage:                                              | [Not Applicable]/[•]                                                                                                                                     |
|           | (iii) Underlying Benchmark Rate Level:                                         | [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)                                                   |
|           | (a) Manner in which the Underlying Benchmark Rate Level is to be determined:   | [Screen Rate Determination][ISDA Determination]                                                                                                          |
|           | (b) Screen Rate Determination:                                                 | [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)                                                   |
|           | - Benchmark Rate:                                                              | [•]                                                                                                                                                      |
|           | - ISDA Definitions:                                                            | [•]                                                                                                                                                      |
|           | - Reference Banks:                                                             | [•]                                                                                                                                                      |
|           | - Relevant Inter-Bank Market:                                                  | [•]                                                                                                                                                      |
|           | - Relevant Screen Page:                                                        | [•]                                                                                                                                                      |
|           | - Relevant Screen Page Time:                                                   | [•]                                                                                                                                                      |
|           | - Specified Currency:                                                          | [•]                                                                                                                                                      |
|           | (c) ISDA Determination:                                                        | [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)                                                   |
|           | - Floating Rate Option:                                                        | [•]                                                                                                                                                      |
|           | - Designated Maturity:                                                         | [•]                                                                                                                                                      |
|           | - Reset Date:                                                                  | [•]                                                                                                                                                      |
|           | (iv) Underlying Spread Rate:                                                   | [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)                                                   |
|           | (a) Manner in which the Benchmark Rate Level <sub>A</sub> is to be determined: | [Screen Rate Determination][ISDA Determination]                                                                                                          |

|                                                                                |                                                                                                               |
|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| (b) Screen Rate Determination:                                                 | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> |
| - Benchmark Rate:                                                              | [•]                                                                                                           |
| - ISDA Definitions:                                                            | [•]                                                                                                           |
| - Reference Banks:                                                             | [•]                                                                                                           |
| - Relevant Inter-Bank Market:                                                  | [•]                                                                                                           |
| - Relevant Screen Page:                                                        | [•]                                                                                                           |
| - Relevant Screen Page Time:                                                   | [•]                                                                                                           |
| - Specified Currency:                                                          | [•]                                                                                                           |
| (c) ISDA Determination:                                                        | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> |
| - Floating Rate Option:                                                        | [•]                                                                                                           |
| - Designated Maturity:                                                         | [•]                                                                                                           |
| - Reset Date:                                                                  | [•]                                                                                                           |
| (d) Manner in which the Benchmark Rate Level <sub>B</sub> is to be determined: | [Screen Rate Determination][ISDA Determination]                                                               |
| (e) Screen Rate Determination:                                                 | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> |
| - Benchmark Rate:                                                              | [•]                                                                                                           |
| - ISDA Definitions:                                                            | [•]                                                                                                           |
| - Reference Banks:                                                             | [•]                                                                                                           |
| - Relevant Inter-Bank Market:                                                  | [•]                                                                                                           |
| - Relevant Screen Page:                                                        | [•]                                                                                                           |
| - Relevant Screen Page Time:                                                   | [•]                                                                                                           |
| - Specified Currency:                                                          | [•]                                                                                                           |
| (f) ISDA Determination:                                                        | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> |
| - Floating Rate Option:                                                        | [•]                                                                                                           |
| - Designated Maturity:                                                         | [•]                                                                                                           |
| - Reset Date:                                                                  | [•]                                                                                                           |
| (v) Range:                                                                     | [Range <sub>1</sub> ][Range <sub>2</sub> ][Range <sub>3</sub> ][Range <sub>4</sub> ][Range <sub>5</sub> ]     |
| - Lower Limit:                                                                 | [•]                                                                                                           |
| - Upper Limit:                                                                 | [•]                                                                                                           |

- (vi) Leverage<sub>A</sub>: ☐ with respect to each Interest Accrual Period][The Leverage<sub>A</sub> set out in the following table:]
- | Interest<br>Period:                               | Accrual                                           | Leverage <sub>A</sub> :                        |
|---------------------------------------------------|---------------------------------------------------|------------------------------------------------|
| <input type="checkbox"/>                          |                                                   | <input type="checkbox"/>                       |
| <i>(Specify relevant Interest Accrual Period)</i> | <i>(Specify relevant Interest Accrual Period)</i> | <i>(Specify relevant Leverage<sub>A</sub>)</i> |
- (vii) Leverage<sub>B</sub>: ☐ with respect to each Interest Accrual Period][The Leverage<sub>B</sub> set out in the following table:]
- | Interest<br>Period:                               | Accrual                                           | Leverage <sub>B</sub> :                        |
|---------------------------------------------------|---------------------------------------------------|------------------------------------------------|
| <input type="checkbox"/>                          |                                                   | <input type="checkbox"/>                       |
| <i>(Specify relevant Interest Accrual Period)</i> | <i>(Specify relevant Interest Accrual Period)</i> | <i>(Specify relevant Leverage<sub>B</sub>)</i> |
- (viii) Rate<sub>1</sub>:
- (a) Manner in which the Benchmark Rate Level<sub>1</sub> is to be determined: [Screen Rate Determination][ISDA Determination]
- (b) Screen Rate Determination: [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Benchmark Rate: ☐
  - ISDA Definitions: ☐
  - Reference Banks: ☐
  - Relevant Inter-Bank Market: ☐
  - Relevant Screen Page: ☐
  - Relevant Screen Page Time: ☐
  - Specified Currency: ☐
- (c) ISDA Determination: [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Floating Rate Option: ☐
  - Designated Maturity: ☐
  - Reset Date: ☐
- (ix) Rate<sub>2</sub>:
- (a) Manner in which the Benchmark Rate Level<sub>2</sub> is to be determined: [Screen Rate Determination][ISDA Determination]

|                                                                                                      |                                                                                                                                                                                                                                               |
|------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (b) Screen Rate Determination:                                                                       | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                                                 |
| - Benchmark Rate:                                                                                    | [•]                                                                                                                                                                                                                                           |
| - ISDA Definitions:                                                                                  | [•]                                                                                                                                                                                                                                           |
| - Reference Banks:                                                                                   | [•]                                                                                                                                                                                                                                           |
| - Relevant Inter-Bank Market:                                                                        | [•]                                                                                                                                                                                                                                           |
| - Relevant Screen Page:                                                                              | [•]                                                                                                                                                                                                                                           |
| - Relevant Screen Page Time:                                                                         | [•]                                                                                                                                                                                                                                           |
| - Specified Currency:                                                                                | [•]                                                                                                                                                                                                                                           |
| (c) ISDA Determination:                                                                              | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                                                 |
| - Floating Rate Option:                                                                              | [•]                                                                                                                                                                                                                                           |
| - Designated Maturity:                                                                               | [•]                                                                                                                                                                                                                                           |
| - Reset Date:                                                                                        | [•]                                                                                                                                                                                                                                           |
| (x) W:                                                                                               | [•]                                                                                                                                                                                                                                           |
| (xi) Fixed Percentage:                                                                               | [Not Applicable]/[•]                                                                                                                                                                                                                          |
| (xii) Calculation Agent responsible for calculating the interest due (if not the Calculation Agent): | [•]                                                                                                                                                                                                                                           |
| (xiii) Interest Period(s):                                                                           | [•]                                                                                                                                                                                                                                           |
| (xiv) Specified Interest Payment Date(s):                                                            | [•]                                                                                                                                                                                                                                           |
| (xv) Interest Determination Date:                                                                    | [•]                                                                                                                                                                                                                                           |
| (xvi) Day Count Fraction:                                                                            | [Actual/Actual / Actual/Actual – ISDA / Act/Act / Act/Act (ISDA) / Actual/365 – FBF / Actual/Actual – FBF / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)] |
| (xvii) Interest Observation Date:                                                                    | [•]                                                                                                                                                                                                                                           |
| (xviii) Business Centre(s) (Condition 5(a)):                                                         | [•] <i>(Note that this item relates to interest period end dates and not to the date and place of payment, to which item 41 relates)</i>                                                                                                      |
| (xix) Business Day Convention:                                                                       | [Following Business Day Convention/ Following Business Day Except the Following Month Convention/Preceding Business Day Convention/other <i>(give details)</i> ]                                                                              |

## 29 Product of Spread Formula

(i) Fixed Percentage:

(ii) Leverage<sub>A</sub>:

(iii) Leverage<sub>B</sub>:

(iv) Manner in which the Benchmark Rate Level<sub>1</sub> is to be determined:

(v) Screen Rate Determination:

- Benchmark Rate:

- ISDA Definitions:

- Reference Banks:

- Relevant Inter-Bank Market:

- Relevant Screen Page:

- Relevant Screen Page Time:

- Specified Currency:

(vi) ISDA Determination:

- Floating Rate Option:

- Designated Maturity:

- Reset Date:

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

[•]

[[•] with respect to each Interest Accrual Period][The Leverage<sub>A</sub> set out in the following table:]

Interest Accrual Leverage<sub>A</sub>:  
Period:

[•]

[•]

*(Specify relevant Interest Accrual Period)* *(Specify relevant Leverage<sub>A</sub>)*

[[•] with respect to each Interest Accrual Period][The Leverage<sub>B</sub> set out in the following table:]

Interest Accrual Leverage<sub>B</sub>:  
Period:

[•]

[•]

*(Specify relevant Interest Accrual Period)* *(Specify relevant Leverage<sub>B</sub>)*

[Screen Rate Determination][ISDA Determination]

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

[•]

[•]

[•]

[•]

[•]

[•]

[•]

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

[•]

[•]

[•]

|         |                                                                                                |                                                                                                                                                                                                                                               |
|---------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (vii)   | Manner in which the Benchmark Rate Level <sub>2</sub> is to be determined:                     | [Screen Rate Determination][ISDA Determination]                                                                                                                                                                                               |
| (viii)  | Screen Rate Determination:                                                                     | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                                                 |
|         | - Benchmark Rate:                                                                              | [•]                                                                                                                                                                                                                                           |
|         | - ISDA Definitions:                                                                            | [•]                                                                                                                                                                                                                                           |
|         | - Reference Banks:                                                                             | [•]                                                                                                                                                                                                                                           |
|         | - Relevant Inter-Bank Market:                                                                  | [•]                                                                                                                                                                                                                                           |
|         | - Relevant Screen Page:                                                                        | [•]                                                                                                                                                                                                                                           |
|         | - Relevant Screen Page Time:                                                                   | [•]                                                                                                                                                                                                                                           |
|         | - Specified Currency:                                                                          | [•]                                                                                                                                                                                                                                           |
| (ix)    | ISDA Determination:                                                                            | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                                                 |
|         | - Floating Rate Option:                                                                        | [•]                                                                                                                                                                                                                                           |
|         | - Designated Maturity:                                                                         | [•]                                                                                                                                                                                                                                           |
|         | - Reset Date:                                                                                  | [•]                                                                                                                                                                                                                                           |
| (x)     | W:                                                                                             | [•]                                                                                                                                                                                                                                           |
| (xi)    | Calculation Agent responsible for calculating the interest due (if not the Calculation Agent): | [•]                                                                                                                                                                                                                                           |
| (xii)   | Interest Period(s):                                                                            | [•]                                                                                                                                                                                                                                           |
| (xiii)  | Specified Interest Payment Date(s):                                                            | [•]                                                                                                                                                                                                                                           |
| (xiv)   | Interest Determination Date:                                                                   | [•]                                                                                                                                                                                                                                           |
| (xv)    | Day Count Fraction:                                                                            | [Actual/Actual / Actual/Actual – ISDA / Act/Act / Act/Act (ISDA) / Actual/365 – FBF / Actual/Actual – FBF / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)] |
| (xvi)   | Interest Observation Date:                                                                     | [•]                                                                                                                                                                                                                                           |
| (xvii)  | Business Centre(s) (Condition 5(a)):                                                           | [•] <i>(Note that this item relates to interest period end dates and not to the date and place of payment, to which item 41 relates)</i>                                                                                                      |
| (xviii) | Business Day Convention:                                                                       | [Following Business Day Convention/ Following Business Day Except the Following Month Convention/Preceding Business Day Convention/other <i>(give details)</i> ]                                                                              |

## 30 Range Accrual Formula

|       |                                                                                |                                                                                                                                                                                                                                                                                             |
|-------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|       |                                                                                | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                                                                                               |
| (i)   | X:                                                                             | [Fixed Percentage]/[Benchmark Rate Level <sub>1</sub> plus Margin]/[Benchmark Rate Level <sub>1</sub> less Margin]                                                                                                                                                                          |
| (ii)  | Fixed Percentage:                                                              | [Not Applicable]/ [•]                                                                                                                                                                                                                                                                       |
| (iii) | Benchmark Rate Level <sub>1</sub> :                                            | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                                                                                               |
|       | (a) Manner in which the Benchmark Rate Level <sub>1</sub> is to be determined: | [Screen Rate Determination][ISDA Determination]                                                                                                                                                                                                                                             |
|       | (b) Screen Rate Determination:                                                 | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                                                                                               |
|       | - Benchmark Rate:                                                              | [•]                                                                                                                                                                                                                                                                                         |
|       | - ISDA Definitions:                                                            | [•]                                                                                                                                                                                                                                                                                         |
|       | - Reference Banks:                                                             | [•]                                                                                                                                                                                                                                                                                         |
|       | - Relevant Inter-Bank Market:                                                  | [•]                                                                                                                                                                                                                                                                                         |
|       | - Relevant Screen Page:                                                        | [•]                                                                                                                                                                                                                                                                                         |
|       | - Relevant Screen Page Time:                                                   | [•]                                                                                                                                                                                                                                                                                         |
|       | - Specified Currency:                                                          | [•]                                                                                                                                                                                                                                                                                         |
|       | (c) ISDA Determination:                                                        | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                                                                                               |
|       | - Floating Rate Option:                                                        | [•]                                                                                                                                                                                                                                                                                         |
|       | - Designated Maturity:                                                         | [•]                                                                                                                                                                                                                                                                                         |
|       | - Reset Date:                                                                  | [•]                                                                                                                                                                                                                                                                                         |
|       | (d) Margin:                                                                    | [Not Applicable]/ [•]                                                                                                                                                                                                                                                                       |
| (iv)  | Underlying Rate:                                                               | [Applicable to each Interest Accrual Period]:[Benchmark Rate Level <sub>A</sub> ]/[Spread Rate]/[Applicable to the Interest Accrual Periods as set out below] <i>(If different Underlying Rates apply to different Accrual Periods, duplicate the relevant paragraphs below as needed).</i> |

- (a) Manner in which the Benchmark Rate Level<sub>A</sub> is to be determined: [Applicable to the Interest Accrual Period(s) commencing on [•] and ending on [•]:] [Screen Rate Determination][ISDA Determination] [Not Applicable] *(Only applicable where the Underlying Rate is Benchmark Rate Level<sub>A</sub>)*
- (b) Screen Rate Determination: [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Benchmark Rate: [•]
  - ISDA Definitions: [•]
  - Reference Banks: [•]
  - Relevant Inter-Bank Market: [•]
  - Relevant Screen Page: [•]
  - Relevant Screen Page Time: [•]
  - Specified Currency: [•]
- (c) ISDA Determination: [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Floating Rate Option: [•]
  - Designated Maturity: [•]
  - Reset Date: [•]
- (d) Manner in which the Benchmark Rate Level<sub>B</sub> is to be determined: [Applicable to the Interest Accrual Period(s) commencing on [•] and ending on [•]:] [Screen Rate Determination][ISDA Determination] [Not Applicable] *(Only applicable where the Underlying Rate is the Spread Rate)*
- (e) Screen Rate Determination: [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Benchmark Rate: [•]
  - ISDA Definitions: [•]
  - Reference Banks: [•]
  - Relevant Inter-Bank Market: [•]
  - Relevant Screen Page: [•]
  - Relevant Screen Page Time: [•]
  - Specified Currency: [•]

|                                                                                |                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (f) ISDA Determination:                                                        | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                                                    |
| - Floating Rate Option:                                                        | [•]                                                                                                                                                                                                                                              |
| - Designated Maturity:                                                         | [•]                                                                                                                                                                                                                                              |
| - Reset Date:                                                                  | [•]                                                                                                                                                                                                                                              |
| (g) Manner in which the Benchmark Rate Level <sub>C</sub> is to be determined: | [Applicable to the Interest Accrual Period(s) commencing on [•] and ending on [•]:] [Screen Rate Determination][ISDA Determination] [Not Applicable] <i>(Only applicable where the Underlying Rate is the Spread Rate)</i>                       |
| (h) Screen Rate Determination:                                                 | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                                                    |
| - Benchmark Rate:                                                              | [•]                                                                                                                                                                                                                                              |
| - ISDA Definitions:                                                            | [•]                                                                                                                                                                                                                                              |
| - Reference Banks:                                                             | [•]                                                                                                                                                                                                                                              |
| - Relevant Inter-Bank Market:                                                  | [•]                                                                                                                                                                                                                                              |
| - Relevant Screen Page:                                                        | [•]                                                                                                                                                                                                                                              |
| - Relevant Screen Page Time:                                                   | [•]                                                                                                                                                                                                                                              |
| - Specified Currency:                                                          | [•]                                                                                                                                                                                                                                              |
| (i) ISDA Determination:                                                        | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                                                    |
| - Floating Rate Option:                                                        | [•]                                                                                                                                                                                                                                              |
| - Designated Maturity:                                                         | [•]                                                                                                                                                                                                                                              |
| - Reset Date:                                                                  | [•]                                                                                                                                                                                                                                              |
| (v) Range:                                                                     | [With respect to each Interest Accrual Period,[Range <sub>1</sub> ][Range <sub>2</sub> ][Range <sub>3</sub> ][Range <sub>4</sub> ][Range <sub>5</sub> ]]/[With respect to each Interest Accrual Period, the Range as set out in the table below: |
|                                                                                | Interest Accrual Range:                                                                                                                                                                                                                          |
|                                                                                | Period:                                                                                                                                                                                                                                          |
|                                                                                | [•] [•]                                                                                                                                                                                                                                          |
|                                                                                | <i>(Specify relevant Interest Accrual Period) (Specify relevant Interest Accrual Period)</i>                                                                                                                                                     |

|                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                            |         |              |     |  |     |                                            |                                            |                                            |
|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|---------|--------------|-----|--|-----|--------------------------------------------|--------------------------------------------|--------------------------------------------|
| - Lower Limit:                                                                                      | <p>[With respect to each Interest Accrual Period, [•]] [With respect to each Interest Accrual Period, the Lower Limit as set out in the table below:</p> <table><tr><td>Interest<br/>Period:</td><td>Accrual</td><td>Lower Limit:</td></tr><tr><td>[•]</td><td></td><td>[•]</td></tr><tr><td>(Specify relevant Interest Accrual Period)</td><td>(Specify relevant Interest Accrual Period)</td><td>(Specify relevant Interest Accrual Period)</td></tr></table> | Interest<br>Period:                        | Accrual | Lower Limit: | [•] |  | [•] | (Specify relevant Interest Accrual Period) | (Specify relevant Interest Accrual Period) | (Specify relevant Interest Accrual Period) |
| Interest<br>Period:                                                                                 | Accrual                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Lower Limit:                               |         |              |     |  |     |                                            |                                            |                                            |
| [•]                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | [•]                                        |         |              |     |  |     |                                            |                                            |                                            |
| (Specify relevant Interest Accrual Period)                                                          | (Specify relevant Interest Accrual Period)                                                                                                                                                                                                                                                                                                                                                                                                                      | (Specify relevant Interest Accrual Period) |         |              |     |  |     |                                            |                                            |                                            |
| - Upper Limit:                                                                                      | <p>[With respect to each Interest Accrual Period, [•]] [With respect to each Interest Accrual Period, the Upper Limit as set out in the table below:</p> <table><tr><td>Interest<br/>Period:</td><td>Accrual</td><td>Upper Limit:</td></tr><tr><td>[•]</td><td></td><td>[•]</td></tr><tr><td>(Specify relevant Interest Accrual Period)</td><td>(Specify relevant Interest Accrual Period)</td><td>(Specify relevant Interest Accrual Period)</td></tr></table> | Interest<br>Period:                        | Accrual | Upper Limit: | [•] |  | [•] | (Specify relevant Interest Accrual Period) | (Specify relevant Interest Accrual Period) | (Specify relevant Interest Accrual Period) |
| Interest<br>Period:                                                                                 | Accrual                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Upper Limit:                               |         |              |     |  |     |                                            |                                            |                                            |
| [•]                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | [•]                                        |         |              |     |  |     |                                            |                                            |                                            |
| (Specify relevant Interest Accrual Period)                                                          | (Specify relevant Interest Accrual Period)                                                                                                                                                                                                                                                                                                                                                                                                                      | (Specify relevant Interest Accrual Period) |         |              |     |  |     |                                            |                                            |                                            |
| (vi) Calculation Agent responsible for calculating the interest due (if not the Calculation Agent): | [•]                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                            |         |              |     |  |     |                                            |                                            |                                            |
| (vii) Interest Period(s):                                                                           | [•]                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                            |         |              |     |  |     |                                            |                                            |                                            |
| (viii) Specified Interest Payment Date(s):                                                          | [•]                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                            |         |              |     |  |     |                                            |                                            |                                            |
| (ix) Interest Determination Date:                                                                   | [•]                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                            |         |              |     |  |     |                                            |                                            |                                            |
| (x) Day Count Fraction:                                                                             | [Actual/Actual / Actual/Actual – ISDA / Act/Act / Act/Act (ISDA) / Actual/365 – FBF / Actual/Actual – FBF / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]                                                                                                                                                                                                                   |                                            |         |              |     |  |     |                                            |                                            |                                            |
| (xi) Interest Observation Date(s):                                                                  | Each date falling [•] Business Days immediately preceding the [first][last] day of the Interest Accrual Period.                                                                                                                                                                                                                                                                                                                                                 |                                            |         |              |     |  |     |                                            |                                            |                                            |
| (xii) Interest Observation Period(s):                                                               | Period from and including each date falling [•] Business Days immediately preceding the first day of the relevant Interest Accrual Period to and including the date falling [•] Business Days immediately preceding the last day of that Interest Accrual Period.                                                                                                                                                                                               |                                            |         |              |     |  |     |                                            |                                            |                                            |
| (xiii) Range Accrual Day:                                                                           | [•] [Each date falling every [1][7][30][60][90][180][365] days after [•]]                                                                                                                                                                                                                                                                                                                                                                                       |                                            |         |              |     |  |     |                                            |                                            |                                            |

|           |                                                                 |                                                                                                                                                                                                                                                                                                                                    |
|-----------|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|           | (xiv) Business Centre(s) (Condition 5(a)):                      | [•](Note that this item relates to interest period end dates and not to the date and place of payment, to which item 41 relates)                                                                                                                                                                                                   |
|           | (xv) Business Day Convention:                                   | [Following Business Day Convention/ Following Business Day Except the Following Month Convention/Preceding Business Day Convention/other (give details)]                                                                                                                                                                           |
| <b>31</b> | <b>Fixed/Floating Rate Note Provisions</b>                      | [Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)                                                                                                                                                                                                                              |
|           | (i) Issuer Change of Interest Basis:                            | [Applicable/Not Applicable]                                                                                                                                                                                                                                                                                                        |
|           | (ii) Automatic Change of Interest Basis:                        | [Applicable/Not Applicable]                                                                                                                                                                                                                                                                                                        |
|           | (iii) Pre Switch Rate:                                          | Determined in accordance with [Condition 5(b), as though the Note was a Fixed Rate Note/Condition 5(c), as though the Note was a Floating Rate Note/Condition 5(c)(v)(J), as though the Note was a Formula Linked Note linked to a Product of Spread Formula] with further variables set out in line item [•] of these Final Terms |
|           | (iv) Post Switch Rate:                                          | Determined in accordance with [Condition 5(b), as though the Note was a Fixed Rate Note/Condition 5(c), as though the Note was a Floating Rate Note/Condition 5(c)(v)(J), as though the Note was a Formula Linked Note linked to a Product of Spread Formula] with further variables set out in line item [•] of these Final Terms |
|           | (v) Switch Date:                                                | [•]                                                                                                                                                                                                                                                                                                                                |
|           | (vi) Minimum notice period required for notice from the Issuer: | [•] Business Days prior to the Switch Date                                                                                                                                                                                                                                                                                         |
| <b>32</b> | <b>Zero Coupon/Fixed Rate Note Provisions</b>                   | [Applicable/ Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)                                                                                                                                                                                                                             |
|           | (i) Switch Date(s):                                             | [•]                                                                                                                                                                                                                                                                                                                                |
|           | (ii) Switch Expiry Date:                                        | The date falling [•] Business Days immediately preceding the relevant Switch Date.                                                                                                                                                                                                                                                 |
|           | (iii) X%:                                                       | [•]                                                                                                                                                                                                                                                                                                                                |
|           | (iv) Post Switch Rate:                                          | Determined in accordance with Condition 5(b), as though the Note were a Fixed Rate Note with further variables                                                                                                                                                                                                                     |

**Rate Switch and Rate Lock-In Provisions**

## (i) Issuer Rate Switch Option:

## (a) Post Switch Rate:

## (b) Switch Date:

(c) Minimum notice period required for Rate Switch  
Notice from the Issuer:

## (ii) Rate Lock-In:

## (a) Barrier:

(b) Manner in which the Benchmark Rate Level<sub>A</sub> is  
to be determined:

## (c) Screen Rate Determination:

## - Benchmark Rate:

## - ISDA Definitions:

## - Reference Banks:

## - Relevant Inter-Bank Market:

## - Relevant Screen Page:

## - Relevant Screen Page Time:

## - Specified Currency:

## (d) ISDA Determination:

## - Floating Rate Option:

## - Designated Maturity:

## - Reset Date:

## (e) Margin:

(f) Calculation Agent responsible for calculating the  
interest due (if not the Calculation Agent):

set out in line item [•] (*insert cross-reference to Fixed Rate Note Provisions*) of these Final Terms.

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

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

Determined in accordance with [Condition 5(b), as though the Note was a Fixed Rate Note/Condition 5(c), as though the Note was a Floating Rate Note] with further variables set out in line item [•] of these Final Terms.

[•]

[•] Business Days prior to the Switch Date.

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

[•]

[Screen Rate Determination][ISDA Determination]

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

[•]

[•]

[•]

[•]

[•]

[•]

[•]

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

[•]

[•]

[•]

[•]

[•]

|                                         |                                                                                                                                                                                                                                               |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (g) Interest Period(s):                 | [•]                                                                                                                                                                                                                                           |
| (h) Specified Interest Payment Date(s): | [•]                                                                                                                                                                                                                                           |
| (i) Interest Determination Date:        | [•]                                                                                                                                                                                                                                           |
| (j) Day Count Fraction:                 | [Actual/Actual / Actual/Actual – ISDA / Act/Act / Act/Act (ISDA) / Actual/365 – FBF / Actual/Actual – FBF / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 (Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA)] |

## PROVISIONS RELATING TO REDEMPTION

|           |                                                                                                       |                                                                                                                                                                                                                   |
|-----------|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>34</b> | <b>Call Option</b>                                                                                    | [Applicable/Not Applicable] <i>(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                     |
|           | (i) Optional Redemption Date(s):                                                                      | [•]                                                                                                                                                                                                               |
|           | (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): | [Redemption at par][Zero Coupon Redemption][Variable Zero Coupon Redemption] [Inflation Linked Notes – Inflation Redemption] <i>(The method of calculation of such amount(s) is determined in Condition 6(e))</i> |
|           | (iii) If redeemable in part:                                                                          |                                                                                                                                                                                                                   |
|           | (a) Minimum Redemption Amount to be redeemed:                                                         | [•]                                                                                                                                                                                                               |
|           | (b) Maximum Redemption Amount to be redeemed:                                                         | [•]                                                                                                                                                                                                               |
|           | (iv) Notice period:                                                                                   | [•]                                                                                                                                                                                                               |
| <b>35</b> | <b>Put Option</b>                                                                                     | [Applicable/Not Applicable]<br><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                  |
|           | (i) Optional Redemption Date(s):                                                                      | [•]                                                                                                                                                                                                               |
|           | (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): | [Redemption at par][Zero Coupon Redemption][Variable Zero Coupon Redemption] [Inflation Linked Notes – Inflation Redemption] <i>(The method of calculation of such amount(s) is determined in Condition 6(f))</i> |
|           | (iii) Notice Period:                                                                                  | [•]                                                                                                                                                                                                               |
| <b>36</b> | <b>Variable Zero Coupon Redemption – Provisions relating to the Optional Redemption Amount:</b>       | [Applicable][Not Applicable]<br><br><i>(If not applicable, delete the remaining</i>                                                                                                                               |

- sub-paragraphs)*
- (i) Manner in which the Benchmark Rate Level<sub>1</sub> is to be determined: [Screen Rate Determination][ISDA Determination][Not Applicable]
- (a) Benchmark Rate Level<sub>1</sub> (Screen Rate Determination): [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- Benchmark Rate: [•]
  - ISDA Definitions: [•]
  - Reference Banks: [•]
  - Relevant Inter-Bank Market: [•]
  - Relevant Screen Page: [•]
  - Relevant Screen Page Time: [•]
  - Specified Currency: [•]
- (b) Benchmark Rate Level<sub>1</sub> (ISDA Determination): [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- Floating Rate Option: [•]
  - Designated Maturity: [•]
  - Reset Date: [•]
- (ii) Manner in which the Benchmark Rate Level<sub>2</sub> is to be determined: [Screen Rate Determination][ISDA Determination][Not Applicable]
- (a) Benchmark Rate Level<sub>2</sub> (Screen Rate Determination): [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- Benchmark Rate: [•]
  - ISDA Definitions: [•]
  - Reference Banks: [•]
  - Relevant Inter-Bank Market: [•]
  - Relevant Screen Page: [•]
  - Relevant Screen Page Time: [•]
  - Specified Currency: [•]
- (b) Benchmark Rate Level<sub>2</sub> (ISDA Determination): [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- Floating Rate Option: [•]
  - Designated Maturity: [•]
  - Reset Date: [•]
- (iii) Manner in which the Benchmark Rate Level<sub>3</sub> is to be determined: [Screen Rate Determination][ISDA Determination][Not Applicable]
- (a) Benchmark Rate Level<sub>3</sub> (Screen Rate Determination): [Applicable/Not Applicable] (*If not applicable, delete the remaining*

|      |                                                                            |                                                   |                                      |                                                                                                                    |
|------|----------------------------------------------------------------------------|---------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------|
|      |                                                                            |                                                   |                                      | <i>sub-paragraphs of this paragraph)</i>                                                                           |
|      | - Benchmark Rate:                                                          |                                                   |                                      | [•]                                                                                                                |
|      | - ISDA Definitions:                                                        |                                                   |                                      | [•]                                                                                                                |
|      | - Reference Banks:                                                         |                                                   |                                      | [•]                                                                                                                |
|      | - Relevant Inter-Bank Market:                                              |                                                   |                                      | [•]                                                                                                                |
|      | - Relevant Screen Page:                                                    |                                                   |                                      | [•]                                                                                                                |
|      | - Relevant Screen Page Time:                                               |                                                   |                                      | [•]                                                                                                                |
|      | - Specified Currency:                                                      |                                                   |                                      | [•]                                                                                                                |
| (b)  | Benchmark Rate Level <sub>3</sub> (ISDA Determination):                    |                                                   |                                      | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>      |
|      | - Floating Rate Option:                                                    |                                                   |                                      | [•]                                                                                                                |
|      | - Designated Maturity:                                                     |                                                   |                                      | [•]                                                                                                                |
|      | - Reset Date:                                                              |                                                   |                                      | [•]                                                                                                                |
| (iv) | Manner in which the Benchmark Rate Level <sub>4</sub> is to be determined: |                                                   |                                      | [Screen Rate Determination][ISDA Determination][Not Applicable]                                                    |
| (a)  | Benchmark Rate Level <sub>4</sub> (Screen Rate Determination):             |                                                   |                                      | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>      |
|      | - Benchmark Rate:                                                          |                                                   |                                      | [•]                                                                                                                |
|      | - ISDA Definitions:                                                        |                                                   |                                      | [•]                                                                                                                |
|      | - Reference Banks:                                                         |                                                   |                                      | [•]                                                                                                                |
|      | - Relevant Inter-Bank Market:                                              |                                                   |                                      | [•]                                                                                                                |
|      | - Relevant Screen Page:                                                    |                                                   |                                      | [•]                                                                                                                |
|      | - Relevant Screen Page Time:                                               |                                                   |                                      | [•]                                                                                                                |
|      | - Specified Currency:                                                      |                                                   |                                      | [•]                                                                                                                |
| (b)  | Benchmark Rate Level <sub>4</sub> (ISDA Determination):                    |                                                   |                                      | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>      |
|      | - Floating Rate Option:                                                    |                                                   |                                      | [•]                                                                                                                |
|      | - Designated Maturity:                                                     |                                                   |                                      | [•]                                                                                                                |
|      | - Reset Date:                                                              |                                                   |                                      | [•]                                                                                                                |
| (v)  | Fixed Cap:                                                                 |                                                   |                                      | [[•] with respect to each Interest Accrual Period][The percentage set out in the following table:][Not Applicable] |
|      |                                                                            | Interest Accrual Period:                          | Percentage:                          |                                                                                                                    |
|      |                                                                            | [•]                                               | [•]                                  |                                                                                                                    |
|      |                                                                            | <i>(Specify relevant Interest Accrual Period)</i> | <i>(Specify relevant Percentage)</i> |                                                                                                                    |

|                                                           |                                 |                                                                                                                                                                                                                                                                                                                                                                                                               |                     |         |             |       |  |       |                                                           |  |                                          |
|-----------------------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------|-------------|-------|--|-------|-----------------------------------------------------------|--|------------------------------------------|
| (vi)                                                      | Fixed Floor:                    | <p>[[•] with respect to each Interest Accrual Period][The percentage set out in the following table:][Not Applicable]</p> <table> <tr> <td>Interest<br/>Period:</td><td>Accrual</td><td>Percentage:</td></tr> <tr> <td>[[•]]</td><td></td><td>[[•]]</td></tr> <tr> <td><i>(Specify relevant<br/>Interest Accrual<br/>Period)</i></td><td></td><td><i>(Specify relevant<br/>Percentage)</i></td></tr> </table> | Interest<br>Period: | Accrual | Percentage: | [[•]] |  | [[•]] | <i>(Specify relevant<br/>Interest Accrual<br/>Period)</i> |  | <i>(Specify relevant<br/>Percentage)</i> |
| Interest<br>Period:                                       | Accrual                         | Percentage:                                                                                                                                                                                                                                                                                                                                                                                                   |                     |         |             |       |  |       |                                                           |  |                                          |
| [[•]]                                                     |                                 | [[•]]                                                                                                                                                                                                                                                                                                                                                                                                         |                     |         |             |       |  |       |                                                           |  |                                          |
| <i>(Specify relevant<br/>Interest Accrual<br/>Period)</i> |                                 | <i>(Specify relevant<br/>Percentage)</i>                                                                                                                                                                                                                                                                                                                                                                      |                     |         |             |       |  |       |                                                           |  |                                          |
| (vii)                                                     | Fixed Percentage <sub>1</sub> : | <p>[[•] with respect to each Interest Accrual Period][The percentage set out in the following table:][Not Applicable]</p> <table> <tr> <td>Interest<br/>Period:</td><td>Accrual</td><td>Percentage:</td></tr> <tr> <td>[[•]]</td><td></td><td>[[•]]</td></tr> <tr> <td><i>(Specify relevant<br/>Interest Accrual<br/>Period)</i></td><td></td><td><i>(Specify relevant<br/>Percentage)</i></td></tr> </table> | Interest<br>Period: | Accrual | Percentage: | [[•]] |  | [[•]] | <i>(Specify relevant<br/>Interest Accrual<br/>Period)</i> |  | <i>(Specify relevant<br/>Percentage)</i> |
| Interest<br>Period:                                       | Accrual                         | Percentage:                                                                                                                                                                                                                                                                                                                                                                                                   |                     |         |             |       |  |       |                                                           |  |                                          |
| [[•]]                                                     |                                 | [[•]]                                                                                                                                                                                                                                                                                                                                                                                                         |                     |         |             |       |  |       |                                                           |  |                                          |
| <i>(Specify relevant<br/>Interest Accrual<br/>Period)</i> |                                 | <i>(Specify relevant<br/>Percentage)</i>                                                                                                                                                                                                                                                                                                                                                                      |                     |         |             |       |  |       |                                                           |  |                                          |
| (viii)                                                    | Fixed Percentage <sub>2</sub> : | <p>[[•] with respect to each Interest Accrual Period][The percentage set out in the following table:][Not Applicable]</p> <table> <tr> <td>Interest<br/>Period:</td><td>Accrual</td><td>Percentage:</td></tr> <tr> <td>[[•]]</td><td></td><td>[[•]]</td></tr> <tr> <td><i>(Specify relevant<br/>Interest Accrual<br/>Period)</i></td><td></td><td><i>(Specify relevant<br/>Percentage)</i></td></tr> </table> | Interest<br>Period: | Accrual | Percentage: | [[•]] |  | [[•]] | <i>(Specify relevant<br/>Interest Accrual<br/>Period)</i> |  | <i>(Specify relevant<br/>Percentage)</i> |
| Interest<br>Period:                                       | Accrual                         | Percentage:                                                                                                                                                                                                                                                                                                                                                                                                   |                     |         |             |       |  |       |                                                           |  |                                          |
| [[•]]                                                     |                                 | [[•]]                                                                                                                                                                                                                                                                                                                                                                                                         |                     |         |             |       |  |       |                                                           |  |                                          |
| <i>(Specify relevant<br/>Interest Accrual<br/>Period)</i> |                                 | <i>(Specify relevant<br/>Percentage)</i>                                                                                                                                                                                                                                                                                                                                                                      |                     |         |             |       |  |       |                                                           |  |                                          |
| (ix)                                                      | Floating Cap:                   | [Applicable][Not Applicable]                                                                                                                                                                                                                                                                                                                                                                                  |                     |         |             |       |  |       |                                                           |  |                                          |
| (x)                                                       | Floating Floor:                 | [Applicable][Not Applicable]                                                                                                                                                                                                                                                                                                                                                                                  |                     |         |             |       |  |       |                                                           |  |                                          |
| (xi)                                                      | Margin <sub>1</sub> :           | <p>[[•] with respect to each Interest Accrual Period][The Margin set out in the following table:]</p> <table> <tr> <td>Interest<br/>Period:</td><td>Accrual</td><td>Margin:</td></tr> <tr> <td>[[•]]</td><td></td><td>[[•]]</td></tr> <tr> <td><i>(Specify relevant<br/>Interest Accrual<br/>Period)</i></td><td></td><td><i>(Specify relevant<br/>Margin)</i></td></tr> </table>                             | Interest<br>Period: | Accrual | Margin:     | [[•]] |  | [[•]] | <i>(Specify relevant<br/>Interest Accrual<br/>Period)</i> |  | <i>(Specify relevant<br/>Margin)</i>     |
| Interest<br>Period:                                       | Accrual                         | Margin:                                                                                                                                                                                                                                                                                                                                                                                                       |                     |         |             |       |  |       |                                                           |  |                                          |
| [[•]]                                                     |                                 | [[•]]                                                                                                                                                                                                                                                                                                                                                                                                         |                     |         |             |       |  |       |                                                           |  |                                          |
| <i>(Specify relevant<br/>Interest Accrual<br/>Period)</i> |                                 | <i>(Specify relevant<br/>Margin)</i>                                                                                                                                                                                                                                                                                                                                                                          |                     |         |             |       |  |       |                                                           |  |                                          |
| (xii)                                                     | Margin <sub>2</sub> :           | <p>[[•] with respect to each Interest Accrual Period][The Margin set out in the following table:]</p> <table> <tr> <td>Interest<br/>Period:</td><td>Accrual</td><td>Margin:</td></tr> <tr> <td>[[•]]</td><td></td><td>[[•]]</td></tr> <tr> <td><i>(Specify relevant<br/>Interest Accrual<br/>Period)</i></td><td></td><td><i>(Specify relevant<br/>Margin)</i></td></tr> </table>                             | Interest<br>Period: | Accrual | Margin:     | [[•]] |  | [[•]] | <i>(Specify relevant<br/>Interest Accrual<br/>Period)</i> |  | <i>(Specify relevant<br/>Margin)</i>     |
| Interest<br>Period:                                       | Accrual                         | Margin:                                                                                                                                                                                                                                                                                                                                                                                                       |                     |         |             |       |  |       |                                                           |  |                                          |
| [[•]]                                                     |                                 | [[•]]                                                                                                                                                                                                                                                                                                                                                                                                         |                     |         |             |       |  |       |                                                           |  |                                          |
| <i>(Specify relevant<br/>Interest Accrual<br/>Period)</i> |                                 | <i>(Specify relevant<br/>Margin)</i>                                                                                                                                                                                                                                                                                                                                                                          |                     |         |             |       |  |       |                                                           |  |                                          |

|                                                                                                                       |                                                                                                                                                                                                                                                                                                             |                                  |
|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
|                                                                                                                       | <i>Interest Accrual Period)</i>                                                                                                                                                                                                                                                                             | <i>Margin)</i>                   |
| (xiii) Margin <sub>3</sub> :                                                                                          | [[•] with respect to each Interest Accrual Period][The Margin set out in the following table:]                                                                                                                                                                                                              |                                  |
|                                                                                                                       | Interest Accrual Period:                                                                                                                                                                                                                                                                                    | Margin:                          |
|                                                                                                                       | [•]                                                                                                                                                                                                                                                                                                         | [•]                              |
|                                                                                                                       | <i>(Specify relevant Interest Accrual Period)</i>                                                                                                                                                                                                                                                           | <i>(Specify relevant Margin)</i> |
| (xiv) Redemption Calculation Date:                                                                                    | [•]                                                                                                                                                                                                                                                                                                         |                                  |
| (xv) Last Redemption Calculation Date:                                                                                | [•] Business Days prior to the Optional Redemption Date                                                                                                                                                                                                                                                     |                                  |
| (xvi) Reference Date:                                                                                                 | [Issue Date][•][Not Applicable]                                                                                                                                                                                                                                                                             |                                  |
| (xvii) Reference Price:                                                                                               | [•]                                                                                                                                                                                                                                                                                                         |                                  |
| <b>37 Final Redemption Amount of each Note<sup>17</sup></b>                                                           | [[•]] per Note of [•] Specified Denomination <i>(for fungible issues of Notes only)</i> ][Redemption at par][Variable Zero Coupon Redemption][Resettable Zero Coupon Notes][Inflation Linked Notes – Redemption at par][Inflation Linked Notes – Inflation Redemption (see line item [•] for more details)] |                                  |
| <b>Inflation Linked Notes – Provisions relating to the Final Redemption Amount:</b>                                   | [Applicable/Not Applicable]<br><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                                                                                                                                                                            |                                  |
| (i) Determination date of IIR:                                                                                        | [•] Business Days prior to the Maturity Date [or the Extended Maturity Date]                                                                                                                                                                                                                                |                                  |
| (ii) Index:                                                                                                           | [CPI/HICP]                                                                                                                                                                                                                                                                                                  |                                  |
| (iii) Final Redemption Amount in respect of Inflation Linked Notes:                                                   | [Condition 6(d) applies]                                                                                                                                                                                                                                                                                    |                                  |
| (iv) Base Reference:                                                                                                  | [CPI/HICP] Daily Inflation Reference Index applicable on <i>[specify date]</i> (amounting to: [•])                                                                                                                                                                                                          |                                  |
| (v) Inflation Index Ratio (IIR):                                                                                      | [•]                                                                                                                                                                                                                                                                                                         |                                  |
| (vi) Party responsible for calculating the Rate of Interest and/or Interest Amount(s) (if not the Calculation Agent): | [•]                                                                                                                                                                                                                                                                                                         |                                  |

<sup>17</sup> If the Final Redemption Amount is less than 100% of the nominal value the Notes will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

**Variable Zero Coupon Redemption – Provisions  
relating to the Final Redemption Amount:**

[Applicable][Not Applicable]

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

- |      |                                                                            |                                                                                                               |
|------|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| (i)  | Manner in which the Benchmark Rate Level <sub>1</sub> is to be determined: | [Screen Rate Determination][ISDA Determination][Not Applicable]                                               |
| (a)  | Benchmark Rate Level <sub>1</sub> (Screen Rate Determination):             | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> |
|      | - Benchmark Rate:                                                          | [•]                                                                                                           |
|      | - ISDA Definitions:                                                        | [•]                                                                                                           |
|      | - Reference Banks:                                                         | [•]                                                                                                           |
|      | - Relevant Inter-Bank Market:                                              | [•]                                                                                                           |
|      | - Relevant Screen Page:                                                    | [•]                                                                                                           |
|      | - Relevant Screen Page Time:                                               | [•]                                                                                                           |
|      | - Specified Currency:                                                      | [•]                                                                                                           |
| (b)  | Benchmark Rate Level <sub>1</sub> (ISDA Determination):                    | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> |
|      | - Floating Rate Option:                                                    | [•]                                                                                                           |
|      | - Designated Maturity:                                                     | [•]                                                                                                           |
|      | - Reset Date:                                                              | [•]                                                                                                           |
| (ii) | Manner in which the Benchmark Rate Level <sub>2</sub> is to be determined: | [Screen Rate Determination][ISDA Determination][Not Applicable]                                               |
| (a)  | Benchmark Rate Level <sub>2</sub> (Screen Rate Determination):             | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> |
|      | - Benchmark Rate:                                                          | [•]                                                                                                           |
|      | - ISDA Definitions:                                                        | [•]                                                                                                           |
|      | - Reference Banks:                                                         | [•]                                                                                                           |
|      | - Relevant Inter-Bank Market:                                              | [•]                                                                                                           |
|      | - Relevant Screen Page:                                                    | [•]                                                                                                           |
|      | - Relevant Screen Page Time:                                               | [•]                                                                                                           |
|      | - Specified Currency:                                                      | [•]                                                                                                           |
| (b)  | Benchmark Rate Level <sub>2</sub> (ISDA Determination):                    | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> |
|      | - Floating Rate Option:                                                    | [•]                                                                                                           |
|      | - Designated Maturity:                                                     | [•]                                                                                                           |
|      | - Reset Date:                                                              | [•]                                                                                                           |

- (iii) Manner in which the Benchmark Rate Level<sub>3</sub> is to be determined: [Screen Rate Determination][ISDA Determination][Not Applicable]
- (a) Benchmark Rate Level<sub>3</sub> (Screen Rate Determination): [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Benchmark Rate: [•]
  - ISDA Definitions: [•]
  - Reference Banks: [•]
  - Relevant Inter-Bank Market: [•]
  - Relevant Screen Page: [•]
  - Relevant Screen Page Time: [•]
  - Specified Currency: [•]
- (b) Benchmark Rate Level<sub>3</sub> (ISDA Determination): [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Floating Rate Option: [•]
  - Designated Maturity: [•]
  - Reset Date: [•]
- (iv) Manner in which the Benchmark Rate Level<sub>4</sub> is to be determined: [Screen Rate Determination][ISDA Determination][Not Applicable]
- (a) Benchmark Rate Level<sub>4</sub> (Screen Rate Determination): [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Benchmark Rate: [•]
  - ISDA Definitions: [•]
  - Reference Banks: [•]
  - Relevant Inter-Bank Market: [•]
  - Relevant Screen Page: [•]
  - Relevant Screen Page Time: [•]
  - Specified Currency: [•]
- (b) Benchmark Rate Level<sub>4</sub> (ISDA Determination): [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Floating Rate Option: [•]
  - Designated Maturity: [•]
  - Reset Date: [•]
- (v) Fixed Cap: [[•] with respect to each Interest Accrual Period][The percentage set out in the

Interest      Accrual      Percentage:  
Period:

- (vi) **Fixed Floor:**

Interest      Accrual      Percentage:  
Period:

(vii) Fixed Percentage<sub>1</sub>:

Interest      Accrual      Percentage:  
Period:

(viii) Fixed Percentage<sub>2</sub>:

Interest      Accrual      Percentage:  
Period:

(ix) Floating Cap:

(x) Floating Floor:

[Applicable][Not Applicable]

(xi) Margin<sub>1</sub>:

Interest      Accrual      Margin:  
Period:

|                                                  |                              |
|--------------------------------------------------|------------------------------|
| <b>[•]</b>                                       | <b>[•]</b>                   |
| (Specify relevant<br>Interest Accrual<br>Period) | (Specify relevant<br>Margin) |

- (xii) Margin<sub>2</sub>: [[•] with respect to each Interest Accrual Period][The Margin set out in the following table:]
- | Interest<br>Period:                               | Accrual                          | Margin: |
|---------------------------------------------------|----------------------------------|---------|
| [•]                                               | [•]                              |         |
| <i>(Specify relevant Interest Accrual Period)</i> | <i>(Specify relevant Margin)</i> |         |
- (xiii) Margin<sub>3</sub>: [[•] with respect to each Interest Accrual Period][The Margin set out in the following table:]
- | Interest<br>Period:                               | Accrual                          | Margin: |
|---------------------------------------------------|----------------------------------|---------|
| [•]                                               | [•]                              |         |
| <i>(Specify relevant Interest Accrual Period)</i> | <i>(Specify relevant Margin)</i> |         |
- (xiv) Redemption Calculation Date: [•]
- (xv) Last Redemption Calculation Date: [•] Business Days prior to the Optional Redemption Date
- (xvi) Reference Date: [Issue Date][•][Not Applicable]
- (xvii) Reference Price: [•]

**Resetable Zero Coupon Notes – Provisions relating to the Final Redemption Amount:**

- (i) X%: [•] per cent. per annum
- (ii) M: [•]

**38 Optional Redemption Amount**

- Inflation Linked Notes – Provisions relating to the Optional Redemption Amount:** [Applicable / Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Index: [CPI/HICP]
- (ii) Optional Redemption Amount in respect of Inflation Linked Notes: [Condition 6(g)(ii) applies]
- (iii) Base Reference: [CPI/HICP] Daily Inflation Reference Index applicable on *[specify date]*  
(amounting to: [•])
- (iv) Inflation Index Ratio: [•]
- (v) Party responsible for calculating the Rate of Interest and/or Interest Amount(s) (if not the Calculation Agent): [•]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

|    |                                                                                                               |                                                                                                                                                                                                                                                                   |
|----|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 39 | Form of Notes:                                                                                                | [Dematerialised Notes/<br>Materialised Notes] (Materialised Notes<br>are only in bearer form)<br><i>[Delete as appropriate]</i>                                                                                                                                   |
|    | (i) Form of Dematerialised Notes:                                                                             | [Not Applicable/specify whether Bearer<br>dematerialised form ( <i>au porteur</i> ) /<br>Administered Registered dematerialised<br>form ( <i>au nominatif administré</i> ) / Fully<br>Registered dematerialised form ( <i>au<br/>nominatif pur</i> )]             |
|    | (ii) Registration Agent:                                                                                      | [Not Applicable/Applicable] if<br><i>applicable give name and details</i> (note<br>that a registration agent must be<br>appointed in relation to Fully Registered<br>Dematerialised Notes only)                                                                   |
|    | (iii) Temporary Global Certificate:                                                                           | [Not Applicable/Temporary Global<br>Certificate exchangeable for Definitive<br>Materialised Notes on [•] (the<br>“ <b>Exchange Date</b> ”), being 40 days after<br>the Issue Date subject to postponement<br>as specified in the Temporary Global<br>Certificate] |
|    | (iv) Applicable TEFRA exemption:                                                                              | [C Rules/D Rules/TEFRA not<br>applicable] ( <i>Only applicable to<br/>Materialised Notes</i> )                                                                                                                                                                    |
| 40 | Exclusion of the possibility to request identification of<br>the Noteholders as provided by Condition 1(a)(i) | [Applicable] ( <i>if the possibility to request<br/>identification of the Noteholders as<br/>provided by Condition 1(a)(i) is<br/>contemplated delete this paragraph</i> )                                                                                        |
| 41 | Financial Centre(s) (Condition 7(h)) or other special<br>provisions relating to Payment Dates:                | [Not Applicable/Give details]. (Note that<br>this item relates to the date and place of<br>payment, and not the end dates of<br>interest periods for the purposes of<br>calculating the amount of interest, to<br>which items 16(ii), 16(v) and 19(iv)<br>relate) |
|    | Adjusted Payment Date (Condition 7(h)):                                                                       | [The next following business day unless<br>it would thereby fall into the next<br>calendar month, in which such event<br>such date shall be brought forward to the<br>immediately preceding business day.]<br>[The immediately preceding business                 |

|    |                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----|--------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |                                                                                                                    | day]/[Other*]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 42 | Talons for future Coupons to be attached to Definitive Materialised Notes (and dates on which such Talons mature): | [Yes/No/Not Applicable. <i>If yes, give details</i> ] (Only applicable to <i>Materialised Notes</i> )                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 43 | Redenomination, renominatisation and reconventioning provisions:                                                   | [Not Applicable/The provisions [in Condition 1(d)] apply]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 44 | Consolidation provisions:                                                                                          | [Not Applicable/The provisions [in Condition 12(b)] apply]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 45 | Representation of holders of Notes - <i>Masse</i> (Condition 10):                                                  | [[Full <i>Masse</i> ]/[Contractual <i>Masse</i> ] shall apply] ( <i>Note that: (i) in respect of any Tranche of Notes issued outside France, Condition 10 (a) (ii) (Contractual Masse) may be elected by the Issuer; (ii) in respect of any Tranche of Notes issued inside France, Condition 10 (a) (i) (Full Masse) shall apply.</i> )<br><br>Name and address of the Representative: [•]<br><br>Name and address of the alternate Representative: [•]<br><br>The Representative will receive no remuneration/The Representative will receive a remuneration of [•]. |

## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [admission to trading on [*specify relevant regulated market*] of the Notes described herein] pursuant to the Euro 125,000,000,000 Euro Medium Term Note Programme of Compagnie de Financement Foncier.

## 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:

Duly represented by:

\* In the market practice, if any date for payment in respect of Fixed Rate Notes, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day (as defined in Condition 7(h)).

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Admission to trading:

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Paris] / [the Official List of the Luxembourg Stock Exchange] / *[specify relevant regulated market]* with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Paris] / [the Official List of the Luxembourg Stock Exchange] / *[specify relevant regulated market]* with effect from [•].] [Not Applicable.] *(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*

- (ii) Estimate of total expenses related to admission to trading:

[•]

- (iii) Regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading:

[•]

### 2. RATINGS

Ratings:

The Programme has been rated Aaa by Moody's Investors Service ("**Moody's**"), AAA by Standard & Poor's Ratings Services ("**S&P**") and AAA by Scope Ratings AG ("**Scope**").

For Moody's, Notes issued under the Programme are deemed to have the same rating as the Programme, investors are invited to check on a regular basis the rating assigned to the Programme which is publicly disclosed via Moody's rating desk or moodys.com.

The Notes issued under the Programme will be rated [AAA] by S&P<sup>18</sup> and [AAA] by Scope.

[[Each of [S&P], [Moody's] and [Scope]] is established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**"). As such, [each of [S&P], [Moody's] and [Scope]] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation ([www.esma.europa.eu/supervision/credit-](http://www.esma.europa.eu/supervision/credit-)

<sup>18</sup> An obligation rated "AAA" has the highest rating assigned by Standard & Poor's Ratings Services. The obligor capacity to meet its financial commitment on the obligation is extremely strong (source: Standard & Poors Ratings Services). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency without notice.

rating-agencies/risk).]

[[None of [•] and] [•] is [not] established in the European Union [nor has/and has not] applied for registration under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No. 513/2011.]

*(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. [SPECIFIC CONTROLLER]

The specific controller (*contrôleur spécifique*) of the Issuer has certified on [•] [and on [•]] that the value of the assets of the Issuer will be greater than the value of its liabilities benefiting from the *privilège* defined in Article L. 513-11 of the *Code monétaire et Financier*, after settlement of this issue and of the issues which have been the subject of previous attestations and that the coverage ratio of the Issuer is compliant with the minimum overcollateral ratio specified in Article R. 513-8 of the *Code monétaire et financier*.]

### 4. [NOTIFICATION]

The *Autorité des marchés financiers* in France [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 Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

### 5. [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 "Subscription and Sale" so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]/[•]

*[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

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

[(i) Reasons for the offer:

[•]

*(See "Use of Proceeds" wording in Base 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.]*

## 7. **[Fixed Rate Notes only – YIELD]**

Indication of yield:

[•]

Calculated as *[include details of method of calculation in summary form]* on the Issue Date]

## 8. **[Inflation Linked Notes only – PERFORMANCE OF INDEX AND OTHER INFORMATION CONCERNING THE UNDERLYING]**

(i) Name of underlying index: [•]

(ii) Information about the index, its volatility and past and future performance can be obtained: [•]

The Issuer *[intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].*

## 9. **DISTRIBUTION**

(i) Method of distribution

[Syndicated / Non-syndicated]

(ii) If syndicated:

(A) names of Managers:

[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 names 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.)*

(B) Date of Subscription Agreement:

[•]

(C) Stabilising Manager(s) (if any):

[Not Applicable/*give name and address*]

(iii) If non-syndicated, name and address of Manager:

[Not Applicable/*give name and address*]

(iv) Prohibition of Sales to EEA Retail Investors:

[Not Applicable/Applicable]

*(If the offer of the Notes is concluded prior to 1 January 2018, or on and after that date, the Notes do not constitute "packaged" products, in which case, "Not Applicable" should be specified. If the offer of the Notes will be*

*concluded on or after 1 January 2018, the Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)*

(v) Additional selling restrictions:

[Not Applicable/give details]

## 10. OPERATIONAL INFORMATION

ISIN:

[•]

Common Code:

[•]

Depositories:

(i) Euroclear France to act as Central Depository

[Yes/No]

(ii) Common Depository for Euroclear and Clearstream Luxembourg

[Yes/No]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream and the relevant identification number(s):

[Not Applicable/give name(s) and number(s) [and address(es)]]

Delivery:

Delivery [against/free of] payment

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

[•]

The aggregate principal amount of Notes issued has been translated into Euro at the rate of [currency] [•] per Euro 1.00, producing a sum of:

[Not Applicable/Euro [•]] (Only applicable for Notes not denominated in Euro)

## GENERAL INFORMATION

### 1 AMF visa and admission to trading of the Notes issued under the Programme

This Base Prospectus has received visa n°17-275 from the AMF on 16 June 2017. Application has been made to list and admit the Notes to trading on Euronext Paris and/or on any other regulated market in a Member State of the EEA. At the same time, application has been made for the notification of a certificate of approval released to the *Commission de surveillance du secteur financier* in Luxembourg, both of approval and notification being made by the AMF in its capacity as competent authority under the Article 212-2 of its *Règlement Général* which implements the Prospectus Directive. In compliance with Article 18 of the Prospectus Directive, such notification may also be made at the Issuer's request to any other competent authority of any other Member State of the EEA.

### 2 Consents, approvals and authorisations in connection with the Programme

The Issuer has obtained all necessary consents, approvals and authorisations in the Republic of France in connection with the establishment of the Programme.

The establishment of the Programme was authorised by a decision of the Board of Directors (*Conseil d'administration*) of the Issuer passed on 21 March 2000.

On 14 December 2007, the Board of Directors (*Conseil d'administration*) of the Issuer has authorised the increase of the Programme Limit from Euro 75 billion to Euro 125 billion.

Any drawdown of Notes under the Programme, to the extent that such Notes constitute *obligations*, requires the prior authorisation of (i) the Board of Directors (*Conseil d'administration*) of the Issuer or (ii) the Ordinary General Meeting of the Issuer's shareholders if (a) the *statuts* of the Issuer so require or (b) such Ordinary General Meeting decides itself to exercise such authority.

Any drawdown of Notes, to the extent that such Notes do not constitute *obligations*, fall within the general powers of the *directeur général* or a *directeur général délégué* of the Issuer.

### 3 Rating of the Issuer

The Issuer's long-term credit rating is A-, A2 and AA- by Standard & Poor's, Moody's and Scope respectively.

### 4 Quarterly certification of the specific controller

It should be noted that the Programme Limit (Euro 125,000,000,000) defined in section "Summary of the Programme" is subject to quarterly certification of the specific controller.

### 5 No significant changes in the financial and trading position of the Issuer

Except as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of the Issuer since 31 December 2016.

### 6 No material adverse change

Except as disclosed in this Base Prospectus, there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2016.

## **7 Limitations under United States income tax laws**

Each definitive Materialised Note, 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 165(j) and 1287(a) of the Internal Revenue Code”.

## **8 Clearance and Trading of the Notes issued under the Programme**

Dematerialised Notes will be inscribed in the books of Euroclear France (acting as central depository). Dematerialised Notes which are in registered form (*au nominatif*) are also inscribed either with the Issuer or with the registration agent.

The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France.

Notes have been accepted for clearance through Euroclear and Clearstream which are entities in charge of keeping the records. The Common Code, the International Securities Identification Number (ISIN) and the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

## **9 No governmental, legal or arbitration proceedings involving the Issuer**

The Issuer is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Base Prospectus which may have or have had in the recent past, significant effects on the financial position or profitability of the Issuer.

## **10 Availability of documents**

For so long as Notes may be admitted to trading on Euronext Paris, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), at the office of the Fiscal Agent and the Paying Agents:

- (i) the Amended and Restated Agency Agreement;
- (ii) the *statuts* of the Issuer in both French and English;
- (iii) the annual accounts of the Issuer for the financial year ended 31 December 2015 and for the financial year ended 31 December 2016; and
- (iv) the latest quarterly borrowing programme of the Issuer and the specific controller’s certificate relating thereto which are usually delivered at the beginning of each quarter.

For so long as Notes may be admitted to trading on Euronext Paris, the following documents will be available, on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)):

- (i) the Final Terms for Notes that are listed and admitted to trading on Euronext Paris, and any other Regulated Market;
- (ii) this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus; and
- (iii) the documents incorporated by reference in this Base Prospectus (excluding the 2005 EMTN Conditions).

The documents listed in paragraphs (ii) and (iii) above and the 2005 EMTN Conditions will be available on the website of the Issuer ([www.foncier.fr](http://www.foncier.fr)).

Each time the Notes will be admitted to trading on Euronext Paris, the Notes will also be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange. As a consequence, the Final Terms will be available in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

## **11 Audited and unaudited financial information**

The non-consolidated accounts of the Issuer are audited and are published on an annual basis. The Issuer also produces unaudited interim financial information.

## **12 Compliance with the legal over-collateralisation ratio**

Pursuant to Article R. 513-16 IV of the French *Code monétaire et financier*, the specific controller certifies that the rule providing that the amount of eligible assets of the Issuer is greater than the amount of liabilities benefiting from the *Privilège* is satisfied on the basis of a quarterly borrowing programme and for any issue of *Obligations Foncières* in a principal amount equal to or above Euro 500 million or its equivalent in the currency of issue.

## **13 Auditors**

PricewaterhouseCoopers Audit, 63, rue de Villiers, 92200 Neuilly sur Seine, France and KPMG Audit, *Département de KPMG S.A.*, Tour EQHO, 2, avenue Gambetta, CS 60055, 92066 Paris La Défense cedex, France (both entities regulated by the *Haut Conseil du Commissariat aux Comptes* and members of the *Compagnie régionale des Commissaires aux comptes de Versailles* and duly authorised as *Commissaires aux comptes*) have audited and rendered audit reports on the financial statements of the Issuer for the years ended 31 December 2015 and 31 December 2016.

## **14 Yield (Fixed Rate Notes only)**

In relation to any Tranche of Fixed Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

## **15 Third Party Information**

The Issuer confirms that the information sourced from a third party set out in this Base Prospectus has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## **16 Stabilisation**

In connection with the issue of any Tranche (as defined in “Summary”), the Dealer or Dealers (if any) named as the stabilising manager(s) (the “**Stabilising Manager(s)**”) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms 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 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 and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment shall be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with applicable laws and rules.

## PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE BASE PROSPECTUS

### In the name of the Issuer

We declare, having taken all care to ensure that such is the case and to the best of our knowledge, that the information contained in this Base Prospectus is in accordance with the facts and that it contains no omission likely to affect its import.

Compagnie de Financement Foncier  
19, rue des Capucines  
75001 Paris  
France

Duly represented by: Olivier Avis  
*Directeur Général Délégué*/ Deputy C.E.O.  
Duly authorised  
on 16 June 2017



### *Autorité des marchés financiers*

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (“AMF”), in particular Articles 212-31 to 212-33, the AMF has granted to this Base Prospectus the visa No.17-275 on 16 June 2017. This document may only be used for the purposes of a financial transaction if completed by Final Terms. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it. This visa has been granted subject to the publication of Final Terms in accordance with Article 212-32 of the AMF's General Regulations, setting out the terms of the securities being issued.

**Registered Office of the Issuer**

**Compagnie de Financement Foncier**

19, rue des Capucines  
75001 Paris  
France

**Principal Place of Business of the Issuer**

4, Quai de Bercy  
94224 Charenton Cedex  
Telephone: +33 1 57 44 92 20

**Arranger**

**Deutsche Bank AG, Paris Branch**

23-25, avenue Franklin Roosevelt  
75008 Paris  
France

**Dealers**

**Barclays Bank PLC**

5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

**BNP Paribas**

10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**Commerzbank Aktiengesellschaft**

Kaiserstraße 16 (Kaiserplatz)  
60311 Frankfurt am Main  
Federal Republic of Germany

**Crédit Agricole Corporate and Investment Bank**

12, place des Etats-Unis  
CS 70052  
92547 Montrouge Cedex  
France

**Crédit Foncier de France**

19, rue des Capucines  
75001 Paris  
France

**Credit Suisse Securities (Europe) Limited**

One Cabot Square  
London E14 4QJ  
United Kingdom

**Deutsche Bank Aktiengesellschaft**

Theodor-Heuss-Allee 70  
60486 Frankfurt am Main  
Germany

**HSBC France**

103, avenue des Champs Elysées  
75008 Paris  
France

**J.P. Morgan Securities plc**

25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

**Merrill Lynch International**

2 King Edward Street  
London EC1A 1HQ  
United Kingdom

**Morgan Stanley & Co. International plc**

25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

**NATIXIS**

30, avenue Pierre Mendès France  
75013 Paris  
France

**Nomura International plc**

1 Angel Lane  
London EC4R 3AB  
United Kingdom

**Société Générale**

29, boulevard Haussmann  
75009 Paris  
France

**The Royal Bank of Scotland plc (trading as****NatWest Markets)**

250 Bishopsgate  
London EC2M 4AA  
United Kingdom

**UBS Limited**

5 Broadgate  
London EC2M 2QS  
United Kingdom

**Fiscal Agent, Principal Paying Agent, Redenomination Agent,  
Consolidation Agent and Calculation Agent**

**Deutsche Bank AG, London Branch**

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

**Paying Agents****Luxembourg Paying Agent****Deutsche Bank Luxembourg  
S.A.**

2, boulevard Konrad Adenauer  
L-1115 Luxembourg  
Grand-Duchy of Luxembourg

**Paris Paying Agent****Crédit Foncier de France**

4, Quai de Bercy  
94224 Charenton Cedex  
France

**Frankfurt Paying Agent****Deutsche Bank  
Aktiengesellschaft**

Taunusanlage 12  
60325 Frankfurt am Main  
Germany

**Listing Agent****Luxembourg Listing Agent****Deutsche Bank Luxembourg S.A.**

2, boulevard Konrad Adenauer  
L-1115 Luxembourg  
Grand-Duchy of Luxembourg

**Auditors to the Issuer****PricewaterhouseCoopers****Audit**

63, rue de Villiers  
92200 Neuilly sur Seine  
France

**KPMG Audit***Département de KPMG S.A*

Tour EQHO  
2, avenue Gambetta  
CS 60055  
92066 Paris La Défense cedex  
France

**Legal Advisers**

**To the Issuer**

**White & Case LLP**

19, place Vendôme  
75001 Paris  
France

**To the Dealers**

**Linklaters LLP**

25, rue de Marignan  
75008 Paris  
France