

Base Prospectus dated 12 September 2016



**LA BANQUE POSTALE**  
**€ 10,000,000,000**  
**Euro Medium Term Note Programme**

Under the Euro Medium Term Note Programme described in this Base Prospectus (the "**Programme**"), La Banque Postale (the "**Issuer**" or "**La Banque Postale**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed € 10,000,000,000 (or the equivalent in other currencies at the date of issue of any Notes).

The Notes can be unsubordinated Notes or subordinated Notes.

In accordance with French law, notably the requirement to obtain an express legislative authorisation for each guarantee, the Notes do not benefit from any guarantee of any kind, direct or indirect, from the French State.

This Base Prospectus supersedes and replaces the Base Prospectus dated 17 September 2015 as supplemented and shall be in force for a period of one year as of 12 September 2016.

Application has been made to the *Autorité des marchés financiers* (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* which implements Directive 2003/71/EC of 4 November 2003, as amended on the prospectus to be published when securities are offered to the public or admitted to trading (the "**Prospectus Directive**").

Application may be made for Notes issued under the Programme during a period of 12 months from the date of this Base Prospectus to be listed and/or admitted to trading on Euronext Paris and/or on the Regulated Market (as defined below) in another Member State of the European Economic Area ("**EEA**"). Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC (a "**Regulated Market**"). However, Notes may be issued pursuant to the Programme which are not admitted to trading on any Regulated Market. The relevant final terms (the "**Final Terms**") (a form of which is contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be admitted to trading, and, if so, the relevant Regulated Market.

In the case of any Notes which are to be admitted to trading on a Regulated Market within the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum denomination shall be € 100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

This Base Prospectus constitutes a base prospectus for the purposes of article 5.4 of the Prospectus Directive.

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(s), Title and Redenomination") including Euroclear Bank S.A./N.V. ("**Euroclear**") and the depository bank for Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder (as defined in "TERMS AND CONDITIONS OF THE NOTES — Form, Denomination(s), Title and Redenomination"), in either fully registered form (*au nominatif pur*), in which case they will be inscribed either with the Issuer or with the registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form (*au nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholders.

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 connection with Materialised Notes. Such Temporary Global Certificate will be exchanged for Definitive Materialised Notes in bearer form with, where applicable, coupons for interest attached, on or after a date expected to be on or about the 40th day after the issue date of the Notes (subject to postponement as described in "TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALISED BEARER NOTES") upon certification as to non U.S. beneficial ownership as more fully described herein.

Temporary Global Certificates will (a) in the case of a Tranche (as defined in "GENERAL DESCRIPTION OF THE PROGRAMME") intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depository on behalf of Euroclear and/or Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined below).

The final terms of the relevant Notes will be determined at the time of the offering of each Tranche based on then prevailing market conditions and will be set out in the relevant Final Terms.

The long term senior debt of the Issuer has been assigned a rating of A (with a stable outlook) by S&P Global Ratings ("**S&P**") on 3 December 2015 and A- (with stable outlook) by Fitch Ratings Ltd ("**Fitch**") on 4 May 2016. The subordinated debt of the Issuer has been assigned a rating of BBB- (with a stable outlook) by S&P on 3 December 2015. Notes issued under the Programme may be unrated or rated differently from the current ratings of the Issuer. The rating of Notes (if any) will be specified in the Final Terms. Each of S&P and Fitch is established in the European Union and is registered under Regulation (EC) No. 1060/2009 on credit ratings agencies, as amended by Regulation (EU) No. 513/2011 (the "**CRA Regulation**"). Each of S&P and Fitch is 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 ([www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)) as of the date of this Base Prospectus. 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.

This Base Prospectus and the documents incorporated by reference in this Base Prospectus will be available on the websites of the Issuer ([www.labanquepostale.com](http://www.labanquepostale.com)) and the AMF ([www.amf-france.org](http://www.amf-france.org)). The Final Terms related to the Notes listed and admitted to trading on any Regulated Market in the EEA will be published on the website of the AMF.

*Prospective investors should have regard to the factors described under the section headed "Risk factors" in this Base Prospectus.*

*Arranger*

**BNP PARIBAS**

*Dealers*

**Barclays  
BNP Paribas  
CITIGROUP  
Crédit Agricole CIB  
Credit Suisse  
Deutsche Bank  
HSBC**

**UBS Investment Bank**

**J.P. Morgan  
La Banque Postale  
Morgan Stanley  
NATIXIS  
Nomura  
Société Générale Corporate & Investment Banking  
The Royal Bank of Scotland**

**This Base Prospectus (together with any supplements to this Base Prospectus published from time to time (each a "Supplement" and together the "Supplements")) constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive in respect of, and for the purpose of giving information with regard to, the Issuer, the Issuer and its consolidated subsidiaries taken as a whole ("La Banque Postale Group") which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.**

**This Base Prospectus should be read and construed in conjunction with any Supplement that may be published from time to time and with all documents incorporated by reference (see "INFORMATION INCORPORATED BY REFERENCE") and in relation to any Series (as defined herein) of Notes, should be read and construed together with the relevant Final Term(s) (the Base Prospectus and the Final Terms being together, the "Prospectus").**

**Certain information contained in this Base Prospectus and/or documents incorporated herein by reference has been extracted from sources specified in the sections where such information appears. 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 the above sources, no facts have been omitted which would render the information reproduced inaccurate or misleading. The Issuer has also identified the source(s) of such information.**

**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 (each as defined in "GENERAL DESCRIPTION OF THE PROGRAMME"). 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 or La Banque Postale Group 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 or La Banque Postale Group since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.**

**The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see "SUBSCRIPTION AND SALE".**

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

**The Arranger and the Dealers have not separately verified the information 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 accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any other financial statements or 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 other 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 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" or "euro" are to the single currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, references to "£", "pounds sterling", "GBP" and "Sterling" are to the lawful currency of the United Kingdom, references to "\$", "USD" and "U.S. Dollars" are to the lawful currency of the United States of America.**

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## RISK FACTORS

*Prior to making an investment decision, prospective investors in the Notes offered hereby should consider carefully, among other things and in light of their financial circumstances and investment objectives, all the information of this Base Prospectus and, in particular, the risks factors set forth below. Each of the risks highlighted below could have a material adverse effect on the business, operations, financial conditions or prospects of the Issuer or La Banque Postale Group, which in turn could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment. This section is not intended to be exhaustive and prospective investors should make their own independent evaluation of all risk factors and should read the detailed information set out elsewhere in this Base Prospectus. Words and expressions defined in the section entitled "TERMS AND CONDITIONS OF THE NOTES" herein shall have the same meanings in this section.*

The order in which the following risks factors are presented is not an indication of the likelihood of their occurrence.

### I. RISK RELATING TO THE ISSUER AND ITS OPERATIONS

For details on the risk factors relating to the Issuer and La Banque Postale Group refer to pages 77 to 112 of the 2015 Reference Document and pages 19 to 31 of the Update to the 2015 Reference Document (each as defined in section "Information Incorporated by Reference") which are incorporated by reference into this Base Prospectus.

The main risk factors relating to the Issuer are linked to its retail banking activity (liquidity risk, interest rate risk, credit risk and operational risks) and also include market risk.

Those risk factors include the following:

- *Credit risks:* Credit risk is the potential that one or many counterparty(ies) will fail to meet their obligations in accordance with agreed terms. It includes (i) the credit risk on retail clients, which results from the loans and advances granted to retail customer (such as mortgage, advance, consumer loan and micro lending), (ii) the credit risk on wholesale clients, which results from lending to corporate, communities, social housing as well as from inter-banking transactions (such as deposit, lending and repo) with other financial institutions, (iii) risk linked to the holding of securitisation securities, (iv) counterparty credit risk which is the risk of counterparty default embedded in payment or transactions between counterparties, mainly through over-the-counter derivatives contracts (OTC) and (v) concentration risk;
- *Financial Risks:* Financial risks include (i) liquidity risk, which is defined as the risk that the Issuer will be unable to honour its commitments or unwind or settle a position due to the situation on the market or other particular factors, within a given time frame and at a reasonable cost, (ii) interest rate risk, which is the risk that the future margin or financial value of current assets of the Issuer decline as a result of a change in interest rate and (iii) market risk, which is the risk of incurring a loss of value due to adverse trends in market prices or parameters (such as interest rates, credit spreads and price of securities on the equity market);
- *Operational risks:* which refer to the risk of loss arising from the inadequacy or failure of procedures, individuals or internal systems, or even external events. It includes risk of internal or external fraud, legal risks or reputation risk;

- *Non-compliance risk*: refers to the risk of legal, administrative or disciplinary sanctions, of significant financial loss or reputational damage that a bank may suffer as a result of failure to comply with national or European laws and regulations, codes of conduct and standards of good practice applicable to banking and financial activities, or instructions given by an executive body, particularly in application of guidelines issued by a supervisory body;
- *Insurance risks*: through its insurance subsidiaries, La Banque Postale Group is exposed to the risks of the insurance business which include (i) financial risks (market risks and counterparty risks), (ii) technical risks (underwriting risk and catastrophe risks) and (iii) operational and non-conformity risks;
- *Legal and tax risks*: which include litigation risks and the tax reassessment risks; and
- *Environmental risks*.

#### *EU Resolution and Recovery Directive and its implementation in France*

On 15 May 2014, the Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or "**BRRD**") was adopted.

The implementation of the BRRD in France was made by two main texts of legislative nature. Firstly, the banking law dated 26 July 2013 regarding the separation and the regulation of banking activities (*Loi de séparation et de régulation des activités bancaires*) (as modified by the ordinance dated 20 February 2014 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*)) (the "**Banking Law**") had anticipated the implementation of the BRRD. Secondly, Ordinance no. 2015-1024 dated 20 August 2015 (*Ordonnance no 2015-1024 du 20 août 2015 portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) (the "**Ordinance**") published in the Official Journal on 21 August 2015 has introduced various provisions amending and supplementing the Banking Law to adapt French law to European Union legislation regarding financial matters. Many of the provisions contained in the BRRD were already similar in effect to provisions contained in the Banking Law. Decree no. 2015-1160 dated 17 September 2015 and three orders dated 11 September 2015 (*décret et arrêtés*) implementing provisions of the Ordinance regarding (i) recovery planning, (ii) resolution planning and (iii) criteria to assess the resolvability of an institution or group, have been published on 20 September 2015 to mostly implement the BRRD in France. The precise changes which will be made by future decree(s) and order(s) remain unknown at this stage.

The impact of the BRRD and its implementing provisions on credit institutions, including the Issuer, is currently unclear but its current and future implementation and application to the Issuer or the taking of any action under it could materially affect the activity and financial condition of the Issuer and the value of any Notes.

The aim of the BRRD is to provide resolution authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' contributions to bank bail-outs (which should be used as a last resort) and/or exposure to losses. The powers provided to resolution authorities (the *Autorité de contrôle prudentiel et de résolution* (the "**ACPR**") or the Single Resolution Board as the case may be in France depending on the competent supervisory authority regarding the Single Supervision Mechanism (the "**SSM**")) in the BRRD are divided into three categories: (i) preparatory steps and plans to minimise the risks of potential problems (preparation and prevention); (ii) in the event of incipient problems, powers to arrest a firm's deteriorating situation at an early stage so as to avoid insolvency (early intervention); and (iii) if insolvency of a firm presents a concern as regards the general public interest, a clear means to reorganise or wind down the firm in an orderly fashion while preserving its critical functions and limiting to the maximum extent any exposure of taxpayers to losses.

Moreover, Regulation (EU) no. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism (the **SRM**) and a Single Resolution Fund (the "**SRM Regulation**") has established a centralised power of resolution entrusted to a Single Resolution Board (the "**SRB**") and to the national resolution authorities.

The BRRD currently contains four resolution tools and powers:

- (a) sale of business: enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply;
- (b) bridge institution: enables resolution authorities to transfer all or part of the business of the firm to a "bridge bank" (a public controlled entity holding such business or part of a business with a view to reselling it);
- (c) asset separation: enables resolution authorities to transfer impaired or problem assets to asset management vehicles to allow such assets to be managed and worked out over time; and
- (d) bail-in: gives resolution authorities the power to write-down the claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims (including Notes) to equity (the "**general bail-in tool**"), such equity could also be subject to any future cancellation, transfer or dilution by application of the general bail-in tool.

The French *Code monétaire et financier*, as amended by the Ordinance also provides that in exceptional circumstances, where the general bail-in tool is applied, the relevant resolution authority may exclude or partially exclude certain liabilities from the application of the write-down or conversion powers, in particular where: (a) it is not possible to bail-in that liability within a reasonable time; (b) the exclusion is strictly necessary and is proportionate to achieve the continuity of critical functions and core business lines of the institution under resolution; (c) the exclusion is strictly necessary and proportionate to avoid giving rise to widespread contagion, which would severely disrupt the functioning of financial markets, including of financial market infrastructures, in a manner that could cause a serious disturbance to the economy of a Member State of the European Union; or (d) the application of the general bail-in tool to those liabilities would cause a destruction in value such that the losses borne by other creditors would be higher than if those liabilities were excluded from bail-in. Consequently, where the relevant resolution authority decides to exclude or partially exclude an eligible liability or class of eligible liabilities, the level of write down or conversion applied to other eligible liabilities – due to Noteholders as the case may be - when not excluded, may be increased to take account of such exclusions. Subsequently, if the losses that would have been borne by those liabilities have not been passed on fully to other creditors, the French "Resolution and Deposits Guarantee Fund" (*Fonds de garantie des dépôts et de résolution*) or any other equivalent arrangement (such as recourse to the Single Resolution Fund (*Fonds de Résolution Unique*)), may make a contribution to the institution under resolution, under certain limits, including the requirement that such contribution does not exceed 5% of the global liabilities of such institution to (i) cover any losses which have not been absorbed by eligible liabilities and restore the net asset value of the institution under resolution to zero and/or (ii) purchase shares or other instruments of ownership or capital instruments in the institution under resolution, in order to recapitalise the institution. The last step - if there are losses left - would be an extraordinary public financial support through additional financial stabilisation tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework. An institution will be considered as failing or likely to fail when: (a) it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; (b) its assets are, or are likely in the near future to be, less than its liabilities; (c) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (d) it requires extraordinary public financial support (except in limited circumstances).

The powers set out in the BRRD impacts and will continue to impact how credit institutions, including the Issuer, and investment firms are managed as well as, in certain circumstances, the rights of creditors. In

particular, Noteholders may be subject to write-down (including to zero) or conversion into equity on any application of the general bail-in tool (including amendment of the terms of the Notes such as a variation of the maturity), which may result in such Noteholders losing some or all of their investment. The exercise of any power under the BRRD as applied to the Issuer or any suggestion of such exercise could, therefore, materially adversely affect the rights of the Noteholders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes.

The powers currently set out in the BRRD and its implementation in the French *Code monétaire et financier* are expected to impact how credit institutions, including the Issuer, and large investment firms (those which are required to hold initial capital of € 730,000 by the fourth Capital Requirements Directive ("**CRD IV**")) are managed as well as, in certain circumstances, the rights of creditors. For Member States (including France) participating in the Banking Union, the Single Resolution Mechanism (the "**SRM**") fully harmonises the range of available tools but Member States are authorised to introduce additional tools at national level to deal with crises, as long as they are compatible with the resolution objectives and principles set out in the BRRD.

The SRB works in close cooperation with the ACPR, in particular in relation to the elaboration of resolution planning, and assumes full resolution powers since 1 January 2016. It is not yet possible to assess the full impact of the BRRD and the French law provisions implementing the BRRD on the Issuer and La Banque Postale Group and there can be no assurance that its implementation or the taking of any actions currently contemplated in it will not adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Since November 2014, the European Central Bank ("**ECB**") has taken over the prudential supervision of significant credit institutions in the member states of the Eurozone under the SSM. In addition, a SRM has been put in place to ensure that the resolution of banks across the Eurozone is harmonised. Under Article 5(1) of the SRM Regulation, the SRM has been granted those responsibilities and powers granted to the member states' resolution authorities under the BRRD for those banks subject to direct supervision by the ECB. The ability of the SRB to exercise these powers came into force at the start of 2016.

The Issuer has been designated as a significant supervised entity for the purposes of Article 49(1) of the SSM Regulations and is consequently subject to the direct supervision of the ECB in the context of the SSM. This means that the Issuer is also subject to the SRM which came into force in 2015. The SRM Regulation mirrors the BRRD and, to a large part, refers to the BRRD so that the SRB is able to apply the same powers that would otherwise be available to the relevant national resolution authority.

#### *FSB Final Total Loss-Absorbing Capacity Standard*

On 9 November 2015, the Financial Stability Board (the "**FSB**") issued final Total Loss-Absorbing Capacity ("**TLAC**") standard for global systemically important banks ("**G-SIBs**") (the "**Final TLAC Standard**"). As a result, the TLAC requirement will require G-SIBs to maintain a ratio of regulatory capital plus certain types of TLAC-eligible debt to their risk weighted assets and leverage ratio exposures, which is significantly higher than current capital requirements under CRD IV.

Based on the most recently updated FSB list of G-SIBs published in November 2014, the Issuer does not constitute a G-SIB. However, the TLAC requirement may apply in addition to or replace the minimum requirement for own funds and eligible liabilities (**MREL**) pursuant to the BRRD and the implementation in France of TLAC remains uncertain and similar requirements could be imposed on non-G-SIBs. While these measures remain in development, it is not possible to determine the ultimate scope, nature and impact on the Issuer and the La Banque Postale Group and it may not be excluded that the Issuer may have to issue a significant amount of additional TLAC and MREL eligible liabilities (including potentially further Tier 2 capital) in order to meet the new requirements within the required timeframes.

Pursuant to the Final TLAC Standard, G-SIBs will be required to meet the TLAC requirement alongside the minimum regulatory requirements set out in the Basel III (as defined below) framework. Specifically, they will

be required to meet a minimum TLAC requirement of at least 16% of the resolution group's risk-weighted assets as from 1 January 2019 and at least 18% as from 1 January 2022. Minimum TLAC must also be at least 6% of the Basel III leverage ratio denominator as from 1 January 2019, and at least 6.75% as from 1 January 2022. The proposals currently contemplate that only common equity tier 1 capital in excess of that required to satisfy minimum TLAC requirements may count towards regulatory capital buffers, such as the combined buffer requirement introduced by CRD IV. According to the Final TLAC Standard, TLAC comprise Tier 1 and Tier 2 capital (for the purposes of CRD IV), along with other TLAC-eligible liabilities which can be effectively written down or converted into equity during the resolution of the G-SIB. All TLAC liabilities are required to be subordinated to "excluded liabilities", which includes insured deposits and any other liabilities that cannot be effectively written down or converted to equity by the relevant resolution authority.

#### *Implementation of Basel III Risk-Weighted Asset (RWA) 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 were scheduled to be implemented by relevant authorities starting from 1 January 2013 with full implementation on 1 January 2019.

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. Basel III was implemented under EU legislation through the "**CRD IV package**" which consists of the Capital Requirements Directive n° 2013/36/EU dated 26 June 2013 and the Capital Requirements Regulation n°575/2013 dated 26 June 2013. A number of new requirements arising from the CRD IV package 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 package at the legislative level was finalised under French law by *ordonnance* n°2014-158 dated 20 February 2014. Implementation provisions have been provided in November 2014 with decrees no. 2014-1315 and no. 2014-1316 dated 3 November 2014 and several *arrêts* also dated 3 November 2014 in order to finalise the new French legal framework for credit institutions and investment firms.

The implementation of Basel III and the CDR IV package 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. In addition to the continuing implementation of the CRD IV package, new changes have been proposed lately by the Basel Committee, which published for public consultation revisions to the standardised approaches for credit, operational and market risk, and the introduction of capital floors based on standardised approaches, commonly referred to as "**Basel IV framework**".

Should the Basel IV framework be implemented into European law, it may have a significant adverse effect on the Issuer's solvency position.

In addition, the implementation of Basel III and the CDR IV package 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 CRD IV package. Accordingly, recipients of this Base Prospectus should consult their own advisers as to the consequences and effects the implementation of CRD IV package could have on them.

### *Impact of low interest rate risk environment*

The issue of the decline in margins stemming from the long period of low interest rates, combined with floor rates on savings products, has tended to compound spontaneously. In this context, the Issuer continues to implement hedges against the risks associated with a low interest rate environment with the view to mitigating the risks associated with a low interest rate environment. However, traditionally a low interest rate environment is associated with a challenged ability to generate earnings and more generally a decreased profitability for banks.

### *The United Kingdom's impending departure from the European Union*

The United Kingdom held a referendum on 23 June 2016 in which a majority voted to exit the European Union ("**Brexit**"). Negotiations are expected to commence to determine the future terms of the United Kingdom's relationship with the European Union, including the terms of trade between the United Kingdom and the European Union. The effects of Brexit will depend on any agreements the United Kingdom makes to retain access to European Union markets either during a transitional period or more permanently. Brexit could adversely affect European or worldwide economic, market conditions and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the pound sterling or the euro. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which European Union laws to replace or replicate. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

## **II. RISK RELATING TO THE NOTES**

*The following paragraphs describe some risk factors that are material to the Notes to be offered and/or admitted to trading in order to assess the market risk associated with these Notes.*

### **General**

#### *Assessment of Investment Suitability*

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risk of investing in the Notes and the information contained or incorporated by reference in the Base Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency.

Some Notes are complex financial instruments. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio. Some Notes which are complex financial instruments may be redeemable at an amount below par in which case investors may lose the value of part or their entire investment.

### *Reduction of Noteholders' actual yield on the Notes*

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

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

### *Reduction of Noteholders' effective yield due to tax*

Payments of interest on the Notes, or profits realised by the Noteholder upon the disposal or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The Issuer advises all investors to contact their own tax advisors for advice on the tax impact of an investment in the Notes.

### *Post-issuance information*

Applicable Final Terms may specify that the Issuer will not provide post-issuance information if not otherwise required by all applicable laws and regulations. In such an event, investors will not be entitled to obtain such information from the Issuer.

### *Potential conflicts of interest*

The Calculation Agent may be an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and holders of such Notes, including with respect to certain determinations and judgments that the Calculation Agent must make. The Calculation Agent is obligated to carry out its duties and functions as Calculation Agent in good faith and using its reasonable judgement.

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 its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

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 the 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 issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. 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.

#### *Modification and waivers*

Condition 11 of the Notes contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend or were not represented at the relevant meeting and Noteholders who voted in a manner contrary to the majority. Meetings of Noteholders may deliberate on proposals relating to the modification of the Notes subject to the limitation provided by French Law.

#### *No voting rights*

The Notes do not give the Noteholders the right to vote at meetings of the shareholders of the Issuer.

#### *Legality of purchase*

Neither the Issuer, the Dealers nor any of their respective affiliates has or assumes any responsibility for the lawfulness of the subscription or acquisition of the Notes by a prospective investor in 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.

#### *No legal and tax advice*

Each prospective investor should consult its own advisers as to legal, tax and related aspects investment in the Notes.

#### *Withholding taxes – Exceptions to the gross-up obligation*

In cases mentioned in Condition 8(b), paragraphs (i) to (ii), if French law should require that any payments in respect of any Note be subject to withholding or deduction in respect of any taxes, duties, assessments or governmental charges whatsoever, the Issuer will not pay any additional amounts as shall result in receipt by the Noteholder of such amounts as would have been received by them had no such withholding or deduction been required. Therefore, in such cases, the corresponding risk shall be borne by the Noteholders.

#### *Taxation*

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the jurisdiction 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 financial instruments such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this Base Prospectus and/or in the Final Terms but to ask for their own tax adviser's advice on their individual taxation with respect to the subscription, acquisition, holding, disposal and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus.

#### *The proposed financial transactions tax ("**FTT**")*

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes 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.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

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

#### *U.S. Foreign Account Tax Compliance Act ("FATCA") Withholding*

Whilst the Notes are in global form and held within Euroclear Bank SA/NV or Clearstream Banking S.A. (together the "ICSDs") or cleared through Euroclear France, in all but the most remote circumstances, it is not expected that the new reporting regime and potential withholding tax imposed by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 will affect the amount of any payment received by the ICSDs or Euroclear France (see "TAXATION – Foreign Account Tax Compliance Act"). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose their custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has made payment to, or to the order of, the common depository for the ICSDs (as bearer of the Notes) or Euroclear France and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs or Euroclear France and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an "IGA") are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make.

#### *Risks relating to the structure of the Notes*

There are certain factors which are material for the purpose of assessing the risks associated with an investment in Notes issued under the Programme. Such factors will vary depending on the type of Notes issued, in particular in relation to Notes, the interest and/or redemption amount of which is linked to the value of an inflation index (the "**Inflation Linked Notes**").

*The Notes may be redeemed prior to maturity.*

In the event that the Issuer would be required to pay additional amounts in respect of any Notes due to any withholding as provided in Condition 8 of the Terms and Conditions of the Notes, the Issuer may, in the case of Subordinated Notes (subject to the prior written consent of the Relevant Regulator (as defined in the Terms and

Conditions of the Notes) and shall, in certain circumstances in the case of Senior Notes, redeem all of the Notes then outstanding in accordance with the Terms and Conditions of the Notes.

In the event that one or more Events of Default (as defined at Condition 9(a) of the Terms and Conditions of the Notes) occur, the Notes (other than Subordinated Notes) may become immediately due and repayable at their Early Redemption Amount.

*Redemption at the option of the Issuer*

If the Issuer exercises its right to redeem any Notes, this may limit the market value of the Notes concerned. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return. This may also be true prior to any redemption period, or during any period where there is an actual or perceived increased likelihood that the Notes may be redeemed (including where there are circumstances giving rise to a right to redeem for tax or regulatory reasons).

Investors should note in particular that the Issuer may, subject to the prior approval of the Relevant Regulator, redeem a Series of Subordinated Notes in whole, but not in part, at their principal amount, together with all interest accrued to the date fixed for redemption upon the occurrence of a Capital Event, a Withholding Tax Event, a Tax Deduction Event, a Gross-Up Event or on the Optional Redemption Date (Call).

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer. As a consequence of an early redemption, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. The Noteholder may thus not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

Any early redemption of Subordinated Notes (including through an Issuer call option) can only be made with the prior written consent of the Relevant Regulator. Further, Article 78 of the CRR (as defined in the Terms and Conditions of the Notes) provides that any redemption of tier 1 or tier 2 instruments, including Subordinated Notes, is subject to the prior consent of the Relevant Regulator which would be conditional on (i) the replacement of regulatory capital with own funds instruments of equal or higher quality, in the same amount and at terms that are sustainable for the income capacity of the Issuer, or (ii) without a replacement of regulatory capital, on the Issuer demonstrating that its own funds would, following the redemption in question, exceed the minimum regulatory capital requirements. Article 78 of the CRR also provides that the Relevant Regulator may permit institutions to redeem additional tier 1 instruments or tier 2 instruments (including Subordinated Notes) before five years of the date of issue only where the aforementioned conditions (i) and (ii) and point (a) or (b) of this paragraph are met:

- (a) there is a change in the regulatory classification of those instruments that would be likely to result in their exclusion from own funds or reclassification as a lower quality form of own funds, and both the following conditions are met:
  - (i) the Relevant Regulator considers such a change to be sufficiently certain;
  - (ii) the institution demonstrates to the satisfaction of the Relevant Regulator that the regulatory reclassification of those instruments was not reasonably foreseeable at the time of their issuance;
- (b) there is a change in the applicable tax treatment of those instruments which the institution demonstrates to the satisfaction of the Relevant Regulator is material and was not reasonably foreseeable at the time of their issuance.

## *Notes are Unsecured Obligations*

Senior Notes are unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* with themselves.

*Holders of Subordinated Notes generally face an enhanced performance risk than holders of Senior Notes and an enhanced risk of loss in the event of the Issuer's insolvency*

The ranking of any Subordinated Notes issued under the Programme will and may evolve as follows:

### *(i) Ranking as long as Existing Subordinated Notes are outstanding:*

The Issuer's obligations under the Subordinated Notes and (if applicable) the relative Coupons are direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with all other present and future direct, unconditional, unsecured and ordinary subordinated indebtedness of the Issuer, as more fully described in the Terms and Conditions of the Notes.

Subject to applicable law, in the event of the voluntary liquidation of the Issuer, bankruptcy proceedings, or any other similar proceedings affecting the Issuer, the rights of the Noteholders to payment under the principal and interest of Subordinated Notes will be subordinated to the full payment of the unsubordinated creditors (including depositors) of the Issuer and, subject to such payment in full, such holders will be paid in priority to *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and any deeply subordinated obligations of the Issuer (*obligations dites "super subordonnées" i.e. engagements subordonnés de dernier rang*), if and to the extent that there is still cash available for those payments.

### *(ii) Ranking once no Existing Subordinated Notes are outstanding:*

The Issuer's obligations under the Subordinated Notes and (if applicable) the relative Coupons are direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with (a) any obligations or instruments of the Issuer that constitute Tier 2 Capital (as defined in the Terms and Conditions of the Notes) (b) any other obligations or instruments of the Issuer that rank or are expressed to rank equally with the Subordinated Notes.

Subject to applicable law, in the event of the voluntary liquidation of the Issuer, bankruptcy proceedings, or any other similar proceedings affecting the Issuer, the rights of the Noteholders in respect of principal and (where applicable) interest to payment under the Subordinated Notes will be subordinated to the full payment of the unsubordinated creditors (including depositors) of the Issuer, Eligible Creditors (as defined in the Terms and Conditions of the Notes) of the Issuer and paid in priority to any *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and any deeply subordinated obligations of the Issuer (*obligations dites "super subordonnées" i.e. engagements subordonnés de dernier rang*), if and to the extent that there is still cash available for those payments.

There is a substantial risk that investors in Subordinated Notes will lose all or some of their investment should the Issuer become insolvent. Thus, holders of Subordinated Notes face an enhanced performance risk compared to holders of Senior Notes.

In the event of incomplete payment of unsubordinated creditors and subordinated creditors ranking ahead of the claims of the holders of Subordinated Notes, the obligations of the Issuer in connection with the principal and interest of the Subordinated Notes will be terminated. The holders of Subordinated Notes shall be responsible for taking all steps necessary for the orderly accomplishment

of any collective proceedings or voluntary liquidation in relation to any claims they may have against the Issuer.

*The Issuer is not required to redeem the Subordinated Notes in the case of a Gross-Up Event*

There is uncertainty as to whether gross-up obligations in general, including those under the terms and conditions of the Subordinated Notes, are enforceable under French law. If any payment obligations under the Subordinated Notes, including the obligations to pay additional amounts under Condition 8, are held illegal or unenforceable under French law, the Issuer will have the right, but not the obligation, to redeem the Subordinated Notes. Accordingly, if the Issuer does not redeem the Subordinated Notes upon the occurrence of a Gross-Up Event as defined in the Terms and Condition of the Notes, holders of Subordinated Notes may receive less than the full amount due, and the market value of such Subordinated Notes will be adversely affected.

*There are no events of default under the Subordinated Notes*

The terms and conditions of the Subordinated Notes do not provide for events of default allowing acceleration of the Subordinated Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Subordinated Notes, including the payment of any interest, investors will not have the right of acceleration of such Notes. Upon a payment default, the sole remedy available to holders of Subordinated Notes for recovery of amounts owing in respect of any payment of principal or interest on the Subordinated Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

Notwithstanding the foregoing, a Noteholder may, upon written notice to the Fiscal Agent given before all defaults have been cured, cause such Subordinated Note to become due and payable at its Early Redemption Amount, together with accrued interest thereon, if any, as of the date on which said notice is received by the Fiscal Agent, in the event that an order is made or an effective resolution is passed for the liquidation (*liquidation judiciaire* or *liquidation amiable*) of the Issuer.

*Absence of limitation of indebtedness in the form of Subordinated Notes*

There is no limitation on the amount of debt ranking *pari passu* with or senior to the Subordinated Notes that the Issuer may issue. Such indebtedness could reduce the amount payable to holders of Subordinated Notes in a judicial liquidation proceeding.

This risk could be significantly increased if the draft bill presented by the French government on 27 December 2015, which amends the ranking of creditors of a credit institution in liquidation or resolution is adopted. This proposal introduces a new class of debt instruments which will rank senior to subordinated instruments (including the Subordinated Notes) in the relevant proceedings opened after the entry into force of the law. If the bill becomes a law and the Issuer were to issue securities having this new ranking, holders of Subordinated Notes would rank junior to holders of the new instruments. The bill is currently being reviewed by the parliament and may be amended before it is adopted.

*Subordinated Notes may be subject to loss absorption on any application of the general bail-in-tool or at the point of non-viability of the Issuer*

Investors should be aware that, in addition to the general bail-in tool, the BRRD contemplates that Subordinated Notes may be subject to a write-down or conversion into common shares at the point of non viability should the ECB or other authority or authorities having prudential oversight of the Issuer at the relevant time be given the power to do so, and that any actual or perceived increase in the likelihood of such write-down or conversion may limit the market value of the Subordinated Notes.

### *Change in value of Fixed Rate Notes*

Investors in Fixed Rate Notes are exposed to the risk that subsequent changes in interest rates may adversely affect the value of the Notes.

### *Resetable Notes*

In the case of any Series of Resetable Notes, the rate of interest on such Resetable Notes will be reset by reference to the then prevailing Mid-Swap Rate, as adjusted for any applicable margin, on the reset dates specified in the relevant Final Terms. This is more particularly described in Condition 5(b)(ii) (Interest on Resetable Notes). The reset of the rate of interest in accordance with such provisions may affect the secondary market for and the market value of such Resetable Notes. Following any such reset of the rate of interest applicable to the Notes, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest on the relevant Resetable Notes may be lower than the Initial Rate of Interest, the First Reset Rate of Interest and/or any previous Subsequent Reset Rate of Interest. A Holder of Resetable Notes is exposed to the risk of fluctuating interest rate levels and uncertain interest income.

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

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

*Fixed to Floating Rate Notes may have a less favourable spread than the prevailing spreads on comparable floating rate securities tied to the same reference rate*

Fixed to floating rate Notes initially bear interest at a fixed rate; conversion from a fixed rate to a floating rate then takes place following the occurrence of a Trigger Event, either automatically or at the option of the Issuer, as specified in the applicable Final Terms. The conversion of the interest rate will affect the secondary market and the market value of the Notes since the conversion may lead to a lower overall cost of borrowing. If a fixed rate is converted to a floating rate, the spread on the fixed to floating rate Notes may be less favourable than then prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes.

*Floating to Fixed Rate Notes may have a lower new fixed rate*

Floating to fixed rate Notes initially bear interest at a floating rate; conversion from a floating rate to a fixed rate then takes place following the occurrence of a Trigger Event, either automatically or at the option of the Issuer, as specified in the applicable Final Terms. The new fixed rate may be lower than the then prevailing rates on other Notes.

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

Changes in market interest rates generally 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.

*Inflation Linked Notes and Notes linked to formulas contained in the Technical Annex with a multiplier or other leverage factor can be particularly volatile investments*

Inflation Linked Notes and Notes linked to formulas contained in the Technical Annex 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.

*Additional factors relating to 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, as calculated and published monthly by the *Institut National de la Statistique et des Etudes Economiques* ("**INSEE**") (the "**CPI**"), 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**").

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 any 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 the 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. 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 the Notes or any other party such information (whether or not confidential).

Investments in Inflation Linked Notes entail significant risks and may not be appropriate for investors lacking financial expertise. Prospective investors should consult their own financial, tax and legal advisors as to the risks entailed by an investment in such Notes and the suitability of such Notes in light of their particular circumstances and ensure that its acquisition is fully consistent with their financial needs and investment policies, is lawful under the laws of the jurisdiction of its incorporation and/or in which it operates, and is a suitable investment for it to make. The Issuer believes that such Notes should only be purchased by investors who are, or who are purchasing under the guidance of, financial institutions or other professional investors that are in a position to understand the special risks that an investment in these instruments involves, in particular relating to options and derivatives and related transactions, and should be prepared to sustain a total loss of the purchase price of their Notes.

Inflation Linked Notes are securities which do not provide for predetermined redemption amounts and/or interest payments but amounts due in respect of principal and/or interest will be dependent upon the performance of one or more inflation indices, which themselves may contain substantial credit, interest rate, foreign exchange, time value, political and/or other risks.

An investment in Inflation Linked Notes therefore entails significant risks that are not associated with similar investments in a conventional fixed or floating rate debt security. These risks include, among other things, the possibility that:

- such inflation indices may be subject to significant changes, whether due to the composition of any such inflation index itself, or because of fluctuations in value of the inflation indices;
- the resulting interest rate will be less (or may be more) than that payable on a conventional debt security issued by the Issuer at the same time;
- the holder of an Inflation Linked Note could lose all or a substantial portion of the principal of such Note;

it may not be possible for investors to hedge their exposure to these various risks relating to Inflation Linked Notes. In addition, the value of Inflation Linked Notes on the secondary market is subject to greater levels of risk than is the value of other Notes and the market price of such Notes may be very volatile. The secondary market, if any, for Inflation Linked Notes will be affected by a number of factors, independent of the creditworthiness of the Issuer and the value of the applicable inflation index, including the volatility of the applicable inflation index, the time remaining to the maturity of such Notes, the amount outstanding of such Notes and market interest rates. The value of the applicable inflation index depends on a number of interrelated factors, including economic, financial and political events, over which the Issuer has no control.

Each holder of a Note linked to an inflation index may receive a Redemption Amount in respect of any Inflation Linked Notes. The Redemption Amount may be significantly less than the value of the Noteholder's investment in such Notes.

### ***Market Risks***

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

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

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

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes. It is not possible to predict the price at which Notes will trade in the secondary market. The Issuer may, but is not obliged to, list Notes on a stock exchange. Also, to the extent Notes of a particular issue are redeemed in part, the number of Notes of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Notes of such issue. A decrease in the liquidity of an issue of Notes may cause, in turn, an increase in the volatility associated with the price of such issue of Notes.

*A credit rating reduction may result in a reduction in the trading value of Notes*

The value of the Notes is expected to be affected, in part, by investors' general appraisal of the creditworthiness of the Issuer and La Banque Postale Group. Such perceptions are generally influenced by the ratings (solicited or unsolicited) accorded to the outstanding Notes of the Issuer by standard statistical rating services, such as S&P and Fitch. Any downgrade, withdrawal, or assignment (solicited or unsolicited) of the rating, if any,

accorded to outstanding debt securities of the Issuer and/or La Banque Postale Group by one of these or other rating agencies could result in a reduction in the trading value of the Notes.

*Credit ratings may not reflect all the risks associated with an investment in the Notes*

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

*Change of law*

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

*French Insolvency Law*

Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") in order to defend their common interests if a preservation (*procédure de sauvegarde*), accelerated preservation (*procédure de sauvegarde accélérée*), accelerated financial preservation (*procédure de sauvegarde financière accélérée*), or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (EMTN) and regardless of their governing law.

The Assembly deliberates on the proposed safeguard (*projet de plan de sauvegarde*), draft accelerated preservation plan (*projet de plan de sauvegarde accélérée*), draft accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) or draft judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling due payments and/or partially or totally writing off receivables in the form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the amount of debt securities held by the holders expressing a vote). No quorum is required to convoke the Assembly.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in this Base Prospectus will not be applicable to the extent they are not in compliance with compulsory insolvency law provisions that apply in these circumstances.

The procedures described above or as they will or may be amended, could have an adverse impact on Noteholders seeking repayment in the event that the Issuer or its subsidiaries were to become insolvent.

## INFORMATION INCORPORATED BY REFERENCE

The sections referred to in the table below included in the following documents which have been previously published or are published simultaneously with this Base Prospectus shall be incorporated in, and form part of, this Base Prospectus, save that any statement contained in the information which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

- The *Actualisation du Document de Référence 2015 et Rapport Financier Semestriel déposée auprès de l'AMF le 1 août 2016* in the French language of the Issuer, which received visa n° D.16-0147-A01 from the AMF on 1 August 2016 and which includes the unaudited consolidated financial statements of the Issuer for the six-month period ended 30 June 2016 and the related statutory auditors' limited review report (the "**Update to the 2015 Reference Document**"), with the exception of Chapter 7 of the *Actualisation du Document de Référence 2015* relating to La Banque Postale Chairman's declaration of responsibility regarding the content of the *Actualisation du Document de Référence 2015*, which is hereby explicitly excluded from the scope of incorporation to this Base Prospectus;
- The *Document de Référence 2015* in the French language of the Issuer, which received visa n° D.16-0147 from the AMF on 16 March 2016, and which includes the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2015 and the related statutory auditors' report (the "**2015 Reference Document**"), with the exception of Chapter 11 of the *Document de Référence 2015* relating to La Banque Postale's Chairman's declaration of responsibility regarding the content of the *Document de Référence 2015*, which is hereby explicitly excluded from the scope of incorporation to this Base Prospectus;
- The *Document de Référence 2014* in the French language of the Issuer, which received visa n° D.15-0141 from the AMF on 16 March 2015, and which includes the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2014 and the related statutory auditors' report (the "**2014 Reference Document**"), with the exception of Chapter 11 of the *Document de Référence 2014* relating to La Banque Postale's Chairman's declaration of responsibility regarding the content of the *Document de Référence 2014*, which is hereby explicitly excluded from the scope of incorporation to this Base Prospectus;
- The terms and conditions of the notes and the technical annex contained in the base prospectus of the Issuer dated 5 September 2014 (the "**2014 EMTN Conditions**"); and
- The terms and conditions of the notes and the technical annex contained in the base prospectus of the Issuer dated 17 September 2015 (the "**2015 EMTN Conditions**").

Such information shall be deemed to be incorporated in, and form part of this Base Prospectus,.

This Base Prospectus, the Update to the 2015 Reference Document, the 2015 Reference Document, the 2014 Reference Document, the 2014 EMTN Conditions and the 2015 EMTN Conditions will be available on the websites of the Issuer ([www.labanquepostale.com](http://www.labanquepostale.com)) and the AMF ([www.amf-france.org](http://www.amf-france.org)). The Final Terms related to the Notes listed and admitted to trading on any Regulated Market in the EEA will be published on the website of the AMF at ([www.amf-france.org](http://www.amf-france.org)). This Base Prospectus, the Update to the 2015 Reference Document, the 2015 Reference Document, the 2014 Reference Document, the 2014 EMTN Conditions and the 2015 EMTN Conditions will also be available during usual business hours on any day (except Saturdays,

Sundays and public holidays) for inspection and collection free of charge, at the specified office of the Fiscal Agent so long as any of the Notes are outstanding.

The free English translations of the Update to the 2015 Reference Document, the 2015 Reference Document and the 2014 Reference Document are available on, and may be obtained without charge from, the website of the Issuer ([www.labanquepostale.com](http://www.labanquepostale.com)).

For the purposes of the Prospectus Directive, the information incorporated by reference in this Base Prospectus is set out in the following cross-reference table:

<b>Annex XI of the European Regulation 809/2004/EC of 29 April 2004</b>	Page / Paragraph
<b>1. PERSONS RESPONSIBLE</b>	
<p><b>1.1</b> All persons responsible for the information given in the Registration Document and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.</p>	<p>Responsibility statement, p. 133 of the Base Prospectus</p>
<p><b>1.2</b> A declaration by those responsible for the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible for certain parts of the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the part of the registration document for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.</p>	<p>Responsibility statement, p. 133 of the Base Prospectus</p>
<b>2. STATUTORY AUDITORS</b>	
<p><b>2.1</b> Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).</p>	<p>p.76 of the 2015 Reference Document  p. 97 of the Update to the 2015 Reference Document</p>
<p><b>2.2</b> If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, details if material.</p>	<p>N/A</p>
<b>3. RISK FACTORS</b>	
<p><b>3.1</b> Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "RISK FACTORS".</p>	<p>p.77 to 112 of the 2015 Reference Document and p.19 to 31 of the Update to the 2015 Reference Document</p>

<b>4.</b>	<b>INFORMATION ABOUT THE ISSUER</b>	
<b>4.1</b>	<b><u>History and development of the Issuer:</u></b>	
<b>4.1.1</b>	the legal and commercial name of the issuer;	p.2 of the 2015 Reference Document
<b>4.1.2</b>	the place of registration of the issuer and its registration number;	p.2 of the 2015 Reference Document
<b>4.1.3</b>	the date of incorporation and the length of life of the issuer, except where indefinite;	p.2 of the 2015 Reference Document
<b>4.1.4</b>	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);	p.2 of the 2015 Reference Document
<b>4.1.5</b>	Any recent events particular to the issuer which are to a material extent relevant to the evaluation of the issuer's solvency.	p. 5 to 17 of the Update to the 2015 Reference Document
<b>5.</b>	<b>BUSINESS OVERVIEW</b>	
<b>5.1</b>	<b>Principal activities:</b>	
<b>5.1.1</b>	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed;	p. 11 to 17 of the 2015 Reference Document and page 3 of the Update to the 2015 Reference Document
<b>5.1.2</b>	An indication of any significant new products and/or activities.	N/A
<b>5.1.3</b>	Principal markets. A brief description of the principal markets in which the issuer competes.	p.11 to 17 of the 2015 Reference Document
<b>5.1.4</b>	The basis for any statements in the registration document made by the issuer regarding its competitive position.	N/A
<b>6.</b>	<b>ORGANISATIONAL STRUCTURE</b>	
<b>6.1</b>	If the issuer is part of a group, a brief description of the group and of the issuer's position within it.	p.8 of the 2015 Reference Document  p. 4 of the Update to the 2015 Reference Document
<b>6.2</b>	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	N/A

<b>7. TREND INFORMATION</b>	
<b>7.1</b> Include a statement that there has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements. In the event that the issuer is unable to make such a statement, provide details of this material adverse change.	General Information §5 (Material adverse change) p. 131 of the Base Prospectus
<b>7.2</b> Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	N/A
<b>8. 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 8.1 and 8.2:	
<b>8.1</b> A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate. There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; be readily understandable by investors; be specific and precise; and not relate to the general accuracy of the estimates underlying the forecast.	N/A
<b>8.2</b> A report prepared by independent accountants or auditors stating that in the opinion of the independent accountants or auditors the forecast or estimate has been properly compiled on the basis stated and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the issuer.	N/A
<b>8.3</b> The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.	N/A
<b>9. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>	
<b>9.1</b> Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:  (a) members of the administrative, management or supervisory bodies;	p. 24 to 38 of the 2015 Reference Document  p.56 to 58 of the 2015 Reference Document  p. 18 of the Update to the 2015 Reference Document
(b) partners with unlimited liability, in the case of a limited partnership with a share capital.	N/A

<p><b>9.2</b>     <u>Administrative, Management, and Supervisory bodies conflicts of interests</u></p> <p>Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, make a statement to that effect.</p>	<p>p.23 of the 2015 Reference Document</p>	
<p><b>10. MAJOR SHAREHOLDERS</b></p>		
<p><b>10.1</b>     To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.</p>	<p>p.5 and 6 of the 2015 Reference Document</p>	
<p><b>10.2</b>     A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.</p>	<p>p.6 of the 2015 Reference Document</p>	
<p><b>11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b></p>	<p>Pages of the 2015 Reference Document</p>	<p>Pages of the 2014 Reference Document</p>
<p><b>11.1</b>     <u>Historical Financial Information</u></p> <p>Audited historical financial information covering the latest 2 financial years</p> <p>(a)     the consolidated balance sheet</p> <p>(b)     the income statement;</p> <p>(c)     Statement of net profit and gains and losses recognised directly in equity capital;</p> <p>(d)     Statement of changes in equity capital;</p> <p>(e)     Cash Flow statement;</p> <p>(f)     Notes to the consolidated financial statements.</p>	<p>p.115</p> <p>p.114</p> <p>p.116</p> <p>p.117</p> <p>p.118</p> <p>p.119 to 171</p>	<p>p.111</p> <p>p.110</p> <p>p.112</p> <p>p.113</p> <p>p.114</p> <p>p.115 to 170</p>
<p><b>11.2</b>     <u>Financial statements</u></p> <p>If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.</p>	<p>p.114 to 171 and 174 to 212</p>	<p>p.110 to 170 and 173 to 210</p>
<p><b>11.3</b>     <u>Auditing of historical annual financial information</u></p>		
<p><b>11.3.1</b>    A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such</p>	<p>p.172 to 173</p>	<p>p.171 to 172</p>

	refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.		
<b>11.3.2</b>	An indication of other information in the registration document which has been audited by the auditors.	p.213 to 214	p.211 to 212
<b>11.3.3</b>	Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is unaudited.	N/A	N/A
<b>11.4</b>	<b><u>Age of latest financial information</u></b>		
<b>11.4.1</b>	The last year of audited financial information may not be older than 18 months from the date of the registration document.	p.114 to 214 of the 2015 Reference Document	
<b>11.5</b>	<b><u>Interim and other financial information</u></b>		
<b>11.5.1</b>	If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half yearly financial information has been reviewed or audited the audit or review report must also be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact.	p. 32 to 73 of the Update to the 2015 Reference Document and in relation to the auditors' limited review report on the half yearly financial information, p.74 and 75 of the Update to the 2015 Reference Document	
<b>11.5.2</b>	If the registration document is dated more than nine months after the end of the last audited financial year, it must contain interim financial information, covering at least the first six months of the financial year. If the interim financial information is unaudited state that- fact.  The interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the years end balance sheet.	p. 32 to 73 of the Update to the 2015 Reference Document	
<b>11.6</b>	<b><u>Legal and arbitration proceedings</u></b>  Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	p.111 of the 2015 Reference Document and p.30 to 31 of the Update to the 2015 Reference Document	
<b>11.7</b>	<b><u>Significant change in the issuer's financial position</u></b>  A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been	N/A	

	published, or an appropriate negative statement.	
<b>12.</b>	<b>MATERIAL CONTRACTS</b>	
	A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.	p.264 of the 2015 Reference Document
<b>13.</b>	<b>THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLERATIONS OF ANY INTEREST</b>	
<b>13.1</b>	Where a statement or report attributed to a person as an expert is included in the Registration Document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorized the contents of that part of the Registration Document.	N/A
<b>13.2</b>	Where information has been sourced from a third party, provide a confirmation that this information 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 In addition, the issuer shall identify the source(s) of the information.	N/A
<b>14.</b>	<b>DOCUMENTS ON DISPLAY</b>	
	A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected:	
	(a) The memorandum and articles of association of the issuer;	
	(b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document;	
	(c) the historical financial information of the issuer or, in the case of a group, the historical financial information of the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document.	
	An indication of where the documents on display may be inspected, by physical or electronic means.	General Information §7 (Documents available) p. 131 of the Base Prospectus

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

The 2014 EMTN Conditions and the 2015 EMTN 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 under the 2014 EMTN Conditions or the 2015 EMTN Conditions.

Information incorporated by reference	Reference
2014 EMTN Conditions	Pages 31 to 77
2015 EMTN Conditions	Pages 37 to 81

Non-incorporated parts of the base prospectuses of the Issuer dated 5 September 2014 and 17 September 2015 are not relevant for investors

## **SUPPLEMENT TO THE BASE PROSPECTUS**

If at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting significantly the assessment of any Notes and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Notes, the Issuer shall be required to prepare a Supplement to the Base Prospectus pursuant to the provisions of Article 16 of the Prospectus Directive and Article 212-25 of the AMF *Règlement Général* or publish a replacement Base Prospectus for use in connection with any subsequent listing and admission to trading on a regulated market, submit such supplement to the Base Prospectus to the AMF for approval and supply each Dealer, Euronext Paris and the AMF with such number of copies of such supplement to the Base Prospectus as may reasonably be requested.

In accordance with and pursuant to Article 16.2 of the Prospectus Directive, 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 this supplement, to withdraw their acceptances.

**COMMISSION REGULATION (EC) No 809/2004 OF 29 APRIL 2004**

This Base Prospectus has been drawn in accordance with Directive 2003/71/EC of 4 November 2003, as amended, on the prospectus to be published when securities are offered to the public or admitted to trading and in particular with Annexes XI, XII and XIII of the Commission Regulation (EC) No 809/2004 of 29 April 2004, as amended.

## GENERAL DESCRIPTION OF THE PROGRAMME

*The following general description of the Programme is qualified in its entirety by the remainder of this Base Prospectus. The Notes will be issued on such terms as shall be agreed between the Issuer and the relevant Dealer(s) and will be subject to the Terms and Conditions of the Notes below.*

Words and expressions defined in "TERMS AND CONDITIONS OF THE NOTES" shall have the same meanings in this General Description of the Programme

<b>Issuer</b>	La Banque Postale
<b>Risk factors</b>	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under the heading "Risk relating to the Issuer and its operations" in the section headed "RISK FACTORS" in this Base Prospectus. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under the heading "Risk relating to the Notes" in the section headed "RISK FACTORS" in this Base Prospectus.
<b>Description</b>	Euro Medium Term Note Programme for the continuous offer of Notes (the " <b>Programme</b> ").
<b>Arranger</b>	BNP Paribas
<b>Dealers</b>	Barclays Bank PLC BNP Paribas Citigroup Global Markets Limited Crédit Agricole Corporate and Investment Bank Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch HSBC France J.P. Morgan Securities plc Morgan Stanley & Co. International plc La Banque Postale NATIXIS Nomura International plc Société Générale The Royal Bank of Scotland plc UBS Limited
	The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to

"**Permanent Dealers**" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.

**Programme Limit**

Up to € 10,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.

**Fiscal Agent and Principal Paying Agent**

BNP Paribas Securities Services

**Method of Issue**

The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant 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 completed in the final terms (the "**Final Terms**").

**Maturities**

Any maturity in excess of one month (except in the case of Subordinated Notes for which the minimum maturity will be five years) or, in any case, such other minimum maturity as may be required from time to time by the relevant regulatory authority. No maximum maturity is contemplated and Notes may be issued with no specified maturity dates provided, however, that Notes will only be issued in compliance with all applicable legal and/or regulatory requirements.

**Currencies**

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.

**Specified Denomination(s)**

The Notes will be issued in such denomination(s) as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note admitted to trading on a regulated market in a Member State (a "**Regulated Market**") of the European Economic Area ("**EEA**") in circumstances which require the publication of a Base Prospectus under the Prospectus Directive will be € 100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the issue date) or such other higher 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.

Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (the "FSMA") unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent.

Dematerialised Notes will be issued in one denomination only.

## Status of the Notes

Notes may be issued on either a senior or a subordinated basis.

Senior Notes and (if applicable) the relative Coupons will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* among themselves and at least *pari passu* with all other direct, unconditional, unsecured and unsubordinated indebtedness (save for statutorily preferred exceptions).

The ranking of any Subordinated Notes issued under the Programme will be and may evolve as follows:

(i) *Ranking as long as Existing Subordinated Notes are outstanding:*

For so long as any Existing Subordinated Note (as defined below) is outstanding, the Subordinated Notes and (if applicable) the relative Coupons will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with all other present and future direct, unconditional, unsecured and ordinary subordinated indebtedness of the Issuer. Subject to applicable law, in the event of the voluntary liquidation of the Issuer, bankruptcy proceedings, or any other similar proceedings affecting the Issuer, the rights of the holders in respect of principal and (where applicable) interest to payment under the Subordinated Notes will be subordinated to the full payment of the unsubordinated creditors (including depositors) of the Issuer and, subject to such payment in full, such holders will be paid in priority to *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and any deeply subordinated obligations of the Issuer (*obligations dites "super subordonnées"* i.e. *engagements subordonnés de dernier rang*). The Subordinated Notes are issued pursuant to the provisions of Article L. 228-97 of the French *Code de Commerce*.

"**Existing Subordinated Notes**" means the (i) EUR 750,000,000 Ordinary Subordinated 4.375 per cent. Notes due 2020 (ISIN: FR0010969410) and (ii) EUR 750,000,000 Fixed to Fixed Reset Rate Subordinated Tier 2 Notes due 23 April 2026 (ISIN: FR0011855865), provided that should any such notes be amended in any way which would result in allowing the Issuer to issue subordinated notes ranking senior to such given notes, then such

notes would be deemed to no longer constitute an Existing Subordinated Note.

(ii) *Ranking once no Existing Subordinated Notes are outstanding:*

Once no Existing Subordinated Notes are outstanding, the Subordinated Notes and (if applicable) the relative Coupons will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and will rank *pari passu* among themselves and *pari passu* with:

- (a) any obligations or instruments of the Issuer that constitute Tier 2 Capital; and
- (b) any other obligations or instruments of the Issuer that rank or are expressed to rank equally with the Subordinated Notes.

Subject to applicable law, in the event of the voluntary liquidation of the Issuer, bankruptcy proceedings, or any other similar proceedings affecting the Issuer, the rights of the holders in respect of principal and (where applicable) interest to payment under the Subordinated Notes will be:

- 1) subordinated to the full payment of:
  - (a) the unsubordinated creditors of the Issuer; and
  - (b) the Eligible Creditors of the Issuer;
- 2) paid in priority to any *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and any deeply subordinated obligations of the Issuer (*obligations dites "super subordonnées"* i.e. *engagements subordonnés de dernier rang*).

The Subordinated Notes are issued pursuant to the provisions of Article L. 228-97 of the French *Code de Commerce*.

"**Eligible Creditors**" means creditors holding subordinated claims that rank or are expressed to rank senior to the Subordinated Notes.

For the avoidance of doubt the amended ranking provisions in this paragraph (ii) will apply automatically to any then outstanding Subordinated Notes as soon as no Existing Subordinated Notes will be outstanding without the need for any action from the Issuer.

## **Negative Pledge**

There will be a negative pledge in respect of the Notes (except with respect to Subordinated Notes) as set out in Condition 4 — see "TERMS AND CONDITIONS OF THE NOTES — Negative Pledge".

## **Events of Default (including cross default)**

### *Senior Notes*

The terms of the Senior Notes will contain events of default and a cross-default in respect of the Notes as set out in Condition 9(a)

— see "TERMS AND CONDITIONS OF THE NOTES — Events of default (Senior Notes)".

#### *Subordinated Notes*

The terms of the Subordinated Notes will not contain any event of default. However, a Noteholder may, upon written notice to the Fiscal Agent given before all defaults have been cured, cause such Subordinated Note to become due and payable at its Early Redemption Amount, together with accrued interest thereon, if any, as of the date on which said notice is received by the Fiscal Agent, in the event that an order is made or an effective resolution is passed for the liquidation (*liquidation judiciaire* or *liquidation amiable*) of the Issuer.

#### **Redemption Amount**

The relevant Final Terms will specify the basis for calculating the redemption amounts payable pursuant to the method set in the Terms and Condition of the Notes and/or in the Technical Annex. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) having a maturity of less than one year from the date of issue and 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 must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

#### **Optional Redemption**

The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders and if so the terms applicable to such redemption.

Any early redemption of Subordinated Notes can only be made subject to certain conditions including but not limited to the prior written consent of the Relevant Regulator.

In the case of Subordinated Notes, no redemption of the Notes at the option of the Noteholders is permitted.

#### **Early Redemption**

Except as provided in "Optional Redemption" above, Senior Notes will be redeemable prior to maturity in case of illegality and, at the option of the Issuer, for taxation reasons. See Condition 6 "TERMS AND CONDITIONS OF THE NOTES — Redemption, Purchase and Options".

Subordinated Notes will be redeemable prior to maturity at the option of the Issuer, for taxation reasons or in the case where the relevant Subordinated Notes are excluded from the Tier 2 Capital of the Issuer. See Condition 6 "TERMS AND CONDITIONS OF THE NOTES — Redemption, Purchase and Options".

Any redemption of Subordinated Notes prior to the Maturity Date is subject to various conditions including in particular the prior approval of the Relevant Regulator.

**Taxation**

All payments of principal and interest 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. If French law should require that payments of principal or interest in respect of any Note or Coupon be subject to withholding or deduction in respect of any taxes, duties, assessments or governmental charges whatsoever, the Issuer will, save in certain limited circumstances, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required. See Condition 8 "Taxation".

**Interest Periods and Interest Rates**

The length of the interest periods for the Notes and the applicable interest rate 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.

**Inflation Linked Notes**

The interest rate and the final redemption amount of the Notes may be linked to inflation indices, – see Condition 5(c)(iv)(A) and (B) for the interest rate and Condition 6(g) for the redemption amount.

**Notes linked to a formula**

The interest rate and/or the final redemption amount can be linked to a formula contained in the Technical Annex.

**Redenomination**

Notes issued in the currency of any Member State of the EU which will participate in the single currency of the European Economic and Monetary Union may be redenominated into Euro, all as more fully provided in "TERMS AND CONDITIONS OF THE NOTES — Form, Denomination(s), Title and Redenomination" below.

**Consolidation**

Notes of one Series may be consolidated with Notes of another Series as more fully provided in "TERMS AND CONDITIONS OF THE NOTES — Further Issues and Consolidation".

**Form of Notes**

Notes may be issued in either dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**").

Dematerialised Notes may, at the option of the Issuer, be issued in bearer dematerialised form (*au porteur*) or in registered dematerialised form (*au nominatif*) and, in such latter case, at the

option of the relevant Noteholder, in either fully registered form (*au nominatif pur*) or administered registered form (*au nominatif administré*). No physical documents of title will be issued in respect of Dematerialised Notes. See Condition 1 "TERMS AND CONDITIONS OF THE NOTES — Form, Denomination(s), Title and Redenomination".

Materialised Notes will be in bearer materialised form ("**Materialised Bearer Notes**") only. A Temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Bearer Notes. Materialised Notes may only be issued outside France.

**Governing Law**

French

**Clearing Systems**

Euroclear France as central depository in relation to Dematerialised Notes and, in relation to Materialised Notes, Clearstream, Luxembourg and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.

**Initial Delivery of Dematerialised Notes**

One Paris business day before the issue date of each Tranche of Dematerialised Notes, the *lettre comptable* relating to such Tranche shall be deposited with Euroclear France as central depository.

**Initial Delivery of Materialised Notes**

On or before the issue date for each Tranche of Materialised Bearer Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depository for Euroclear and Clearstream, Luxembourg or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer.

**Issue Price**

Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.

**Rating**

The long term senior debt of the Issuer has been assigned a rating of A (with a stable outlook) by S&P Global Ratings ("**S&P**") on 3 December 2015 and A- (with stable outlook) by Fitch Ratings Ltd ("**Fitch**") on 4 May 2016. The subordinated debt of the Issuer has been assigned a rating of BBB- (with a stable outlook) by S&P on 3 December 2015. Each of S&P and Fitch is established in the European Union and is registered under Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**"). Each of S&P and Fitch is included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

The rating of Notes (if any) will be specified in the Final Terms. 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.

**Listing and Admission to trading**

Euronext Paris or as otherwise specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of Notes may or may not be admitted to trading.

**Selling Restrictions**

There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions. See "SUBSCRIPTION AND SALE".

The Notes constitute Category 2 securities for the purposes of Regulation S under the United States Securities Act of 1933, as amended.

Materialised Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the "**D Rules**") unless (i) the relevant Final Terms states that such Materialised Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the "**C Rules**") or (ii) such Materialised Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

The TEFRA rules do not apply to any Dematerialised Notes.

**Method of Publication of this Base Prospectus and the Final Terms**

This Base Prospectus, any supplement thereto and the Final Terms related to the Notes listed and admitted to trading on any Regulated Market in the EEA will be published on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) and of the Issuer ([www.labanquepostale.com](http://www.labanquepostale.com)) and copies may be obtained at the Fiscal Agent's office, or through any other means in accordance with article 212-27 of the *Règlement Général* of the AMF. The Final Terms will indicate where the Base Prospectus may be obtained.

## 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 the Technical Annex and 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 the Technical Annex and 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 relevant provisions of the Technical Annex and 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 or attached on Definitive Materialised Bearer Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Technical Annex and Part A of the relevant Final Terms. 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 12 September 2016 has been agreed between La Banque Postale (the "**Issuer**"), BNP Paribas Securities Services as fiscal agent and, unless otherwise specified in the applicable Final Terms, as calculation agent, (as amended or supplemented from time to time, the "**Agency Agreement**") in relation to the Notes. The fiscal agent, the paying agent(s), 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 Agent(s)**" (which expression shall include the Fiscal Agent), the "**Redenomination Agent**", the "**Consolidation Agent**" and the "**Calculation Agent(s)**". References below to "**Conditions**" are, unless the context requires otherwise, to the numbered paragraphs below. References herein to "**these Terms and Conditions**" shall, where the context admits, include the Technical Annex (the "**Technical Annex**") set out at the end of these Conditions and shall be deemed to form part hereof.

Copy of the Agency Agreement is available for inspection during normal business hours at the specified offices of the Fiscal Agent.

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/EC and "**day**" or "**days**" means calendar days unless the context otherwise specifies.

### 1 Form, Denomination(s), 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.

Dematerialised Notes are issued, at the option of the Issuer and as specified in the relevant 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 Noteholder in either administered registered form (*au nominatif administré*) inscribed in the books of an Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or the registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the "**Registration Agent**").

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, and includes Euroclear Bank S.A./N.V. ("**Euroclear**") and the depository bank for Clearstream Banking S.A. ("**Clearstream, Luxembourg**").

- (ii) Materialised Notes are issued in bearer form ("**Materialised Bearer Notes**"). Materialised Bearer Notes are serially numbered and are issued with coupons (the "**Coupons**" and each, a "**Coupon**") and, where appropriate, a talon (the "**Talons**" and each a "**Talon**") attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

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

- (b) **Denomination(s):** Notes shall be issued in the specified denomination(s) as set out in the relevant Final Terms (the "**Specified Denomination(s)**") save that the minimum denomination of each Note admitted to trading on a Regulated Market in circumstances which require the publication of a Base Prospectus under the Directive 2003/71/EC, as amended (the "**Prospectus Directive**") will be € 100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the issue date) or such other higher 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 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 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 Issuer or the Registration Agent.
- (ii) Title to Materialised Bearer Notes in definitive form having, where appropriate, Coupons and/or a Talon attached thereto on issue ("**Definitive Materialised Bearer Notes**"), shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note (as defined below), 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**" or "**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 Issuer 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 Bearer Note and the Coupons ("**Couponholder**"), or Talon relating to it.

(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 14 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 single currency 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) 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 Noteholders in accordance with Condition 14. 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 Euro on the Redenomination Date in the manner notified to Noteholders by the Issuer. For the avoidance of doubt, the minimum denomination of each redenominated Note admitted to trading on a Regulated Market in circumstances which require the publication of a Base Prospectus under the Prospectus Directive shall not be less than € 100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the issue date).
- (iii) Upon redenomination of the Notes, any reference in the relevant Final Terms 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 13, without the consent of the holder of any Note, Coupon or Talon, make any changes or additions to these Conditions or Condition 13 (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 Noteholders in accordance with Condition 14 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 Euro or any currency conversion or rounding effected in connection therewith.

- (e) **Method of Issue:** The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be fungible with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (except the issue date, issue price, first payment of interest and nominal amount of the Tranche), which will be identical to the terms of other Tranches of the same Series will be set out in the relevant Final Terms.

## 2 Conversion and Exchanges of Notes

### (a) Dematerialised Notes

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

### (b) Materialised Notes

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

## 3 Status of the Notes

The Notes are Senior Notes or Subordinated Notes as indicated in the relevant Final Terms.

### (a) Status (Senior Notes)

If the Notes are "**Senior Notes**", the Notes and (if applicable) the relative Coupons are direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and at least *pari passu* with all other direct, unconditional, unsecured and unsubordinated indebtedness of the Issuer (save for statutorily preferred exceptions).

### (b) Status (Subordinated Notes)

The ranking of any Subordinated Notes issued under the Programme will be and may evolve as follows:

Condition 3(b)(i) will apply in respect of the Subordinated Notes for so long as any Existing Subordinated Note is outstanding. Immediately upon none of the Existing Subordinated Notes remaining outstanding, Condition 3(b)(ii) will automatically replace and supersede Condition

3(b)(i) in respect of all outstanding Subordinated Notes issued on and after the date of this Base Prospectus without the need for any action from the Issuer.

(i) *Ranking as long as Existing Subordinated Notes are outstanding:*

If the Notes are "**Subordinated Notes**", the Subordinated Notes and (if applicable) the relative Coupons are direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with all other present and future direct, unconditional, unsecured and ordinary subordinated indebtedness of the Issuer. Subject to applicable law, in the event of the voluntary liquidation of the Issuer, bankruptcy proceedings, or any other similar proceedings affecting the Issuer, the rights of the holders in respect of principal and, (where applicable) interest to payment under the Subordinated Notes will be subordinated to the full payment of the unsubordinated creditors (including depositors) of the Issuer and, subject to such payment in full, such holders will be paid in priority to *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and any deeply subordinated obligations of the Issuer (*obligations dites "super subordonnées"* i.e. *engagements subordonnés de dernier rang*). The Subordinated Notes are issued pursuant to the provisions of Article L. 228-97 of the French *Code de Commerce*.

(ii) *Ranking once no Existing Subordinated Notes are outstanding:*

If the Notes are "**Subordinated Notes**", the Subordinated Notes and (if applicable) the relative Coupons are direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with (a) any obligations or instruments of the Issuer that constitute Tier 2 Capital and (b) any other obligations or instruments of the Issuer that rank or are expressed to rank equally with the Subordinated Notes.

Subject to applicable law, in the event of the voluntary liquidation of the Issuer, bankruptcy proceedings, or any other similar proceedings affecting the Issuer, the rights of the holders in respect of principal and (where applicable) interest to payment under the Subordinated Notes will be:

(A) subordinated to the full payment of:

(1) the unsubordinated creditors of the Issuer; and

(2) Eligible Creditors of the Issuer; and

(B) paid in priority to any *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and any deeply subordinated obligations of the Issuer (*obligations dites "super subordonnées"* i.e. *engagements subordonnés de dernier rang*).

The Subordinated Notes are issued pursuant to the provisions of Article L. 228-97 of the French *Code de Commerce*.

"**Existing Subordinated Notes**" means the (i) EUR 750,000,000 Ordinary Subordinated 4.375 per cent. Notes due 2020 (ISIN: FR0010969410) and (ii) EUR 750,000,000 Fixed to Fixed Reset Rate Subordinated Tier 2 Notes due 23 April 2026 (ISIN: FR0011855865), provided that should any such notes be amended in any way which would result in allowing

the Issuer to issue subordinated notes ranking senior to such given notes, then such notes would be deemed to no longer constitute an Existing Subordinated Note.

"**Eligible Creditors**" means creditors holding subordinated claims that rank or are expressed to rank senior to the Subordinated Notes.

#### 4 Negative Pledge

So long as any of the Notes or Coupons on Notes remains outstanding, the Issuer will not create or permit to subsist any mortgage, charge, pledge, lien or other security interest upon the whole or any part of its undertaking, revenues or assets, present or future, in order to secure any Indebtedness, without at the same time according to the Notes the same, or substantially the same, security. This provision does not apply to Subordinated Notes.

For the purposes of this Condition 4 and Condition 9: "**Indebtedness**" means any indebtedness of the Issuer which is in the form of or represented by any bond (*obligation*) or note or any other security which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market).

#### 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. Certain defined terms contained in the FBF Definitions and in the ISDA Definitions have either been used or reproduced in this Condition 5.

"**Business Day**" means:

- (i) in the case of Euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto (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 (which if the specified currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively); and/or
- (iii) in the case of a specified currency and/or one or more Business Centre(s) specified in the relevant Final Terms (the "**Business Centre(s)**"), 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 so specified.

"**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/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;

(ii) if "**Actual/365**" or "**Actual/Actual — 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);

(iii) if "**Actual/Actual-ICMA**" is specified in the relevant Final Terms:

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

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

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;

in each case 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 relevant Final Terms or, if none is so specified, the Interest Payment Date;

(iv) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;

(v) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;

(vi) if "**30/360**", "**360/360**" or "**Bond 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 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;

- (vii) 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;

- (viii) if "30E/360 (ISDA)" 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 (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

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

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

"**FBF Definitions**" means the definitions set out in the June 2013 FBF Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules (*Additifs Techniques*) as published by the *Fédération Bancaire Française* (together the FBF Master Agreement) as may be supplemented or amended as at the Issue Date.

"**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 calculated in accordance with these Terms and Conditions, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount as specified in the relevant Final Terms, 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 the city specified in the Final Terms for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro.

"**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.

**"Interest Period Date"** means each Interest Payment Date unless otherwise specified in the relevant Final Terms.

**"ISDA Definitions"** means the 2006 ISDA Definitions (a copy of which may be obtained at the registered office of the Issuer during usual business hours), as published by the International Swaps and Derivatives Association, Inc., as may be supplemented or amended as at the Issue Date.

**"Margin"** means for an Interest Accrual Period, the percentage or figures with respect to the applicable Interest Accrual Period specified in the applicable Final Terms, it being specified that such margin can have a positive or a negative value or be equal to zero.

**"Rate of Interest"** means the rate of interest payable from time to time in respect of the Notes specified in the relevant Final Terms and calculated in accordance with the provisions of these Conditions.

**"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 and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent with the approval of the Issuer or as specified in the relevant Final Terms.

**"Reference Rate"** means the rate specified as such in the relevant Final Terms which shall be either LIBOR, EURIBOR, EONIA, CMS Rate or TEC10 (or any successor or replacement rate).

**"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 or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Reference Rate.

**"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.

(b) **Interest on Fixed Rate Notes and Resettable Notes:**

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

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

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.

(ii) **Interest on Resettable Notes**

Each Note which is specified in the relevant Final Terms as being Resettable Note (a "**Resettable Note**") will bear interest on its outstanding nominal amount:

- (A) from (and including) the Interest Commencement Date until (but excluding) the First Resettable Note Reset Date at the Initial Rate of Interest;
- (B) from (and including) the First Resettable Note Reset Date until (but excluding) the Second Resettable Note Reset Date or, if no such Second Resettable Note Reset Date is specified in the relevant Final Terms, the Maturity Date, at the First Reset Rate of Interest; and
- (C) for each Subsequent Reset Period thereafter (if any), at the relevant Subsequent Reset Rate of Interest.

Interest will be payable in arrear or in advance on the date or dates in each year specified in the relevant Final Terms as being a Resettable Note Interest Payment Date and on the date specified in the relevant Final Terms as the Maturity Date. The first payment of interest will be made on the first Resettable Note Interest Payment Date (as specified in the applicable Final Terms) following the Interest Commencement Date.

In this Condition 5(b)(ii):

**"First Margin"** means the margin specified as such in the relevant Final Terms;

**"First Resettable Note Reset Date"** means the date specified as such in the relevant Final Terms, provided, however, that if the date specified in the relevant Final Terms is not a Business Day, then such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day;

**"First Reset Period"** means the period from (and including) the First Resettable Note Reset Date until (but excluding) the Second Resettable Note Reset Date or, if no such Second Resettable Note Reset Date is specified in the relevant Final Terms, the Maturity Date;

**"First Reset Rate of Interest"** means, subject to Condition 5(b)(iii) (Fallback Provision for Resettable Notes) below, the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate plus the First Margin;

**"Initial Rate of Interest"** means the initial rate of interest per annum specified as such in the relevant Final Terms;

**"Mid-Market Swap Rate"** means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the basis of the Day Count Fraction specified in the relevant Final Terms as determined by the Calculation Agent) of a fixed-for-floating

interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Resettable Note Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the applicable Final Terms) (calculated on the basis of the Day Count Fraction specified in the relevant Final Terms as determined by the Calculation Agent);

**"Mid-Market Swap Rate Quotation"** means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

**"Mid-Swap Floating Leg Benchmark Rate"** means:

- (i) where the Specified Currency is a currency other than euro, LIBOR; and
- (ii) where the Specified Currency is euro, EURIBOR;

**"Mid-Swap Rate"** means, in relation to a Reset Determination Date and subject to Condition 5(b)(iii) (*Fallback Provision for Resettable Notes*) below, either:

- (i) if Single Mid-Swap Rate is specified in the applicable Final Terms, the rate for swaps in the Specified Currency:

- (A) with a term equal to the relevant Reset Period; and

- (B) commencing on the relevant Resettable Note Reset Date,

which appears on the Relevant Screen Page; or

- (ii) if Mean Mid-Swap Rate is specified in the applicable Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:

- (A) with a term equal to the relevant Reset Period; and

- (B) commencing on the relevant Resettable Note Reset Date,

which appear on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent;

**"Reset Determination Date"** means, in respect of the First Reset Period, the second Business Day prior to the First Resettable Note Reset Date, in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Resettable Note Reset Date and, in respect of each Reset Period thereafter, the second Business Day prior to the first day of each such Reset Period;

**"Resettable Note Reset Date"** means the First Resettable Note Reset Date, the Second Resettable Note Reset Date and every Subsequent Resettable Note Reset

Date as specified in the relevant Final Terms; provided, however, that if the date specified in the relevant Final Terms is not a Business Day, then such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day;

"**Reset Period**" means the First Reset Period or a Subsequent Reset Period;

"**Subsequent Margin**" means the margin(s) specified as such in the relevant Final Terms;

"**Second Resettable Note Reset Date**" means the date specified as such in the relevant Final Terms; provided, however, that if the date specified in the relevant Final Terms is not a Business Day, then such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day;

"**Subsequent Reset Period**" means the period from (and including) the Second Resettable Note Reset Date to (but excluding) the next Resettable Note Reset Date, and each successive period from (and including) a Resettable Note Reset Date to (but excluding) the next succeeding Resettable Note Reset Date; and

"**Subsequent Reset Rate of Interest**" means, in respect of any Subsequent Reset Period and subject to Condition 5(b)(iii) (Fallback Provision for Resettable Notes) below, the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate plus the applicable Subsequent Margin.

(iii) **Fallback Provision for Resettable Notes**

If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one or none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 5(b)(iii), the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the rate of interest as at the last preceding Resettable Note Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest.

For the purposes of this Condition 5(b)(iii), "**Reference Banks**" means the principal office in the principal financial centre of the Specified Currency of four major banks (other than the Issuer) in the swap, money, securities or other market most closely

connected with the relevant Mid-Swap Rate as selected by the Issuer on the advice of an investment bank of international repute.

(iv) **Notification of Rate of Interest for Resettable Notes**

The Calculation Agent will give notice to the Noteholders of the First Reset Rate of Interest and (if applicable) the relevant Subsequent Reset Rate of Interest in accordance with the provisions of Condition 14.

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

(i) *General:* The underlying of the Notes may be a FBF Rate, an ISDA Rate, a Reference Rate (being either LIBOR, EURIBOR, EONIA, CMS Rate or TEC10) or an inflation index (being either CPI or the HICP), all as defined below. Information regarding each of these underlyings can be found: (i) with respect to the FBF Rate in Condition 5(c)(iv)(A), (ii) with respect to the ISDA Rate in Condition 5(c)(iv)(B), with respect to LIBOR and EURIBOR in Condition 5(c)(iv)(C), with respect to EONIA in Condition 5(c)(iv)(C)(d), with respect to CMS Rate in Condition 5(c)(iv)(C)(e), with respect to TEC10 in Condition 5(c)(iv)(C)(f), with respect to CPI in Condition 5(c)(v)(A) and with respect to HICP in Condition 5(c)(v)(B).

(ii) *Interest Payment Dates:* Each Floating Rate Note and Inflation Linked Notes 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 or in advance, as specified in the applicable Final Terms on each Interest Payment Date. 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.

(iii) *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 Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iv) *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 provisions below relating to either FBF Determination or 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 plus or minus (as indicated in the relevant Final Terms) the Margin (if any). 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 unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), "Floating Rate" (*Taux Variable*), "Calculation Agent" (*Agent*), "Floating Rate Determination Date" (*Date de Détermination du Taux Variable*) and "Transaction" (*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 plus or minus (as indicated in the relevant Final Terms) the Margin (if any). 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 and the Reference Rate in respect of the Floating Rate Notes is specified as being EURIBOR or LIBOR (as the case may be), the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:
- (1) the offered quotation; or
  - (2) 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 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question plus or minus (a indicated in the relevant Final Terms) the Margin (if any) 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 (C)(a)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (C)(a)(2) 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, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest 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) or, if the

Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin 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  $d_0$ , each representing the relevant TARGET Business Day in chronological order from, and including, the first TARGET Business Day in the relevant Interest Accrual Period;

" $d_0$ " 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;

" $n_i$ " 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:

CMS Rate + 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"**, **"Margin"**, **"Specified Time"** and **"Relevant Screen Page"** shall have the meaning given to those terms in the applicable Final Terms.

**"Relevant Swap Rate"** means:

- (A) 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) with a designated maturity determined by the Calculation Agent by reference to the then prevailing standard market practice or the ISDA Definitions;

- (B) 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;
- (C) 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
- (D) 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 TEC10, 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:

TEC10 + Margin.

"**TEC10**" means the offered quotation (expressed as a percentage rate per annum) for the EUR-TEC10-CNO1, calculated by the *Comité de Normalisation Obligataire* ("**CNO**"), which appears on the Relevant Screen Page, being the caption "TEC10" on the Reuters Screen CNOTEC10 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 CNOTEC10 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.*

(v) Rate of Interest for Inflation Linked Notes:

(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)(v)(A) shall apply. Terms

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<sup>1</sup> All potential users of the EUR-TEC10-CNO must first enter into a trademark licence agreement available from the CNO.

defined herein shall have the meanings set out below only when this Condition 5(c)(v)(A) shall apply.

The Rate of Interest in respect of Inflation Linked Notes indexed to the CPI (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 below).

The **CPI Linked Interest** will be determined by the Calculation Agent on the following basis:

- (1) 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)(v)(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(g)(iii), the IIR will be rounded if necessary to six 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(g)(iii), the CPI Daily Inflation Reference Index will be rounded if necessary to six 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 FRCPXTOB Index <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.

- (2) 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 December 2010 Paper entitled "Inflation Indexed Notes" (*Obligations et autres instruments de taux d'intérêt en euro, Normes et usages des marchés de capitaux – Chapitre II: Les obligations indexées sur l'inflation*). 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.
- (3)
  - (i) 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 shall 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:

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

- (ii) 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)(v)(B) shall apply. Terms defined herein shall have the meanings set out below only when this Condition 5(c)(v)(B) shall apply.

The Rate of Interest in respect of Inflation Linked Notes indexed to the HICP ("**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 below).

The HICP Linked Interest will be determined by the Calculation Agent on the following basis:

- (1) 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)(v)(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(g)(iii), the IIR will be rounded if necessary to six 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(g)(iii), the HICP Daily Inflation Reference Index will be rounded if necessary to six 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 CPTFEMU Index <GO>.*

"**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.

(2)

- (i) 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 shall 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:

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

- (ii) 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:

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

- (d) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon and is repayable prior to the Maturity Date is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(h)(i)).
- (e) **Interest determined in accordance with a formula:** The Interest Amount in respect of the Notes payable on any Interest Payment Date shall, if so specified in the Final Terms, be determined in accordance with one of the formulas contained in the Technical Annex which is supplemental to these Conditions.
- (f) **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 (as well after as before judgment) at the Rate of

Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(g) **Margin, Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding:**

- (i) 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 the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest 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), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.

- (h) **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 or the Initial Rate of Interest, First Reset Rate of Interest or (if applicable) relevant Subsequent Reset Rate of Interest (in the case of Resettable Notes) 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 which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with the relevant formula set out in the Technical Annex). 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.

- (i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts and Early 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 in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Optional Redemption Amount or Early 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, Optional Redemption Amount or Early Redemption Amount to be notified to the Fiscal Agent, the Issuer, the Fiscal Agent, the Paying Agent(s), the Noteholders, 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 admitted to trading on a Regulated Market and the rules of, or applicable to, 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 Regulated Market 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), 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.

- (j) **Calculation Agent:** The Issuer shall use its best efforts to procure that there shall at all times one or more Calculation Agent(s) if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined below). 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 Period or Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early 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 admitted to trading on a 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 14.

For the purpose of this Condition:

"**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 form and in administered registered form, to the relevant Account Holders on behalf of the Noteholder as provided in Condition 7(a), (ii) in the case of Dematerialised Notes in fully registered form, to the account of the Noteholder as provided in Condition 7(a) and (iii) in the case of Materialised Notes, to the relevant account with, or, by check drawn on, a Bank as provided in Condition 7(b) 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 that are held or have been 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 Materialised Bearer Notes, pursuant to its provisions.

## 6 Redemption, Purchase and Options

(a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms (which, in the case of Subordinated Notes, shall be at least five years after the Issue Date of the relevant Series) at its Final Redemption Amount which is (i) its nominal amount (except in case of Zero Coupon Notes); (ii) an amount determined in accordance with Condition 6(g), if specified as applicable in the relevant Final Terms; (iii) an amount determined in accordance with the Technical Annex, if Zero Coupon French Inflation, Zero Coupon HICP Inflation, French Inflation Bond Formula or European Inflation Bond Formula is specified as applicable in the relevant Final Terms.

(b) **Redemption for Taxation Reasons**

(i) *Early Redemption of Notes upon the occurrence of a Withholding Tax Event:*

If in respect of the Notes or Coupons the Issuer would, as a result of any change in, or in the official interpretation or administration of, any laws or regulations of the Republic of France or any other authority thereof or therein be required to pay additional amounts as provided in Condition 8 (a "**Withholding Tax Event**"), the Issuer may at its option at any time (in the case of Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes) but subject, in the case of Subordinated Notes, to Condition 6(l) below, on giving not more than 45 nor less than 15 days' notice to the Noteholders (in accordance with Condition 14) which notice shall be irrevocable, redeem all, but not some only, of the Notes at their Early Redemption Amount (as defined below) together with interest accrued to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date upon which the Issuer could make payment without withholding or deduction for such taxes.

(ii) *Early Redemption of Notes upon the occurrence of a Gross-Up Event:*

If the Issuer would, on the next due date for payment of any amount in respect of the Notes or Coupons, be prevented by French law from making such payment notwithstanding the undertaking to pay additional amounts as provided in Condition 8 (a "**Gross-Up Event**"), then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and may, in the case of Subordinated Notes subject, to Condition 6(l) below, or shall in the case of Senior Notes, at any time (in the case of Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes) redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount (as defined below) together with interest accrued to the date fixed for redemption, upon giving not less than 7 nor more than 45 days' prior notice to the Noteholders (in accordance with Condition 14), provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of interest payable in respect of the Notes or Coupons or, if such date is already past, as soon as practicable thereafter.

(c) **Redemption at the Option of the Issuer and Partial Redemption:**

If a Call Option is specified in the relevant Final Terms, the Issuer may, subject to compliance by the Issuer with all relevant laws, regulations and directives and in the case of Subordinated Notes, to Condition 6(l) below, and on giving not less than 15 nor more than 30 days'

irrevocable notice in accordance with Condition 14 to the Noteholders (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, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount being the nominal amount together with interest accrued to the date fixed for redemption (including, where applicable, any arrears of interest), if any. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms.

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 in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the number of the Definitive Materialised Bearer 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 or other relevant authority requirements.

In the case of a partial redemption in respect of Dematerialised Notes, the redemption may be effected by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed.

In the case of Subordinated Notes, no redemption at the option of the Issuer will be permitted prior to five years from the Issue Date of the relevant Series, except as described in Condition 6(l) below.

So long as the Notes are admitted to trading on Euronext Paris, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in accordance with Articles 221-3 and 221-4 of the *Règlement Général* of the *Autorité des marchés financiers* and on the website of any other competent authority and/or Regulated Market of the EEA Member State where the Notes are listed and admitted to trading, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes a list of any Definitive Materialised Bearer Notes drawn for redemption but not surrendered.

(d) **Redemption at the Option of the Noteholders**

In the case of Subordinated Notes, no redemption of the Notes at the option of the Noteholder is permitted. If a Put Option is specified in the relevant Final Terms and provided that this Note is not a Subordinated Note, the Issuer shall, at the option of the Noteholder, upon the Noteholder giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount being the nominal amount together with interest accrued to the date fixed for redemption.

To exercise such option the Noteholder must deposit with any Paying Agent at its specified office during usual business hours a duly completed option exercise notice (the "**Exercise Notice**") in the form obtainable during usual business hours from any Paying Agent or the Registration Agent, as the case may be, within the notice period. Such notice shall, in the case of Materialised Bearer Notes, have attached to it such Note (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 specified in the Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred may be withdrawn without the prior consent of the Issuer.

(e) **Optional Redemption of Subordinated Notes upon the occurrence of a Capital Event**

Upon the occurrence of a Capital Event (as defined below), the Issuer may (at its option but subject to Condition 6(l) below) at any time subject to having given no less than thirty (30) nor more than forty five (45) days' notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable), redeem the Subordinated Notes in whole, but not in part, at their Early Redemption Amount, together with all interest accrued to the date fixed for redemption.

"**BRRD**" means Directive 2014/59/EU of the Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms as published in the Official Journal of the European Union on 12 June 2014, as amended from time to time or such other directive as may come in effect in the place thereof.

"**Capital Event**" means the determination by the Issuer, that as a result of a change in the Relevant Rules becoming effective on or after the Issue Date of the relevant Series of Subordinated Notes, which change was not reasonably foreseeable by the Issuer as at the Issue Date of the relevant Series of Subordinated Notes, it is likely that all or part of the aggregate outstanding nominal amount of the Subordinated Notes will be excluded from the Tier 2 Capital of La Banque Postale Group;

"**CRD IV**" means the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as published in the Official Journal of the European Union on 27 June 2013, as amended from time to time or such other directive as may come into effect in place thereof.

"**CRD IV Implementing Measures**" means any regulatory capital rules implementing the CRD IV Directive or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Relevant Regulator, which are applicable to the Issuer and which prescribe the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer;

"**CRD IV Rules**" means any or any combination of the CRD IV, the CRR and any CRD IV Implementing Measures;

"**CRR**" means the Regulation 2013/575 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as published in the Official Journal of the European Union on 27 June 2013, as amended from time to time or such other directive as may come into effect in place thereof.

"**Relevant Regulator**" means the European Central Bank and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer.

"**Relevant Rules**" means at any time the laws, regulations, requirements, guidelines and policies of the Relevant Regulator relating to capital adequacy applicable to the Issuer from

time to time including, for the avoidance of doubt, applicable rules contained in, or implementing the CRD IV Rules and/or the BBRD.

"**Tier 2 Capital**" has the meaning given to it (or, if no longer used, any equivalent or successor term) in the Relevant Rules.

(f) **Optional Redemption of Subordinated Notes upon the occurrence of a Tax Deduction Event**

If by reason of any change in the French laws or regulations, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations becoming effective on or after the Issue Date of the relevant Series of Subordinated Notes, the tax regime applicable to any interest payment under the Subordinated Notes is modified and such modification results in the amount of the interest payable by the Issuer under the Subordinated Notes that is tax-deductible by the Issuer for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes being reduced (a "**Tax Deduction Event**"), the Issuer may, subject to Condition 6(l) below, at its option, at any time, subject to having given no less than thirty (30) nor more than forty five (45) calendar days' notice to the Fiscal Agent and the Noteholders (in accordance with Condition 14) redeem all, but not some only, of the relevant Series Subordinated Notes then outstanding at the Early Redemption Amount together with accrued interest (if any) thereon, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes to the same extent as it was on the Issue Date of the relevant Series of Subordinated Notes.

(g) **Redemption of Inflation Linked Notes:** If Condition 6(g) is specified as applicable in the relevant Final Terms, the Final Redemption Amount in respect of Inflation Linked Notes will be determined by the Calculation Agent on the following basis:

Final Redemption Amount = IIR x 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 purpose of this Condition 6(g) only, "**IIR**" means the ratio determined on the fifth Business Day before the Maturity Date 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)(v)(A)) on the Maturity Date 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)(v)(B)) on the Maturity Date and the Base Reference on the date specified in the relevant Final Terms.

(h) **Early Redemption Amount:**

(i) Zero Coupon Notes:

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note (other than a Note in relation to which Zero Coupon French Inflation or Zero Coupon HICP Inflation is specified as applicable in the relevant Final Terms), upon redemption of such Note pursuant to Condition 6(b), 6(e), 6(f), 6(k) or upon it becoming due and payable as provided in Condition 9

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 discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms, 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 Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(b), 6(e), 6(f), 6(k) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Nominal Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Amortised Nominal Amount becomes due and payable were 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, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(d).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction specified in the relevant Final Terms.

(ii) **Other Notes:**

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(b), 6(e), 6(f), 6(k) or upon it becoming due and payable as provided in Condition 9 shall be the nominal amount together with interest accrued to the date fixed for redemption.

(i) **Purchases:**

In the case of Senior Notes: The Issuer shall have the right at all times to purchase Senior 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, subject to the applicable laws and/or regulations. All Senior Notes so purchased by the Issuer may be held and resold in accordance with Article L.213-1 A of the French *Code monétaire et financier*.

In the case of Subordinated Notes: The Issuer may, subject to Condition 6(l) below, purchase Subordinated Notes (provided that, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) at any price in the open market or otherwise.

Notwithstanding the above, the Issuer or any agent on its behalf shall have the right at all times to purchase Subordinated Notes for market making purposes provided that: (a) the prior

written approval of the Relevant Regulator shall be obtained; and (b) the total principal amount of the Subordinated Notes so purchased does not exceed the lower of (i) ten (10) per cent. of the initial aggregate principal amount of the relevant Series of Subordinated Notes and any further notes issued under Condition 13 and (ii) three (3) per cent. of the Tier 2 Capital of the Issuer from time to time outstanding. The Subordinated Notes so purchased by the Issuer may be held and resold in accordance with applicable laws and regulations for the purpose of enhancing the liquidity of the Notes.

- (j) **Cancellation:** All Notes purchased and cancelled at the option of the Issuer shall 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 Bearer Notes, by surrendering to the Fiscal Agent the Temporary Global Certificate and the Definitive Materialised Bearer Notes in question together with all unmatured Coupons and all unexchanged Talons and, in each case, if so transferred or surrendered, shall be cancelled 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 re-issued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.
- (k) **Illegality:** If, by reason of any change in French law, or any change in the official application of such law, becoming effective after the date on which agreement is reached to issue the first Tranche of the Senior Notes, it will become unlawful for the Issuer to perform or comply with one or more of its obligations under such Notes, the Issuer will, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 14, redeem all, but not some only, of such Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption.
- (l) **Conditions to redemption of Subordinated Notes prior to Maturity Date**

According to Articles 77 and 78 of the CRR, the Subordinated Notes may only be redeemed or purchased (as applicable) pursuant to Condition 6(b)(i) (Redemption for Taxation Reasons- Withholding Tax Event), Condition 6(b)(ii) (Redemption for Taxation Reasons- Gross-up Event), Condition 6(c) (Redemption at the Option of the Issuer and Partial Redemption (Issuer Call)), Condition 6(e) (Optional Redemption of Subordinated Notes upon the occurrence of a Capital Event), Condition 6(f) (Optional Redemption of Subordinated Notes upon the occurrence of a Tax Deduction Event) or Condition 6(i) (Purchases) (subject to the provisions set out in the second paragraph of the section relating to Subordinated Notes of Condition 6(i)), as the case may be, if the Relevant Regulator has given its prior written approval to such redemption or purchase (as applicable) and the following conditions are met:

- (a) on or before such purchase or redemption of the Subordinated Notes, the Issuer replaces the Subordinated Notes with capital instruments of an equal or higher quality on terms that are sustainable for the Issuer's income capacity; or
- (b) the Issuer has demonstrated to the satisfaction of the Relevant Regulator that its Tier 1 Capital and Tier 2 Capital would, following such purchase or redemption, exceed the capital ratios required under the CRD IV Rules by a margin that the Relevant Regulator may consider necessary on the basis set out in the CRD IV Rules for it to determine the appropriate level of capital of an institution.

In the case of redemption of the Subordinated Notes before five years after the date of issuance of the relevant Series of Notes if:

- (i) the conditions listed in paragraphs (a) or (b) above are met; and
- (ii) in the case of redemption due to the occurrence of a Capital Event, (i) the Relevant Regulator considers such change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Relevant Regulator that the Capital Event was not reasonably foreseeable at the time of the issuance of the relevant Series of Subordinated Notes; or
- (iii) in the case of redemption due to the occurrence of a Withholding Tax Event, a Tax Deduction Event or a Gross-up Event, the Issuer demonstrates to the satisfaction of the Relevant Regulator that such Withholding Tax Event, Tax Deduction Event or Gross-up Event is material and was not reasonably foreseeable at the time of issuance of the relevant Series of Subordinated Notes, and the Issuer has delivered a certificate signed by one of its senior officers to the Fiscal Agent (and copies thereof will be available at the Fiscal Agent's specified office during its normal business hours) not less than five (5) calendar days prior to the date set for redemption that such Withholding Tax Event, Tax Deduction Event or Gross-up Event has occurred or will occur no more than ninety (90) days following the date fixed for redemption, as the case may be.

"**Tier 1 Capital**" has the meaning given to it (or, if no longer used, any equivalent or successor term) in the Relevant Rules.

## 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 form) be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the Noteholders and, (in the case of Dematerialised Notes in fully registered form), to an account denominated in the relevant currency with a Bank (as defined below) designated by the Noteholders. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.
- (b) **Materialised Bearer Notes:** Payments of principal and interest in respect of Materialised Bearer Notes shall, subject as mentioned below, be made against presentation and surrender during usual business hours of the relevant Materialised Bearer Notes (in the case of all payments of principal and, in the case of interest, as specified in Condition 7(f)(v)) or Coupons (in the case of interest, save as specified in Condition 7(f)(v)), 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 Noteholder, by transfer to an account denominated in such currency with, a Bank.

"**Bank**" means a bank in the principal financial centre for such currency or, in the case of Euro, in a city in which banks have access to the TARGET System.

- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Materialised Bearer Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States

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

- (d) **Payments Subject to Fiscal and other Laws:** All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 8 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 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to Condition 8) any 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 Agent(s), the Calculation Agent, the Redenomination Agent and the Consolidation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agent(s), 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 Noteholder or Couponholder. 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 Agent having specified offices in at least two European cities, so long as the rules of, or applicable to, the relevant Regulated Market so require; (v) in the case of Dematerialised Notes, in fully registered form, a Registration Agent and (vi) such other agents as may be required by any other Regulated Market on which the Notes may be admitted to trading.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Bearer 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) with a view to consolidating such Notes with one or more other Series of Notes, in accordance with Condition 13, 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 Noteholders in accordance with Condition 14.

- (f) **Unmatured Coupons and unexchanged Talons**
- (i) Upon the due date for redemption, Materialised Bearer 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, Early Redemption 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 10).

- (ii) Upon the due date for redemption of any such Materialised Bearer Note comprising a Floating Rate Note or Inflation Linked Notes, 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 Bearer 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 Bearer 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 Bearer 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 Bearer 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 Bearer Note. Interest accrued on a Materialised Bearer Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Materialised Bearer Notes.
- (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 Bearer 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 10).
- (h) **Non-Business Days:** If any date for payment in respect of any Note or Coupon is not a business day, the Noteholder 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, in such jurisdictions as shall be specified as "**Financial Centres**" in the relevant Final Terms and (B) (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.

- (a) **Withholding Taxes:** All payments of principal, interest and other 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 present or future 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) **Additional Amounts:** If French law should require that payments of principal or interest in respect of any Note or Coupon be subject to withholding or deduction in respect of any taxes, duties, assessments or governmental charges whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon, as the case may be:
- (i) **Other connection:** to, or to a third party on behalf of, a Noteholder or, if applicable, a Couponholder, as the case may be, who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the Republic of France other than the mere holding of the Note or Coupon; or
- (ii) **Presentation more than 30 days after the Relevant Date:** in the case of Materialised Notes, more than 30 days after the Relevant Date except to the extent that the Noteholder or, if applicable, a Couponholder, as the case may be, would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day.

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

References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition.

## 9 Events of Default and Enforcement

### (a) Events of default (Senior Notes)

In the case of Senior Notes, the holder of any Note may give written notice to the Issuer and the Fiscal Agent that the Note is, and it shall accordingly forthwith become, immediately due and repayable at its Early Redemption Amount, together, if appropriate, with interest accrued to the date of repayment, in any of the following events ("**Events of Default**"):

- (i) the Issuer fails to pay any amount payable in respect of the Senior Notes or any of them when due and payable and such default is not remedied within 30 days after the relevant due date; or
- (ii) the Issuer fails to perform or observe any of its other obligations under the Notes and such default is not remedied within 45 days after notice of such default has been given to the Fiscal Agent by any Noteholder; or
- (iii) any indebtedness of the Issuer in excess of € 50,000,000, or any guarantee by the Issuer of any such indebtedness shall become due and is not paid on the date which is the later of (i) its stated maturity, and (ii) the expiry of applicable grace periods (the term "indebtedness" as used herein shall mean any note or other debt instrument issued by the Issuer or any credit facility granted to the Issuer by banks); or
- (iv) the Issuer sells, transfers or otherwise disposes of, directly or indirectly, the whole or a substantial part of its assets, or the Issuer enters into, or commences any proceedings in furtherance of, forced or voluntary liquidation or dissolution, except in the case of a disposal, dissolution, liquidation, merger (fusion-absorption) or other reorganisation in which all of or substantially all of the Issuer's assets are transferred to a legal entity which simultaneously assumes all of the Issuer's debt and liabilities including the Notes and whose main purpose is the continuation of, and which effectively continues, the Issuer's activities; or
- (v) the Issuer makes any proposal for a general moratorium in relation to its debt or a judgement is issued for the judicial liquidation (*liquidation judiciaire*) or the transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer, or, to the extent permitted by applicable law, if the Issuer is subject to any other insolvency or bankruptcy proceedings or makes any conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors.

(b) **Enforcement (Subordinated Notes)**

There are no events of default in respect of Subordinated Notes. In no event will holders of Subordinated Notes and/or any related Coupons be able to accelerate the maturity of their Subordinated Notes. However, a holder of Subordinated Note may, upon written notice to the Fiscal Agent given before all defaults have been cured, cause such Subordinated Note to become due and payable at its Early Redemption Amount, together with accrued interest thereon, if any, as of the date on which said notice is received by the Fiscal Agent, in the event that an order is made or an effective resolution is passed for the liquidation (*liquidation judiciaire* or *liquidation amiable*) of the Issuer.

**10 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 five years (in the case of interest) from the appropriate Relevant Date in respect of them.

**11 Representation of Noteholders**

In respect of the representation of the Noteholders, the following shall apply:

- (a) if the relevant Final Terms specifies "Full *Masse*", the Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence to their common interest in a *Masse* and the provisions of the French *Code de commerce* relating to the *Masse* shall apply in accordance with the below provisions of this Condition 11(a).

The names and addresses of the initial Representative of the *Masse* and its alternated 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, if any, 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 Noteholders (the "**General Meeting**").

In accordance with Article R. 228-71 of the French *Code de commerce*, the right of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the second business day in Paris preceding the date set for the meeting of the relevant General Meeting.

The place where a General Meeting shall be held will be set out in the notice convening such General Meeting.

In addition, in the case of an issue of Subordinated Notes, any proposed modification of any provision of the Notes (including a modification of the provisions as to subordination referred to in Condition 3(b)) can only be effected subject to the prior approval of the Relevant Regulator; or

- (b) if the relevant Final Terms specifies "Contractual *Masse*", the Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *Masse* which will be subject to the below provisions of this Condition 11(b).

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, L.228-71, R.228-63, R.228-67 and R.228-69 and the second sentence of Article L.228-65 II subject to the following provisions:

(i) **Legal Personality**

The *Masse* will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through the General Meeting.

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

(ii) **Representative**

The office of Representative may be conferred on a person of any nationality who agrees to perform such function. However, the following persons may not be chosen as Representatives:

- the Issuer, the members of its Executive Board (*Directoire*), the members of its Supervisory Board (*Conseil de surveillance*), its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their ascendants, descendants and spouse; or
- 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 (*Conseil d'administration*), Executive Board (*Directoire*), or Supervisory Board (*Conseil de surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouse; or
- companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
- 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 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, if any, 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.

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.

(iii) **Powers of Representative**

The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not be involved in the management of the affairs of the Issuer.

(iv) **General Meeting**

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders 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, time, place and agenda of any General Meeting will be published as provided under Condition 14.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, by correspondence, or if the *statuts* of the Issuer so specify, by videoconference or by any other means of telecommunications allowing the identification of participating Noteholders<sup>2</sup>. 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.

(v) **Powers of the General Meetings**

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act 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*) of the Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert Notes into shares. In addition, in the case of an issue of Subordinated Notes, any proposed modification of any provision of the said Notes (including a modification of the provisions as to subordination referred to in Condition 3(b)) can only be effected subject to the prior approval of the Relevant Regulator.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least one fifth 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 simple majority of votes cast by Noteholders attending such General Meetings or represented thereat.

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder on the second business day in Paris preceding the date set for the meeting of the relevant General Meeting at zero hours, Paris time.

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At the date of this Base Prospectus, the *statuts* of the Issuer do not contemplate the right for a Noteholder to participate in a General Meeting by videoconference or any other means of telecommunication allowing the identification of the participating Noteholders.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 14.

(vi) **Information to Noteholders**

Each Noteholder or Representative thereof will have the right, during the 15-day period (on first convocation) or 10-day period (on second convocation) 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 Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents during usual business hours and at any other place specified in the notice of the General Meeting.

(vii) **Expenses**

The Issuer will pay all expenses relating to the operation of the *Masse*, including expenses 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 under the Notes.

(c) **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 13, shall, for the defence of their respective common interests, be grouped in a single *Masse*. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single *Masse* of all such Series.

For the avoidance of doubt, in this Condition 11, the term "outstanding " shall not include those Note purchased by the Issuer in accordance with Article L. 213-1 A of the French *Code monétaire et financier* that are held by it and not cancelled.

## 12 **Replacement of definitive Notes, Coupons and Talons**

If, in the case of any Materialised Bearer Notes, a Definitive Materialised Bearer Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and Regulated Market regulations, 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 Noteholders, 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 Bearer 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 Bearer Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Bearer Notes, Coupons or Talons must be surrendered before replacements will be issued.

## 13 **Further Issues and Consolidation**

(a) **Further Issues:** The Issuer may from time to time (subject, for Subordinated Notes, to the prior information of the Relevant Regulator), without the consent of the Noteholders or Couponholders create and issue further notes to be assimilated (*assimilées*) and form a single series 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 in the relevant Final Terms) and that the terms of such further notes provide for such assimilation and references in these Conditions to "Notes" shall be construed accordingly.

- (b) **Consolidation:** The Issuer may, with the prior approval (which shall not be unreasonably withheld) of the Redenomination and Consolidation Agent, 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 Noteholders in accordance with Condition 14, without the consent of the Noteholders or Couponholders, consolidate the Notes of one Series 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.

## 14 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 Échos*) or, (b) in a leading daily newspaper of general circulation in Europe (which is expected to be the Financial Times) or (c) they are published in accordance with Articles 221-3 and 221-4 of the *Règlement Général* of the *Autorité des marchés financiers* and 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/ies where the Regulated Market on which such Notes is/are listed and admitted to trading.
- (b) Notices to the holders of Materialised Bearer Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if published (a) so long as such Notes are admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *Les Échos*) or, (b) in a daily leading newspaper of general circulation in Europe (which is expected to be the Financial Times) or (c) they are published in accordance with Articles 221-3 and 221-4 of the *Règlement Général* of the *Autorité des marchés financiers* and 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/ies where the Regulated Market on which such Notes is/are listed and admitted to trading.
- (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 Bearer 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, Luxembourg 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 14(a), (b) and (c) above; except that (i) so long as such Notes are listed on any stock exchange(s) and the rules applicable to that stock exchange so require, notices shall also be published in a daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes is/are listed and (ii) notices relating to the

convocation and decision(s) of the General Meetings pursuant to Condition 11 shall also be published in a leading newspaper of general circulation in Europe.

**15 Governing Law and Jurisdiction**

- (a) **Governing Law:** The Notes (and, where applicable, the Coupons and the Talons) and any 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 shall be brought exclusively before any competent court of the jurisdiction of the Paris Court of Appeal.

## TECHNICAL ANNEX

*The provisions below are supplemental to the Conditions. In case of any inconsistency between the provisions of this Technical Annex and the Conditions, the provisions of this Technical Annex shall prevail. The capitalised terms not defined below shall have the meaning ascribed to them in the Conditions.*

### **Definitions Schedule**

"**CMS<sub>n</sub>Y**" is determined as provided in Condition 5(c)(iv)(C)(e), subject to the following modifications: "Interest Determination Date" shall be deemed to be a reference to "Reset Date i", "Designated Maturity" shall be replaced by "n", the Relevant Screen Page shall be "Reuters page ISDAFIX2", the Specified Time shall be "11:00 am Frankfurt Time" and the Reference Currency shall be "Euro".

"**CPI**" is determined as provided in Condition 5(c)(v)(A), subject to the following modification: "Interest Determination Date" shall be deemed to be a reference to "Reset Date i".

"**EONIA**" is determined as provided in Condition 5(c)(iv)(C)(d), subject to the following modification: "Interest Determination Date" shall be deemed to be a reference to "Reset Date i".

"**Euribor n M**" is determined as provided in Conditions 5(c)(iv)(C)(a), 5(c)(iv)(C)(b) and 5(c)(iv)(C)(c), subject to the following modification: "Interest Determination Date" shall be deemed to be a reference to "Reset Date i".

"**HICP**" is determined as provided in Condition 5(c)(v)(B), subject to the following modification: "Interest Determination Date" shall be deemed to be a reference to "Reset Date i".

"**i**" means a number which corresponds to an item specified as such in the relevant Final Terms.

"**Interest Payment Date i**" means a date corresponding to an i number as specified in the relevant Final Terms.

"**Interest Payment Date i-1**" means with respect to (a) an Interest Payment Date i (other than the first Interest Payment Date), the immediately preceding Interest Payment Date i or (b) an Interest Payment Date i that is the first Interest Payment Date, the Interest Commencement Date.

"**Interest Payment Dates**" means each Interest Payment Date i.

"**Max(...;...;...)**" means the mathematical highest term of the series of numbers between the parenthesis.

"**Min(...;...;...)**" means the mathematical smallest term of the series of numbers between the parenthesis.

"**n**" means the maturity specified in the relevant Final Terms.

"**OIS (D, M)**" means the daily capitalization of EONIA between the dates D and M. D and M are the days of a calendar month specified in the relevant Final Terms.

Where

- T1, ...Ti,..... Tn are TARGET business days between D et M excluded.
- $$\text{OIS}(D, M) = \left[ \left[ \frac{1 + \text{EONIA}(D)}{360} \right]^{(T1-D)} - 1 \right]^{*360/T1-D} \dots \left[ \left[ \frac{1 + \text{EONIA}(Ti)}{360} \right]^{(Ti+1-Ti)} - 1 \right]^{*360/Ti+1-Ti} \dots \left[ \left[ \frac{1 + \text{EONIA}(Tn)}{360} \right]^{(M-Tn)} - 1 \right]^{*360/M-Tn}$$

"**Reset Date i**" means a date corresponding to an i number as specified in the relevant Final Terms.

"**Reset Dates**" means each Reset Date i.

"TEC10" is determined as provided in Condition 5(c)(iv)(C)(f), subject to the following modification: "Interest Determination Date" shall be deemed to be a reference to "Reset Date i".

"Trigger Event" means an event specified as such in the relevant Final Terms and the occurrence of which will lead to a change in the interest payable under the Notes as specified in the relevant Final terms. Such event (i) will occur automatically at dates set out in the relevant Final Terms or (ii) may occur at dates specified in the relevant Final Terms on which the Issuer may elect to change the interest payable under the Notes.

"Trigger Date" means dates specified in the relevant Final Terms when a Trigger Event specified in the relevant Final Terms may occur.

"YoY HICP I" means the HICP rate with 6 decimals rounded to the nearest digit.

"YoY CPI I" means the CPI rate with 6 decimals rounded to the nearest digit.

"+" means the mathematical sign for addition.

"-" means the mathematical sign for subtraction.

"\*" means the mathematical sign for multiplication.

"/" means the mathematical sign for division.

"^" means the mathematical sign for power.

**A. Formulas applicable to the Interest Amount**

CMSnY Range Accrual	<p>If CMSnY Range Accrual is specified as applicable in the relevant Final Terms, the Interest Amount payable on each Interest Payment Date i shall be calculated in accordance with the following formula:</p> $\text{Specified Denomination} * X * N_i / NT_i * DCF_i$ <p>Where</p> <ul style="list-style-type: none"> <li>• X is an annual interest rate specified as a percentage in the relevant Final Terms</li> <li>• CMSnY i is the value of CMSnY on Reset Date i.</li> <li>• BH and BL are annual interest rates specified as a percentage in the relevant Final Terms</li> <li>• If BH and BL are specified as applicable in the relevant Final Terms, N<sub>i</sub> is the number of TARGET Business Days between Interest Payment Date i-1 (included) and Interest Payment Date i (excluded) when the CMSnY is equal to or higher than BL and lower than BH. If BL is specified as not applicable in the relevant Final Terms, N<sub>i</sub> is the number of TARGET Business Days between Interest Payment Date i-1 (included) and Interest Payment Date i (excluded) when the CMSnY is equal to or lower than BH.</li> <li>• If BH is specified as not applicable in the relevant Final Terms, N<sub>i</sub> is the number of TARGET Business Days between Interest Payment Date i-1 (included) and Interest Payment Date i (excluded) when the CMSnY is equal to or higher than BL.</li> <li>• NT<sub>i</sub> is the number of TARGET Business Days between Interest Payment Date i-1 (included) and Interest Payment Date i (excluded).</li> <li>• DCF<sub>i</sub> means the Day Count Fraction relating to the period</li> </ul>
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	commencing on (and including) the Interest Payment Date i-1 to (but excluding) the Interest Payment Date i as specified in the relevant Final Terms.
CMSnY Floater	<p>If CMSnY Floater is specified as applicable in the relevant Final Terms, the Interest Amount payable on each Interest Payment Date i shall be calculated in accordance with the following formula:</p> <p>Specified Denomination * (A * CMSnY i + B) * DCFi</p> <p>Where</p> <ul style="list-style-type: none"> <li>• A and B are numbers, A being positive, B either positive or negative, specified in the relevant Final Terms.</li> <li>• CMSnY i is the value of CMSnY on Reset Date i.</li> <li>• DCFi means the Day Count Fraction relating to the period commencing on (and including) the Interest Payment Date i-1 to (but excluding) the Interest Payment Date i as specified in the relevant Final Terms.</li> </ul>
CMSnY Reverse Floater	<p>If CMSnY Reverse Floater is specified as applicable in the relevant Final Terms, the Interest Amount payable on each Interest Payment Date i shall be calculated in accordance with the following formula:</p> <p>Specified Denomination * (B - A * CMSnY i) * DCFi</p> <p>Where</p> <ul style="list-style-type: none"> <li>• A is a positive percentage and B is positive number specified in the relevant Final Terms.</li> <li>• CMSnY i is the value of CMSnY on Reset Date i.</li> <li>• DCFi means the Day Count Fraction relating to the period commencing on (and including) the Interest Payment Date i-1 to (but excluding) the Interest Payment Date i as specified in the relevant Final Terms.</li> </ul>
CMSnY Cap	<p>If CMSnY Cap is specified as applicable in the relevant Final Terms, the Interest Amount payable on each Interest Payment Date i shall be calculated in accordance with the following formula:</p> <p>Specified Denomination * Ri * DCFi</p> <p>Where</p> <ul style="list-style-type: none"> <li>• C and X are annual interest rates specified as percentages in the relevant Final Terms.</li> <li>• CMSnY i is the value of CMSnY on Reset Date i.</li> <li>• Ri is equal to: <math>X + \text{Max}[0; \text{CMSnY } i - C]</math>.</li> <li>• DCFi means the Day Count Fraction relating to the period commencing on (and including) the Interest Payment Date i-1 to (but excluding) the Interest Payment Date i as specified in the relevant Final Terms.</li> </ul>
CMSnY Cap Spread	<p>If CMSnY Cap Spread is specified as applicable in the relevant Final Terms, the Interest Amount payable on each Interest Payment Date i shall be calculated in accordance with the following formula:</p> <p>Specified Denomination * Ri * DCFi</p> <p>Where</p> <ul style="list-style-type: none"> <li>• C, D and X are annual interest rates specified as percentages in the</li> </ul>

	<p>relevant Final Terms.</p> <ul style="list-style-type: none"> <li>• CMSnY <math>i</math> is the value of CMSnY on Reset Date <math>i</math>.</li> <li>• <math>R_i</math> is equal to: <math>X + \text{Max}[0; \text{Min}(\text{CMSnY } i; D) - C]</math>.</li> <li>• DCF<math>_i</math> means the Day Count Fraction relating to the period commencing on (and including) the Interest Payment Date <math>i-1</math> to (but excluding) the Interest Payment Date <math>i</math> as specified in the relevant Final Terms.</li> </ul>
CMSnY Floor Spread	<p>If CMSnY Floor Spread is specified as applicable in the relevant Final Terms, the Interest Amount payable on each Interest Payment Date <math>i</math> shall be calculated in accordance with the following formula:</p> <p>Specified Denomination * <math>R_i</math> * DCF<math>_i</math></p> <p>Where</p> <ul style="list-style-type: none"> <li>• C, D and X are annual interest rates specified as percentages in the relevant Final Terms.</li> <li>• CMSnY <math>i</math> is the value of CMSnY on Reset Date <math>i</math>.</li> <li>• <math>R_i</math> is equal to: <math>X + \text{Max}[0; C - \text{Max}(\text{CMSnY } i; D)]</math>.</li> <li>• DCF<math>_i</math> means the Day Count Fraction relating to the period commencing on (and including) the Interest Payment Date <math>i-1</math> to (but excluding) the Interest Payment Date <math>i</math> as specified in the relevant Final Terms.</li> </ul>
CMSnY Butterfly	<p>If CMSnY Butterfly is specified as applicable in the relevant Final Terms, the Interest Amount payable on each Interest Payment Date <math>i</math> shall be calculated in accordance with the following formula:</p> <p>Specified Denomination * <math>R_i</math> * DCF<math>_i</math></p> <p>Where</p> <ul style="list-style-type: none"> <li>• C, D, X and Y are annual interest rates specified as percentages in the relevant Final Terms.</li> <li>• CMSnY <math>i</math> is the value of CMSnY on Reset Date <math>i</math>.</li> <li>• <math>R_i</math> is equal to: <math>\text{Min}[X + \text{Max}[0; \text{CMSnY } i - C]; Y + \text{Max}[0; D - \text{CMSnY } i]]</math></li> <li>• DCF<math>_i</math> means the Day Count Fraction relating to the period commencing on (and including) the Interest Payment Date <math>i-1</math> to (but excluding) the Interest Payment Date <math>i</math> as specified in the relevant Final Terms.</li> </ul>
Capped/Floored CMSnY Reverse Floater	<p>If Capped/Floored CMSnY Reverse Floater is specified as applicable in the relevant Final Terms, the Interest Amount payable on each Interest Payment Date <math>i</math> shall be calculated in accordance with the following formula:</p> <p>Specified Denomination * <math>R_i</math> * DCF<math>_i</math></p> <p>Where</p> <ul style="list-style-type: none"> <li>• C and F are annual interest rates specified as percentages in the relevant Final Terms.</li> <li>• A is a positive percentage and B is positive number specified in the relevant Final Terms.</li> <li>• CMSnY <math>i</math> is the value of CMSnY on Reset Date <math>i</math>.</li> <li>• <math>R_i</math> is equal to: <math>\text{Max}[F; \text{Min}(B - A * \text{CMSnY } i; C)]</math>.</li> <li>• DCF<math>_i</math> means the Day Count Fraction relating to the period commencing on (and including) the Interest Payment Date <math>i-1</math> to (but</li> </ul>

	excluding) the Interest Payment Date $i$ as specified in the relevant Final Terms.
Tec10 Floater	<p>If TEC10 Floater is specified as applicable in the relevant Final Terms, the Interest Amount payable on each Interest Payment Date <math>i</math> shall be calculated in accordance with the following formula:</p> <p>Specified Denomination * <math>[(1+TEC10 + B)^{(1/4)}-1]</math>* DCF<math>_i</math></p> <p>Where</p> <ul style="list-style-type: none"> <li>• B is a number either positive or negative, specified in the relevant Final Terms.</li> <li>• TEC10 is the value of TEC10 on Reset Date <math>i</math>.</li> <li>• DCF<math>_i</math> means the Day Count Fraction relating to the period commencing on (and including) the Interest Payment Date <math>i-1</math> to (but excluding) the Interest Payment Date <math>i</math> as specified in the relevant Final Terms.</li> </ul>
TEC 10 Cap Spread	<p>If TEC10 Cap Spread is specified as applicable in the relevant Final Terms, the Interest Amount payable on each Interest Payment Date <math>i</math> shall be calculated in accordance with the following formula:</p> <p>Specified Denomination * <math>( X + \text{Max}[(1 + TEC10)^{1/4} - ( 1 + A )^{1/4} , 0 ] - \text{Max}[(1 + TEC10)^{1/4} - (1 + B)^{1/4} , 0 ] )</math> * DCF<math>_i</math></p> <p>Where</p> <ul style="list-style-type: none"> <li>• A, B and X are annual interest rates specified as percentages in the relevant Final Terms.</li> <li>• TEC10 is the value of TEC10 on Reset Date <math>i</math>.</li> <li>• DCF<math>_i</math> means the Day Count Fraction relating to the period commencing on (and including) the Interest Payment Date <math>i-1</math> to (but excluding) the Interest Payment Date <math>i</math> as specified in the relevant Final Terms.</li> </ul>
Euribor Floater	<p>If Euribor Floater is specified as applicable in the relevant Final Terms, the Interest Amount payable on each Interest Payment Date <math>i</math> shall be calculated in accordance with the following formula:</p> <p>Specified Denomination * <math>( A * \text{Euribor } n M i + B )</math> * DCF<math>_i</math></p> <p>Where</p> <ul style="list-style-type: none"> <li>• A is a percentage and B is a number, A being positive, B either positive or negative, specified in the relevant Final Terms.</li> <li>• Euribor <math>n M i</math> is the value of Euribor <math>n M</math> on Reset Date <math>i</math>.</li> <li>• DCF<math>_i</math> means the Day Count Fraction relating to the period commencing on (and including) the Interest Payment Date <math>i-1</math> to (but excluding) the Interest Payment Date <math>i</math> as specified in the relevant Final Terms.</li> </ul>
Capped/Floored Euribor Floater	<p>If Capped/Floored Euribor Floater is specified as applicable in the relevant Final Terms, the Interest Amount payable on each Interest Payment Date <math>i</math> shall be calculated in accordance with the following formula:</p> <p>Specified Denomination * <math>R_i</math> * DCF<math>_i</math></p> <p>Where</p>

	<ul style="list-style-type: none"> <li>• C and F are annual interest rates specified as percentages in the relevant Final Terms.</li> <li>• Euribor n M i is the value of Euribor n M on Reset Date i.</li> <li>• Ri is equal to: Max[F; Min(Euribor n M i; C)].</li> <li>• DCFi means the Day Count Fraction relating to the period commencing on (and including) the Interest Payment Date i-1 to (but excluding) the Interest Payment Date i as specified in the relevant Final Terms.</li> </ul>
Euribor Reverse Floater	<p>If Euribor Reverse Floater is specified as applicable in the relevant Final Terms, the Interest Amount payable on each Interest Payment Date i shall be calculated in accordance with the following formula:</p> <p>Specified Denomination * (B - A * Euribor n M i) * DCFi</p> <p>Where</p> <ul style="list-style-type: none"> <li>• A is a positive percentage and B is positive number specified in the relevant Final Terms.</li> <li>• Euribor n M i is the value of Euribor n M on Reset Date i.</li> <li>• DCFi means the Day Count Fraction relating to the period commencing on (and including) the Interest Payment Date i-1 to (but excluding) the Interest Payment Date i as specified in the relevant Final Terms.</li> </ul>
Capped/Floored Euribor Reverse Floater	<p>If Capped/Floored Euribor Reverse Floater is specified as applicable in the relevant Final Terms, the Interest Amount payable on each Interest Payment Date i shall be calculated in accordance with the following formula:</p> <p>Specified Denomination * Ri * DCFi</p> <p>Where</p> <ul style="list-style-type: none"> <li>• C and F are annual interest rates specified as percentages in the relevant Final Terms.</li> <li>• A is a positive percentage and B is positive number specified in the relevant Final Terms.</li> <li>• Euribor n M i is the value of Euribor n M on Reset Date i.</li> <li>• Ri is equal to: Max[F; Min(B - A * Euribor n M i; C)].</li> <li>• DCFi means the Day Count Fraction relating to the period commencing on (and including) the Interest Payment Date i-1 to (but excluding) the Interest Payment Date i as specified in the relevant Final Terms.</li> </ul>
Spread Floater	<p>If Spread Floater is specified as applicable in the relevant Final Terms, the Interest Amount payable on each Interest Payment Date i shall be calculated in accordance with the following formula:</p> <p>Specified Denomination * Ri * DCFi</p> <p>Where</p> <ul style="list-style-type: none"> <li>• A and B are percentages and C is a number specified in the relevant Final Terms.</li> <li>• VR1 and VR2 are either Euribor n M or CMSmY on the Reset Date</li> </ul>

	<p>i, as specified in the relevant Final Terms.</p> <ul style="list-style-type: none"> <li>• <math>R_i</math> is equal to <math>A * VR1 + B * VR2 + C</math>.</li> <li>• DCF<sub>i</sub> means the Day Count Fraction relating to the period commencing on (and including) the Interest Payment Date i-1 to (but excluding) the Interest Payment Date i as specified in the relevant Final Terms.</li> </ul>
OIS Floater	<p>If OIS Floater is specified as applicable in the relevant Final Terms, the Interest Amount payable on each Interest Payment Date i shall be calculated in accordance with the following formula:</p> <p>Specified Denomination * (A * OIS<sub>i</sub> + B) * DCF<sub>i</sub></p> <p>Where</p> <ul style="list-style-type: none"> <li>• A is a percentage and B is a number, A being positive, B either positive or negative as specified in the relevant Final Terms.</li> <li>• OIS<sub>i</sub> is equal to the value of the OIS on the Reset Date i being the daily capitalization of the EONIA between D and M that are specified in the relevant Final Terms.</li> <li>• DCF<sub>i</sub> means the Day Count Fraction relating to the period commencing on (and including) the Interest Payment Date i-1 to (but excluding) the Interest Payment Date i as specified in the relevant Final Terms.</li> </ul>
Variable Rate to Fixed Formula	<p>If Variable Rate to Fixed Formula is specified as applicable in the relevant Final Terms, the Interest Amount payable on each Interest Payment Date i shall be calculated in accordance with the following formula:</p> <p>Specified Denomination * <math>R_i</math> * DCF<sub>i</sub></p> <p>Where</p> <ul style="list-style-type: none"> <li>• F is an annual interest rate specified as percentages in the relevant Final Terms.</li> <li>• A is a percentage and B is a number, A being positive, B either positive or negative, specified in the relevant Final Terms.</li> <li>• Euribor n M<sub>i</sub> is the value of Euribor n M on Reset Date i.</li> <li>• <math>R_i</math> is equal to: <ul style="list-style-type: none"> <li>– <math>A * \text{Euribor } M_i + B</math> if Reset Date i falls on or before the Trigger Date or if the Trigger Event has not occurred on the Trigger Date or</li> <li>– F if Reset Date i falls after the Trigger Date and the Trigger Event has occurred.</li> </ul> </li> <li>• DCF<sub>i</sub> means the Day Count Fraction relating to the period commencing on (and including) the Interest Payment Date i-1 to (but excluding) the Interest Payment Date i as specified in the relevant Final Terms.</li> </ul>
Fixed Rate to Variable Formula	<p>If Fixed Rate to Variable Formula is specified as applicable in the relevant Final Terms, the Interest Amount payable on each Interest Payment Date i shall be calculated in accordance with the following formula:</p> <p>Specified Denomination * <math>R_i</math> * DCF<sub>i</sub></p>

	<p>Where</p> <ul style="list-style-type: none"> <li>• F is an annual interest rate specified as a percentage in the relevant Final Terms.</li> <li>• A is a percentage and B is a number, A being positive, B either positive or negative, specified in the relevant Final Terms.</li> <li>• Euribor n M i is the value of Euribor n M on Reset Date i.</li> <li>• Ri is equal to: <ul style="list-style-type: none"> <li>– F if Reset Date i falls on or before the Trigger Date or if the Trigger Event has not occurred on the Trigger Date or</li> <li>– A * Euribor M i + B if Reset Date i is greater than the Trigger Date and the Trigger Event has occurred.</li> </ul> </li> <li>• DCFi means the Day Count Fraction relating to the period commencing on (and including) the Interest Payment Date i-1 to (but excluding) the Interest Payment Date i as specified in the relevant Final Terms.</li> </ul>
YoY French Inflation	<p>If YoY French Inflation is specified as applicable in the relevant Final Terms, the Interest Amount payable on each Interest Payment Date i shall be calculated in accordance with the following formula:</p> <p>Specified Denomination * (A * YoY CPI I i + B) * DCFi</p> <p>Where</p> <ul style="list-style-type: none"> <li>• A is a percentage and B is a number, A being positive, B either positive or negative as specified in the relevant Final Terms.</li> <li>• YoY CPI I i is the YoY CPI I value for the Reset Date i as specified in the relevant Final Terms.</li> <li>• DCFi means the Day Count Fraction relating to the period commencing on (and including) the Interest Payment Date i-1 to (but excluding) the Interest Payment Date i as specified in the relevant Final Terms.</li> </ul>
YoY HICP Inflation	<p>If YoY HICP Inflation is specified as applicable in the relevant Final Terms, the Interest Amount payable on each Interest Payment Date i shall be calculated in accordance with the following formula:</p> <p>Specified Denomination * (A * YoY HICP I i + B) * DCFi</p> <p>Where</p> <ul style="list-style-type: none"> <li>• A is a percentage and B is a number, A being positive, B either positive or negative as specified in the relevant Final Terms.</li> <li>• YoY HICP I i is the YoY HICP I value for the Reset Date i as specified in the relevant Final Terms.</li> <li>• DCFi means the Day Count Fraction relating to the period commencing on (and including) the Interest Payment Date i-1 to (but excluding) the Interest Payment Date i as specified in the relevant Final Terms.</li> </ul>
<p><b>B. Formulas applicable to the Final Redemption Amount</b></p>	
Zero Coupon French	<p>If Zero Coupon French Inflation is specified as applicable in the relevant Final</p>

Inflation	<p>Terms, the Final Redemption Amount payable on the Maturity Date shall be the amount determined in accordance with the following formula:</p> <p>Specified Denomination * (CPI T / CPI 0 – 1 + A)</p> <p>Where</p> <ul style="list-style-type: none"> <li>• A is a number, either positive or negative as specified in the relevant Final Terms.</li> <li>• CPI T is the value of the CPI on the Maturity Date.</li> <li>• CPI 0 is the value of the CPI on the Issue Date as specified in the relevant Final Terms.</li> <li>• The ratio CPI T / CPI 0 is calculated with 6 decimals rounded to the nearest digit.</li> </ul>
Zero Coupon HICP Inflation	<p>If Zero Coupon HICP Inflation is specified as applicable in the relevant Final Terms, the Final Redemption Amount payable on the Maturity Date shall be the amount determined in accordance with the following formula:</p> <p>Specified Denomination * (HICP T / HICP 0 – 1 + A)</p> <p>Where</p> <ul style="list-style-type: none"> <li>• A is a number, either positive or negative as specified in the relevant Final Terms.</li> <li>• HICP T is the value of the HICP on the Maturity Date.</li> <li>• HICP 0 is the value of the HICP on the Issue Date as specified in the relevant Final Terms.</li> <li>• The ratio HICP T / HICP 0 is calculated with 6 decimals rounded to the nearest digit.</li> </ul>
<b>C. Formulas applicable to both the Interest Amount and the Final Redemption Amount</b>	
French Inflation Bond Formula	<p>If French Inflation Bond Formula is specified as applicable in the relevant Final Terms, the Interest Amount payable on each Interest Payment Date i shall be calculated in accordance with the following formula:</p> <p>Specified Denomination * R * CPI i / CPI 0 * DCFi</p> <p>Where</p> <ul style="list-style-type: none"> <li>• R is an annual interest rate specified as a percentage in the relevant Final Terms.</li> <li>• CPI i is the value of the CPI on the relevant Interest Payment Date i.</li> <li>• CPI 0 is the value of the CPI on the Issue Date as specified in the relevant Final Terms.</li> <li>• The ratio CPI i / CPI 0 is calculated with 6 decimals rounded to the nearest digit.</li> <li>• DCFi means the Day Count Fraction relating to the period commencing on (and including) the Interest Payment Date i-1 to (but excluding) the Interest Payment Date i as specified in the relevant Final Terms.</li> </ul> <p>If French Inflation Bond Formula is specified as applicable in the relevant Final Terms, the Final Redemption Amount payable on the Maturity Date shall be the amount determined in accordance with the following formula:</p>

	<p>Specified Denomination * Max(CPI T / CPI 0;1)</p> <p>Where</p> <ul style="list-style-type: none"> <li>• CPI T is the value of the CPI on the Maturity Date.</li> <li>• CPI 0 is the value of the CPI on the Issue Date as specified in the relevant Final Terms.</li> <li>• The ratio CPI T / CPI 0 is calculated with 6 decimals rounded to the nearest digit.</li> </ul>
<p>European Inflation Bond Formula</p>	<p>If European Inflation Bond Formula is specified as applicable in the relevant Final Terms, the Interest Amount payable on each Interest Payment Date i shall be calculated in accordance with the following formula:</p> <p>Specified Denomination * R * HICP i / HICP 0 * DCFi</p> <p>Where</p> <ul style="list-style-type: none"> <li>• R is an annual interest rate specified as a percentage in the relevant Final Terms.</li> <li>• HICP i is the value of the HICP on the relevant Interest Payment Date i.</li> <li>• HICP 0 is the value of the HICP on the Issue Date as specified in the relevant Final Terms.</li> <li>• The ratio HICP i / HICP 0 is calculated with 6 decimals rounded to the nearest digit.</li> <li>• DCFi means the Day Count Fraction relating to the period commencing on (and including) the Interest Payment Date i-1 to (but excluding) the Interest Payment Date i as specified in the relevant Final Terms.</li> </ul> <p>If European Inflation Bond Formula is specified as applicable in the relevant Final Terms, the Final Redemption Amount payable on the Maturity Date shall be the amount determined in accordance with the following formula:</p> <p>Specified Denomination * Max(HICP T / HICP 0;1)</p> <p>Where</p> <ul style="list-style-type: none"> <li>• HICP T is the value of the HICP on the Maturity Date.</li> <li>• HICP 0 is the value of the HICP on the Issue Date as specified in the relevant Final Terms.</li> <li>• The ratio HICP T / HICP 0 is calculated with 6 decimals rounded to the nearest digit.</li> </ul>

## TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALIZED BEARER NOTES

### Temporary Global Certificates

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Materialised Bearer Notes. Upon the initial deposit of such Temporary Global Certificate with a common depository for Euroclear and Clearstream, Luxembourg (the "**Common Depository**"), Euroclear or Clearstream, Luxembourg 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 Depository 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, Luxembourg 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, Luxembourg or other clearing systems.

### Exchange

Each Temporary Global Certificate issued in respect of Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see "GENERAL DESCRIPTION OF THE PROGRAMME — Selling Restrictions"), in whole, but not in part, for the Definitive Materialised Bearer Notes; and
- (ii) 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 Bearer Notes.

### Delivery of Definitive Materialised Bearer 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 Bearer Notes. In this Base Prospectus, "**Definitive Materialised Bearer Notes**" means, in relation to any Temporary Global Certificate, the Definitive Materialised Bearer Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons and a Talon). Definitive Materialised Bearer Notes will be security printed in accordance with any applicable legal and Regulated Market requirements. Forms of such Definitive Materialised Bearer Notes shall be available at the specified offices of any of the Paying Agent(s).

### Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Certificate, the day falling after the expiry of 40 days after its issue date, provided that, in the event any further Materialised Notes are issued prior to such day pursuant to Condition 14(a), the Exchange Date for such Temporary Global Certificate shall be postponed to the day falling after the expiry of 40 days after the issue of such further Materialised Notes.

## **USE OF PROCEEDS**

The net proceeds of the issue of the Notes will be applied by the Issuer for general corporate purposes. If in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## DESCRIPTION OF THE ISSUER

Information on the Issuer is set out in the Issuer's 2015 Reference Document filed with the AMF under n° D.16-0147 on 16 March 2016, incorporated herein by reference. (Please refer to the cross reference list on pages 22 to 27).

La Banque Postale, a limited company with Executive and Supervisory Boards, is the parent company of La Banque Postale Group.

A civic-minded bank, it has assumed La Poste's values of trust, accessibility and local presence, endowing it from the start with an unusual and unique positioning in the French market. This policy is driven by an offer based on low service rates, access for all customers and a simple product range that focuses on customer needs.

La Banque Postale Group's business is focused on retail banking activities in France. It is organised around three business lines:

- retail banking, its core business, mainly focused on individual customers, and extended to corporate customers in 2011 and local authorities in 2012;
- insurance (life insurance, contingency, property and casualty and health); and
- asset management (asset management subsidiaries).

## TAXATION

*The following is a summary of certain tax considerations relating to the Notes. This summary is based on the laws in force in France, Hong-Kong, Japan, the People's Republic of China, Singapore and the United-States as of the date of this Base Prospectus and is subject to any changes in law and interpretation thereof, possibly with a retroactive effect. It does not aim to be a comprehensive description of all tax considerations that may be relevant for a decision to invest in the Notes. Persons who are in any doubt as to their tax position should consult a professional tax adviser.*

### FRANCE

*The following is a summary limited to certain tax considerations in France relating to the holding of Notes that may be issued under the Programme. 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**

*The following specifically contains information on taxes on the income from the Notes withheld at source relevant to Noteholders who do not concurrently hold shares of the Issuer.*

Payments of interest and other revenues made by the Issuer with respect to the Notes 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 in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of an 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 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 in such a Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* of the French *Code général des impôts*, at a rate of 30 per cent. or 75 per cent. (subject to the more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor the Deductibility Exclusion will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* 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 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 regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the

operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

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

#### ***Payments to individuals fiscally domiciled in France***

Pursuant to Article 125 A of the French *Code général des impôts* and subject to certain limited exceptions, where the paying agent (*établissement payeur*) is established in France, interest and similar income received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24 per cent. 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 per cent. on such interest and similar income received by individuals fiscally domiciled (*domiciliés fiscalement*) in France.

#### **HONG KONG**

*The statements below regarding taxation are based on the law and practice of Hong Kong at the date of this Base Prospectus and are subject to any subsequent changes in law or practice (which could be made on a retrospective basis). The following statements do not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and may not apply equally to all persons. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the tax consequences of their ownership of the Notes.*

#### **Withholding Tax**

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

#### **Profits Tax**

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the "**Inland Revenue Ordinance**"), as it is currently applied by the Inland Revenue Department, interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Notes is derived from Hong Kong and is received by or accrues to a company, other than a financial institution, carrying on a trade, profession or business in Hong Kong; or
- (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a company, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business; or
- (iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of Notes will be subject to profits tax.

Sums derived from the sale, disposal or redemption of Bearer Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source. Similarly, such sums in respect of Registered Notes received by or accrued to either the aforementioned person and/or a financial institution will be subject to Hong Kong profits tax if such sums have a Hong Kong source.

The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed.

### **Stamp Duty**

Stamp duty will not be payable on the issue of Bearer Notes by the Issuer provided that either:

- (i) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong (the "**Stamp Duty Ordinance**")).

If stamp duty is payable, it is payable by the Issuer on issue of Bearer Notes at a rate of 3 per cent. of the market value of the Notes at the time of issue.

No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfers of Registered Notes provided that either:

- (i) the Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) the Registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance).

If stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the amount or value of the consideration. If, in the case of either the sale or purchase of such Registered Notes, stamp duty is not paid, both the seller and the purchaser may be liable jointly and severally to pay any unpaid stamp duty and also any penalties for late payment. If stamp duty is not paid on or before the due date (two days after the sale or purchase if effected in Hong Kong or 30 days if effected elsewhere) a penalty of up to 10 times the duty payable may be imposed. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

### **JAPAN**

The payment of principal and interest in respect of the Notes issued by an Issuer to a non-resident of Japan or a non-Japanese corporation will, under Japanese tax laws currently in effect, not be subject to any Japanese income or corporation taxes unless the relevant payment is attributable to permanent establishment in Japan, if any, of such non-resident of Japan or non-Japanese corporation.

Gains derived from the sale outside Japan of Notes by a non-resident of Japan or a non-Japanese corporation are in general not subject to Japanese income or corporation taxes. Gains derived from the sale in Japan of Notes by a non-resident of Japan or a non-Japanese corporation are in general not subject to Japanese income or corporation taxes except where the relevant proceeds are attributable to permanent establishment in Japan, if any, of such non-resident of Japan or non-Japanese corporation.

Japanese inheritance and gift taxes at progressive rates may be payable by a resident in Japan who has acquired Notes as legatee, heir or donee, and a non-resident of Japan who has acquired Notes as legatee, heir or donee under certain circumstances such as the decedent was a resident in Japan.

No stamp, issue, registration or similar taxes or duties will, under present Japanese law, be payable by Noteholders in connection with the issue of the Notes.

## **PEOPLE'S REPUBLIC OF CHINA (PRC)**

*The following summary describes the principal PRC tax consequences of ownership of the Notes by beneficial owners who, or which, are residents of mainland China for PRC tax purposes. These beneficial owners are referred to as PRC holders in this "PRC Taxation" section. If you are considering the purchase of the Notes, you should consult your own tax advisors with regard to the application of PRC tax laws to your particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.*

If the holder of the Notes is a PRC entity or individual who, or which, is a resident of mainland China ("**PRC Resident**"), for PRC tax purposes, pursuant to the PRC Enterprise Income Tax Law (the "**CIT Law**") and the PRC Individual Income Tax Law and their respective implementation rules, an income tax shall be levied on both capital gains and payment of interest received by the PRC Resident in respect of the Notes. The current rates of such income tax are 20 per cent. (for individual PRC tax residents) and 25 per cent. (for any enterprises incorporated in the PRC or otherwise deemed to be a tax resident of mainland China).

Under the CIT Law and its implementation rules, companies which were incorporated in the PRC and companies which were incorporated outside the PRC but are deemed to have a place of effective management in the PRC (collectively, "**Resident Enterprises**") are subject to corporate income tax ("**CIT**") at the general rate of 25 per cent. on a worldwide basis, with foreign tax credits computed under PRC domestic tax law being allowed; companies incorporated outside the PRC and not deemed to have a place of effective management in the PRC ("**Non resident Enterprises**") would be subject to Chinese CIT only with respect to their income attributable to their respective business establishment ("**BE**") through which they carried on business activities in the PRC or the passive income such as capital gains, dividends, interest and royalties they receive from sources within the PRC.

A "place of effective management" refers to the place where the material and overall management and control over the business, personnel, accounts and assets of the enterprise are exercised. In addition, the State Administration of Taxation issued Circular GuoShuiFa [2009] No. 82 ("**Circular 82**") in April 2009, specifying that certain offshore incorporated enterprises controlled by PRC enterprises or PRC enterprise groups will be classified as PRC resident enterprises if all the following are located or resident in the PRC: senior management personnel and departments that are responsible for daily production, operation and management; financial and personnel decision making bodies; key properties, accounting books, company seal, minutes of board meetings and shareholders' meetings; and half or more of the senior management or directors having voting rights. However, Circular 82 does not apply to non-resident entities not controlled by PRC Resident Enterprises.

Given the foregoing, if a corporate Note holder incorporated outside the PRC but is deemed to have its "place of effective management" located within the PRC, the interest and capital gains paid to such holder may be subject to corporate income tax at a rate of 25 per cent..

## **SINGAPORE**

*The statements below are general in nature and do not purport to comprehensively address the Singapore tax treatment for all kinds of Notes or all holders of the Notes.*

*The statements are based on certain aspects of current tax laws in Singapore, announced budget measures that may not have been enacted and administrative guidelines and circulars issued by the relevant authorities applicable as at the date of this Base Prospectus and are subject to the enactment of such budget measures and any changes in such laws, announced budget measures, administrative guidelines or circulars, or the interpretation of those laws, budget measures, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Base Prospectus are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates.*

*Investors and prospective investors in the Notes should consult their own tax advisers regarding the tax consequences to them of the acquisition, holding or disposal of any Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. In particular, additional or complex tax considerations may apply in relation to structured Notes issued under the Programme. It is emphasised that none of the Issuer, the Joint Bookrunners and any other persons involved in the issuance of the Notes accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.*

## **General**

Individual taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore. Foreign-sourced income received in Singapore on or after 1 January 2004 by a Singapore tax resident individual (except for income received through a partnership in Singapore) is exempt from Singapore income tax if the Comptroller of Income Tax of Singapore is satisfied that the tax exemption would be beneficial to the individual.

Non-resident individuals, subject to certain exemptions, are subject to Singapore income tax on income accruing in or derived from Singapore.

An individual is a tax resident in Singapore in a year of assessment if in the preceding year such individual was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if such individual resides in Singapore.

Corporate taxpayers are subject to Singapore income tax on income accruing in or derived from Singapore and, subject to certain exceptions, on foreign-sourced income received or deemed to be received in Singapore.

Whether income, commissions, fees and other payments on the Notes would be Singapore-source income or foreign-source income would depend on the specific facts, including the circumstances of the taxpayer.

For example, where the income is derived by a licensed bank carrying on business in Singapore, the income is likely to be regarded as Singapore-source trade or business income of the bank, but the position may be different in the case of, for example, a person deriving the income as passive investment income. Noteholders are accordingly advised to consult their own tax advisers regarding the question of whether income, commissions, fees and other payments derived by them from Notes are Singapore-source or foreign-source for Singapore tax purposes.

## Qualifying Debt Securities Scheme

If more than half of a tranche of Notes are distributed by persons who are financial sector incentive (standard-tier) compan(ies) or financial sector incentive (capital-market) compan(ies) or financial sector incentive (bond market) compan(ies) for the purposes of the ITA, that tranche of Notes (the "**Relevant Notes**") issued between the date of this Base Prospectus to 31 December 2018 will constitute "qualifying debt securities" ("**QDS**") for the purpose of the ITA, to which the following treatment shall apply.

Subject to certain conditions having been fulfilled (including the furnishing to the Monetary Authority of Singapore of a Return on Debt Securities for the Relevant Notes within a specified period), interest, discount income (excluding discount income from secondary trading), redemption premium, break cost and prepayment fee (collectively, the "**Qualifying Income**") from the Relevant Notes derived by any company or a body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10 per cent.

The 10 per cent concessionary tax rate for QDS as described above will not apply to companies that hold the financial sector incentive (standard-tier) companies or which are otherwise subject to a special tax regime. Financial sector incentive (standard-tier) companies will enjoy a 12 per cent tax rate, subject to and in accordance with the terms of their incentive award.

However, notwithstanding the foregoing:

- (a) if during the primary launch of the Relevant Notes, the Relevant Notes are issued to fewer than four persons and 50 per cent or more of the issue of the principal amount of the Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, the Relevant Notes would not qualify as "qualifying debt securities"; and
- (b) even though Relevant Notes are "qualifying debt securities", if, at any time during the tenure of the Relevant Notes, 50 per cent or more of the principal amount of the Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from the Relevant Notes held by:
  - (i) any related party of the Issuer; or
  - (ii) any other person where the funds used by such person to acquire the Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the concessionary tax rate described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "**break cost**", "**prepayment fee**" and "**redemption premium**" are defined in the ITA in relation to debt securities and qualifying debt securities, as follows:

"**break cost**" means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

"**prepayment fee**" means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

"**redemption premium**" means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

These terms have the same meanings in this Singapore tax disclosure as in the ITA.

### **The Qualifying Debt Securities Plus Scheme ("QDS+ Scheme")**

Under the QDS+ Scheme, subject to certain conditions and qualifications, income tax exemption is granted on Qualifying Income derived from any investor (including Singaporean investors) from qualifying debt securities (excluding Singapore Government Securities) which:

- (a) are issued during the period from 16 February 2008 to 31 December 2018;
- (b) have an original maturity of not less than 10 years;
- (c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and
- (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

On 28 June 2013, the MAS issued Circular No. FSD Cir 02/2013 (the **Circular**) which sets out amendments to (amongst other things) the QDS+ Scheme.

For the QDS+ Scheme, it was announced that with effect from 28 June 2013, debt securities with “standard” redemption clauses would be allowed to qualify for the QDS+ Scheme at the point of issuance. Examples of “standard” redemption clauses referred to in the Circular are:

- (a) taxation event,
- (b) default event,
- (c) change of control or change of shareholding event,
- (d) change in listing status of an issuer or trading disruption event,
- (e) change of qualification event due to regulatory capital requirements,
- (f) change in accounting classification,
- (g) change in ratings,
- (h) repurchase upon a non-compliance event,
- (i) purchase provision and
- (j) modification and amendment provision.

Please refer to the Circular for further details on the “standard” redemption clauses.

Subsequently, should the debt securities be redeemed prematurely due to the “standard” early redemption clauses (i.e. before the 10th year), the tax benefits conferred by the QDS+ Scheme on qualifying income accrued prior to the redemption will not be clawed back. Instead, qualifying debt securities status under the QDS+ Scheme will be revoked prospectively for outstanding debt securities (if any) and the issuer must inform the MAS and holders of the debt securities of such revocation. The outstanding debt securities may still enjoy tax benefits under the Qualifying Debt Securities Scheme if the other conditions under the scheme continues to be met.

Notwithstanding the foregoing, debt securities with embedded options with economic value (e.g. call, put, conversion or exchange options which can be triggered at specified prices or dates and are built into the bond’s

pricing at the onset) which can be exercised within ten years from the date of issuance will continue to be excluded from the QDS+ Scheme from the onset.

### **Capital Gains**

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Taxpayers who adopt FRS 39 for tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39. Please see the section below on "Adoption of FRS 39 Treatment for Singapore Income Tax Purposes".

### **Adoption of FRS 39 Treatment for Singapore Income Tax Purposes**

On 30 December 2005, the Inland Revenue Authority of Singapore issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement" (the "**FRS 39 Circular**"). The Income Tax Act has since been amended to give legislative effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain "opt-out" provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

On 11 December 2014, the Accounting Standards Council issued a new financial reporting standard for financial instruments, FRS 109 – Financial Instruments, which will become mandatorily effective for annual periods beginning on or after 1 January 2018. It is at present unclear whether, and to what extent, the replacement of FRS 39 by FRS 109 will affect the tax treatment of financial instruments which currently follow FRS 39.

### **Estate Duty**

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

### **FOREIGN ACCOUNT TAX COMPLIANCE ACT**

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and potentially a 30 per cent withholding tax with respect to certain payments to any non-U.S. financial institution (a "**foreign financial institution**", or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA. The Issuer is classified as an FFI.

The new withholding regime is now in effect for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2019. This withholding would potentially apply to payments in respect of (i) any Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued after the "**grandfathering date**", which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified after the grandfathering date and (ii) any Notes characterized as equity or which do not have

a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued on or before the grandfathering date, and additional Notes of the same series are issued after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have entered into, or have agreed in principle to, intergovernmental agreements to facilitate the implementation of FATCA (each, an "IGA"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and France have entered into an agreement (the "**U.S.-France IGA**") based largely on the Model 1 IGA.

If the Issuer is treated as a Reporting FI pursuant to the U.S.-France IGA, it does not anticipate that it will be obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Notes are made may be required to deduct FATCA Withholding if any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA.

Whilst the Notes are in global form and held within Euroclear and Clearstream, Luxembourg (together, the "ICSDs") or cleared through Euroclear France, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the common depositary, given that each of the entities in the payment chain between the Issuer and the participants in the ICSDs or Euroclear France is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Materialised Notes may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Materialised Notes will only be printed in remote circumstances.

**FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to payments they may receive in connection with the Notes.**

## SUBSCRIPTION AND SALE

### Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 12 September 2016 (as amended or supplemented from time to time, the "**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 resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The 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 Programme and the Dealers for certain of its activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The 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

#### France

Each of the Dealers and the Issuer has represented and agreed that (i) it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and offers and sales of Notes will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), to the exclusion of any individual, all 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* and (ii) it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes other than to investors to whom offers and sales of Notes in France may be made as described above.

#### United States

The Notes have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**Securities Act**") or pursuant to an exemption from the registration requirements of the Securities Act. Each Dealer has represented, warranted and agreed that it has not offered or sold the Notes of any identifiable tranche, and shall not offer or sell the Notes of any identifiable tranche (1) as part of their distribution at any time and (2) otherwise until 40 days after the completion of the distribution of such tranche as determined, and certified to the Issuer and each Relevant Dealer, by the Fiscal Agent or, in the case of a syndicated issue, the Lead Manager, except in accordance with Rule 903 of Regulation S. Accordingly, each Dealer, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to the Notes, and it and they have complied and shall comply with the offering restrictions requirement of Regulation S. Each Dealer agrees to notify the Fiscal Agent or, in the case of a syndicated issue, the Lead Manager when it has completed the distribution of its portion of the Notes of any identifiable tranche so that the Fiscal Agent or, in the case of a

syndicated issue, the Lead Manager may determine the completion of the distribution of all Notes of that tranche and notify the other Relevant Dealers of the end of the distribution compliance period. Each Dealer also agrees that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such tranche as determined, and certified to the Issuer and [Relevant Dealers], by [[AGENT]/[LEAD MANAGER]], except in either case in accordance with Regulation S. Terms used above have the meanings given to them by Regulation S.”

Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, unless the Final Terms or the Subscription Agreement relating to one or more Tranches specifies that the applicable TEFRA exemption is either “C Rules” or “not applicable”, each Dealer has represented and agreed in relation to each Tranche of Materialised Notes in Bearer Form:

- (a) except to the extent permitted under U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the “**D Rules**”);
  - (i) it has not offered or sold, and during the restricted period it shall not offer or sell, Materialised Notes in Bearer Form to a person who is within the United States or its possessions or to a United States person; and
  - (ii) it has not delivered and shall not deliver within the United States or its possessions definitive Materialised Notes in Bearer Form that are sold during the restricted period,
- (b) it has and throughout the restricted period shall have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Materialised Notes in Bearer Form are aware that such Materialised Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (c) if it is a United States person, it is acquiring the Materialised Notes in Bearer Form for purposes of resale in connection with their original issuance and if it retains Materialised Notes in Bearer Form for its own account, it shall only do so in accordance with the requirements of U.S. Treasury Regulations §1.163-5(c)(2)(i)(D)(6) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010);
- (d) with respect to each affiliate that acquires from it Materialised Notes in Bearer Form for the purpose of offering or selling such Materialised Notes during the restricted period, it either (i) repeats and confirms the representations contained in subparagraphs (a), (b) and (c) on behalf of such affiliate or (ii) agrees that it shall obtain from such affiliate for the benefit of the Issuer the representations contained in subparagraphs (a), (b) and (c); and
- (e) it will obtain from any distributor (within the meaning of U.S. Treasury Regulations § 1.163-5(c)(2)(i)(D)(4)(ii) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or

otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010)) that purchases any Materialised Notes in Bearer Form from it pursuant to a written contract with such Dealer (except a distributor that is one of its affiliates or is another Dealer), for the benefit of the Issuer and each other Dealer, the representations contained in, and such distributor's agreement to comply with, the provisions of subparagraphs (a), (b), (c) and (d) of this paragraph insofar as they relate to the D Rules, as if such distributor were a Dealer hereunder.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations promulgated thereunder, including the D Rules.

In addition, to the extent that the Final Terms or the Subscription Agreement relating to one or more Tranches of Materialised Notes in Bearer Form specifies that the applicable TEFRA exemption is “C Rules”, under U.S. Treasury Regulations §1.163-5(c)(2)(i)(C) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the “**C Rules**”), Materialised Notes in Bearer Form must be issued and delivered outside the United States and its possessions in connection with their original issuance. In relation to each such Tranche, each Dealer has represented and agreed that it has not offered, sold or delivered, and shall not offer, sell or deliver, directly or indirectly, Materialised Notes in Bearer Form within the United States or its possessions in connection with their original issuance. Further, in connection with the original issuance of Materialised Notes in Bearer Form, each Dealer has represented that it has not communicated, and shall not communicate, directly or indirectly, with a prospective purchaser if either such purchaser or it is within the United States or its possessions or otherwise involve its U.S. office in the offer or sale of Materialised Notes in Bearer Form. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations promulgated thereunder, including the C Rules.

Each issuance of index-, commodity- or currency-linked Notes may be subject to such additional U.S. selling restrictions as the Relevant Dealer(s) may agree with the Issuer as a term of the issuance and purchase or, as the case may be, subscription of such Notes. Each Relevant Dealer agrees that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

In the event that further interchangeable/*assimilable* Notes are issued in accordance with Condition 13 of the terms and conditions of the Notes prior to the end of the relevant restricted periods referred to in this selling restriction, such further interchangeable/*assimilable* Notes shall be subject to the foregoing U.S. securities law and tax restrictions.

Dematerialised Notes do not require compliance with the Tefra Rules.

## **United Kingdom**

Each Dealer has represented, warranted and agreed that:

- (i) in relation to any Notes having a maturity of less than one year, (i) 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 (ii) 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 any invitation or inducement to engage in investment activity (within the meaning of

section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

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

### **Hong Kong**

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

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (i) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

### **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 "FIEA") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to or for the benefit of others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

### **People's Republic of China**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Notes in the People's Republic of China (excluding Hong Kong, Macau and Taiwan) (the "PRC") as part of the initial distribution of the Notes. This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC.

The Issuer does not represent that this Base Prospectus or any Final Terms may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of any Notes or distribution of this document in the PRC. Accordingly, the Notes are not being offered or sold within the PRC by means of this Base Prospectus, any Final Terms or any other document. Neither this Base Prospectus or any Final Terms, nor any advertisement or other offering material may be distributed or

published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

## **Singapore**

This Base Prospectus has not been registered as a prospectus with the MAS and the Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the "**Securities and Futures Act**"). Accordingly, the Notes may not be offered or sold or made the subject of an invitation for subscription or purchase, nor may this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person pursuant to Section 275(1) of the Securities and Futures Act or to any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person who is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Notes pursuant to an offer under Section 275 of the Securities and Futures Act except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the Securities and Futures Act, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the Securities and Futures Act; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Where any tranche of Notes are issued in Singapore Dollars and have a denomination of less than S\$200,000, please refer to the applicable Final Terms for certain additional disclosures made pursuant to Regulation 6 of the Banking Regulations made under the Banking Act, Chapter 19 of Singapore.

## **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 or supplement will be set out in a Supplement to the Base 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 any of the Issuer nor any other Dealer shall have responsibility thereof.

Each of the Dealers and the Issuer has represented and agreed that Materialised Notes may only be issued outside France.

**PRO FORMA FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF NOTES WITH A  
DENOMINATION OF AT LEAST € 100,000 TO BE ADMITTED TO TRADING ON A REGULATED  
MARKET**

**Final Terms dated [●]**

**La Banque Postale**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the  
€ 10,000,000,000 Euro Medium Term Note Programme  
of La Banque Postale**

**SERIES NO: [●]**

**TRANCHE NO: [●]**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions and the Technical Annex set forth in the Base Prospectus dated 12 September 2016 which received visa no. 16-427 from the *Autorité des marchés financiers* (the "**AMF**") on 12 September 2016 [and the supplement[s] to the Base Prospectus dated [●] which received visa no. [●] from the AMF on [●]] 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 to the Base Prospectus] [is] [are] available for viewing free of charge on the website of the AMF "(www.amf-france.org)", on the website of the Issuer "(www.labanquepostale.com)" and for inspection at the specified offices of the Paying Agent(s).

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**"), set forth in the Base Prospectus dated [5 September 2014/ 17 September 2015], which are incorporated by reference in the Base Prospectus dated 12 September 2016. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (the "**Prospectus Directive**") and must be read in conjunction with the Base Prospectus dated 12 September 2016 which received visa no. 16-427 from the *Autorité des marchés financiers* (the "**AMF**") on 12 September 2016 [and the supplement[s] to the Base Prospectus dated [●] which received visa no. [●] from the AMF on [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (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 Conditions and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing on the website of the AMF "(www.amf-france.org)", on the website of the Issuer "(www.labanquepostale.com)" and for inspection at the specified offices of the Paying Agent(s).

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

[In respect of any tranche of Notes issued in Singapore Dollars with a denomination of less than S\$200,000, the following information is provided pursuant to Regulation 6 of the Banking Regulations made under the Banking Act, Chapter 19 of Singapore:

- (a) the place of booking of the Notes is [●];
- (b) the branch or office of the Issuer at which the tranche of the Notes is booked is not subject to regulation or supervision in Singapore;
- (c) the tranche of Notes is [not secured by any means] **OR** [secured by *[please describe the nature of the security, the name of the mortgagor, chargor or guarantor and whether such person is regulated by the Monetary Authority of Singapore]*].]

1	Issuer:	La Banque Postale
2	(i) Series Number:	[●]
	(ii) Tranche Number:	[●] (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)
3	Specified Currency or Currencies:	[●]
4	Aggregate Nominal Amount of Notes admitted to trading:	[●]
	(i) Series:	[●]
	(ii) Tranche:	[●]
5	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
6	Specified Denomination(s):	[●] (one denomination only for Dematerialised Notes)
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] [In the case of Subordinated Notes, the minimum maturity will be five years]
9	Interest Basis/Rate of Interest:	[[●] per cent. Fixed Rate] [[●] per cent. Resettable Rate] [EURIBOR/LIBOR/EONIA/CMS Rate/TEC10] [+/- [●] per cent. Floating Rate] [Zero Coupon] [Inflation Linked Interest] [Interest Linked to a Formula] (further particulars specified below)
10	Redemption/Payment Basis: *	[Redemption at par]

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\* 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 which have a maturity of less than one year must (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" (or another application exemption from section 19 of the FSMA must be available) and (b) provide that no part of any such Notes may be transferred unless the redemption value of that part is not less than £100,000 (or its equivalent in other currencies).

[Inflation Linked Redemption]  
[Redemption Linked to a Formula]

*(N.B. If the Final Redemption Amount is different from 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*

- 11 Change of Interest or Redemption/Payment Basis: [Applicable, please refer to the Technical Annex to the Final Terms (for Fixed Rate to Variable Formula or Variable Rate to Fixed Formula)/Not Applicable]
- 12 Put/Call Options: [Issuer Call/Noteholder Put]/[Not Applicable]  
[(further particulars specified below)]
- 13 (i) Status of the Notes: [Senior/Subordinated]
- (ii) Date of corporate authorisations for the issuance of Notes obtained: [●]

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

- 14 Fixed Rate Note and Resetable Rate Note Provisions [Applicable/Not applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Fixed Rate Note Provisions : [Applicable/Not applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other] in [arrear/advance]]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with] commencing on [●] and ending on [●] / [the Maturity Date]
- (iii) Fixed Coupon Amount[(s)]: [●] per [●] in Aggregate Nominal Amount
- (iv) Broken Amount[(s)]: *[Insert particulars of any Initial or Final Broken Amounts of interest which do not correspond with the Fixed Coupon Amount(s)]*
- (v) Day Count Fraction (Condition 5(a)): [Actual/365 – FBF / Actual/365 / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / 30E/360 (ISDA)]
- (vi) Determination Date(s): [●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*
- (b) Resetable Rate Note Provisions: [Applicable/Not applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Initial Rate of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other] in [arrear/advance]]

	(ii)	First Margin:	[[+/-] [●] per cent. per annum]
	(iii)	Subsequent Margin:	[[+/-] [●] per cent. per annum]
	(iv)	Resettable Note Interest Payment Date(s):	[●] in each year commencing on [●] and ending on [●]
	(v)	First Resettable Note Reset Date:	[●]
	(vi)	Second Resettable Note Reset Date:	[●] / [Not applicable]
	(vii)	Day Count Fraction (Condition 5(a)):	[Actual/365 – FBF / Actual/365 / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / 30E/360 (ISDA)]
	(viii)	Determination Date(s):	[●] in each year ( <i>insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)</i> )
	(ix)	Business Centre(s):	[●]
	(x)	Relevant Screen Page:	[●]
	(xi)	Subsequent Resettable Note Reset Dates:	[●]
	(xii)	Mid-Swap Rate:	[Single Mid-Swap Rate]/[Mean Mid-Swap Rate]
	(xiii)	Mid-Swap Maturity:	[●]
15		Floating Rate Note Provisions	[Applicable/Not applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i)	Interest Period(s):	[●]
	(ii)	Specified Interest Payment Dates:	[●]
	(iii)	First Interest Payment Date:	[●]
	(iv)	Interest Period Date:	[●] ( <i>Not applicable unless different from Interest Payment Dates</i> )
	(v)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
	(vi)	Business Centre(s):	[●]
	(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 Fiscal	[●]

	Agent):	
(ix)	Screen Rate Determination:	
	– Reference Rate:	[EURIBOR/LIBOR/EONIA/CMS Rate/TEC10]
	– Interest Determination Date(s):	[[•] [TARGET] Business Days in <i>[specify city]</i> for <i>[specify currency]</i> prior to <i>[the first day in each Interest Accrual Period/each Interest Payment Date]</i> ]
	– Relevant Screen Page:	[•]
(x)	FBF Determination:	[•]
	– Floating Rate:	[•]
	– Floating Rate Determination Date ( <i>Date de Détermination du Taux Variable</i> ):	[•]
(xi)	ISDA Determination:	
	– Floating Rate Option:	[•]
	– Designated Maturity:	[•]
	– Reset Date:	[•]
(xii)	Margin(s):	[[+/-] [•] per cent. per annum]/[Not applicable]
(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:	[Actual/365 – FBF / Actual/365 / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / 30E/360 (ISDA)]
16	Zero Coupon Note Provisions	[Applicable / Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Amortisation Yield (Condition 6(h)(i)):	[•] per cent. per annum
	(ii) Day Count Fraction (Condition 5(a)):	[Actual/365 – FBF / Actual/365 / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / 30E/360 (ISDA)]
17	Inflation Linked Notes:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(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 Dates:	[•]
	(v)	Interest Determination Date:	[•]
	(vi)	Base Reference:	[CPI/HICP] Daily Inflation Reference Index applicable on [specify date] (amounting to: [•])
	(vii)	Rate of Interest:	[•] per cent. per annum multiplied by the Inflation Index Ratio
	(viii)	Day Count Fraction:	[Actual/365 – FBF / Actual/365 / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / 30E/360 (ISDA)]
	(ix)	Business Centre(s):	[•]
	(x)	Minimum Rate of Interest:	[Not Applicable]/[•] per cent. per annum
	(xi)	Maximum Rate of Interest:	[Not Applicable]/[•] per cent. per annum
18		Interest linked to a formula:	[Not Applicable/Please refer to the Technical Annex attached to these Final Terms]
	(i)	Interest Period(s):	[•]
	(ii)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]/Not Applicable
	(iii)	Business Centre(s):	[•]/Not Applicable
	(iv)	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]] / [•]
	(v)	Calculation Agent responsible for calculating the interest due (if not the Calculation Agent):	[•]

#### PROVISIONS RELATING TO REDEMPTION

19		Issuer Call Option	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i)	Optional Redemption Date(s):	[•] <i>[In the case of Subordinated Notes, the first Optional Redemption Date shall be at least five years after the Issue Date of the relevant Tranche]</i>
	(ii)	Optional Redemption Amount of each Note:	[•] per Note of [•] Specified Denomination
	(iii)	If redeemable in part:	[•]
	(a)	Minimum Redemption Amount:	[[•] per Specified Denomination] / [Not Applicable]
	(b)	Maximum Redemption Amount:	[[•] per Specified Denomination] / [Not Applicable]
	(iv)	Notice period (if other than	[•]

	as set out in the Conditions):	
20	Noteholder Put Option	[Applicable/Not Applicable ( <i>the Noteholder Put Option never applies to Subordinated Notes</i> )] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount each Note:	[●] [●] per Note of [●] Specified Denomination
	(iii) Notice period:	[●]
21	Final Redemption Amount of each Note:	[[●] per Note of [[●] Specified Denomination/As provided below for Inflation Linked Notes, <i>as the case may be</i> /As provided in the Technical Annex attached to these Final Terms]
	Inflation Linked Notes – Provisions relating to the Final Redemption Amount (Condition 6(g)):	[Applicable / Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i) Index:	[CPI/HICP]
	(ii) Final Redemption Amount in respect of Inflation Linked Notes:	[Condition 6(g) 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):	[●]
22	Early Redemption Amount	
	Early Redemption Amount(s) payable on redemption for taxation reasons, illegality or on event of default:	[●]

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

23	Form of Notes:	[Dematerialised Notes/Materialised Notes] ( <i>Materialised Notes are only in bearer form</i> ) [Delete as appropriate]
	(i) Form of Dematerialised Notes:	[Not Applicable/if Applicable specify whether] [Bearer dematerialised form ( <i>au porteur</i> )/ [fully/administered] Registered dematerialised form ( <i>au nominative [pur/administré]</i> )]
	(ii) Registration Agent:	[Not Applicable/Applicable (if applicable please give name and details)] ( <i>Note that a Registration Agent must be appointed in relation</i> )

*to Registered Dematerialised Notes only)*

- (iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Bearer Notes on [●] (the "Exchange Date"), being 40 days after the Issue Date subject to postponement as provided in the Temporary Global Certificate]
- 24 Financial Centre(s) or other special provisions relating to payments dates: [Not Applicable/give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 15(vi) and 17(ix) relate]
- 25 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No/Not Applicable. If yes, give details]
- [Not Applicable/give details]
- 26 Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition 1(d)] apply]
- 27 Consolidation provisions: [Not Applicable/The provisions [in Condition 14(b)] apply]
- 28 *Masse* (Condition 11): [[Full *Masse*]/[Contractual *Masse*] shall apply] (Note that: (i) in respect of any Tranche of Notes issued outside France, Condition 11(b) (Contractual *Masse*) may be elected by the Issuer, and (ii) in respect of any Tranche of Notes issued inside France, Condition 11(a) (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] [admission to trading on [*specify relevant regulated market*]] of the Notes described herein] pursuant to the € 10,000,000,000 Euro Medium Term Notes Programme of the Issuer.

## 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 information inaccurate or misleading.]\*

Signed on behalf of the Issuer

By:  
Duly authorised

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\* To be added only where information provided by third parties is added to the Final Terms.

## PART B – OTHER INFORMATION

### 1 LISTING AND ADMISSION TO TRADING

- (i) Listing: [Euronext Paris/other (specify)/none]
- (ii) Admission to trading [Application has been made for the Notes to be admitted to trading on *[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 *[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.)*
- (iii) Estimate of total expenses related to admission to trading: [●]
- (iv) Additional publication of Base Prospectus and Final Terms [●] *(See Condition 14 which provides that the Base Prospectus and Final Terms of Notes admitted to trading on any regulated market of the EEA will be published on the website of the Autorité des marchés financiers. Please provide for additional methods of publication in respect of an admission to trading on a regulated market other than the Autorité des marchés financiers)*

### 2 RATINGS AND EURO EQUIVALENT

#### Ratings:

[Not Applicable] [The Notes to be issued [have been rated] [are expected to be rated]] [The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally] [●] by [S&P Global Ratings ("S&P")/ Fitch Ratings Ltd ("Fitch")].

Each of S&P and Fitch is established in the European Union and is registered under Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**"). Each of S&P and Fitch is included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website ([www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)) in accordance with the CRA Regulation.

*(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.)*

#### Euro equivalent:

[Not Applicable/Euro [●]] *(Only applicable for Notes not denominated in Euro)*. The aggregate principal amount of Notes issued has been converted into Euro at the rate of [●], producing a sum of:[●]

### 3 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[s] of approval attesting that the Base Prospectus [and the Supplement[s]] [has/have] been drawn up in accordance with the Prospectus Directive.]

#### **4 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

*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 Base Prospectus under Article 16 of the Prospectus Directive.)]*

#### **5 [FIXED RATE NOTES AND RESETTABLE NOTES ONLY -YIELD**

Indication of yield: [•]

#### **6 [FLOATING RATE NOTES ONLY - HISTORIC INTEREST RATES, DESCRIPTION OF THE UNDERLYING, MARKET OR SETTLEMENT DISRUPTION AND ADJUSTMENT RULES**

Details of historic [LIBOR/EURIBOR/EONIA/CMS Rate/TEC10] rates can be obtained from [Reuters].]

#### **7 [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].

#### **8 [DERIVATIVES ONLY - REASONS FOR THE OFFER, USE OF PROCEEDS, TOTAL NET PROCEEDS AND TOTAL EXPENSES<sup>\*</sup>**

[(i)] Reasons for the offer and use of proceeds: [•] (*When different from making profit and/or hedging certain risks / See "USE OF PROCEEDS" in the Base Prospectus*)

[(ii)] Total net proceeds: [•]

[(iii)] Estimated total expenses: [•]

*(N.B.: (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks regardless of the minimum denomination of the securities and where this is the case disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)]*

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\* Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.

**9 Distribution**

- (i) [Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/give names]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
- (iv) If non-syndicated, name of Dealer: [Not Applicable/give name]
- (v) U.S. selling restrictions: [Reg S Compliance Category; TEFRA C/TEFRA D/TEFRA not applicable]

**10 [DERIVATIVES ONLY - OTHER**

Date of underwriting agreement: [●]

Name and address of Calculation Agent: [●]

Other markets on which securities of the same class of the Notes to be admitted to trading are already admitted to trading: [●]

[Information on taxes on the income from the Notes withheld at source in the country where admission to trading (other than in France) is sought: [●]]

**11 OPERATIONAL INFORMATION**

(i) ISIN: [●]

(ii) Common Code: [●]

(iii) Any clearing system(s) other than Euroclear France, 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)]

(iv) Delivery: Delivery [against/free of] payment

(v) Names and addresses of initial Paying Agent(s): Principal Paying Agent and Paris Paying Agent  
BNP Paribas Securities Services  
(affiliated with Euroclear France under number 29106)

Les Grands Moulins de Pantin  
9 rue du Débarcadère  
93500 Pantin  
France

- (vi) Names and addresses of additional Paying Agent(s) (if any): [●]
- (vii) Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment. [Not Applicable/give names(s), address(es) and description]

## TECHNICAL ANNEX TO THE FINAL TERMS

The capitalised terms not defined below shall have the meaning ascribed to them in the section of this Base Prospectus entitled "TECHNICAL ANNEX".

### **Definitions**

"n" means [●] / Not Applicable.

"Interest Payment Dates" means [●].

"Reset Dates" means [●] / Not Applicable.

"Trigger Event" means [*specify dates and if automatic conversion or following conversion by the Issuer*] / Not Applicable.

"Trigger Date" means [●] / Not Applicable.

"i" means [●].

### **A. Formulas applicable to the Interest Amount**

**1. CMSnY Range Accrual:** [Applicable/Not applicable] (*If not applicable, delete the items below*)

"X" means [●]% per annum.

"BH" means [●]% per annum.

"BL" means [●]% per annum.

"DCFi" means [●].

**2. CMSnY Floater:** [Applicable/Not applicable] (*If not applicable, delete the items below*)

"A" means [●].

"B" means [●].

"DCFi" means [●].

**3. CMSnY Reverse Floater:** [Applicable/Not applicable] (*If not applicable, delete the items below*)

"A" means [●].

"B" means [●].

"DCFi" means [●].

**4. CMSnY Cap:** [Applicable/Not applicable] (*If not applicable, delete the items below*)

"C" means [●].

"X" means [●].

"DCFi" means [●].

**5. CMSnY Cap Spread:** [Applicable/Not applicable] *(If not applicable, delete the items below)*

"C" means [●].

"D" means [●].

"X" means [●].

"DCFi" means [●].

**6. CMSnY Floor Spread:** [Applicable/Not applicable] *(If not applicable, delete the items below)*

"C" means [●].

"D" means [●].

"X" means [●].

"DCFi" means [●].

**7. CMSnY Butterfly:** [Applicable/Not applicable] *(If not applicable, delete the items below)*

"C" means [●].

"D" means [●].

"X" means [●].

"Y" means [●].

"DCFi" means [●].

**8. Capped/Floored CMSnY Reverse Floater:** [Applicable/Not applicable] *(If not applicable, delete the items below)*

"C" means [●]% per annum.

"F" means [●]% per annum.

"A" means [●].

"B" means [●].

"DCFi" means [●].

**9. TEC10 Floater:** [Applicable/Not applicable] *(If not applicable, delete the items below)*

"**B**" means [●].

"**DCFi**" means [●].

**10. TEC10 Cap Spread:** [Applicable/Not applicable] *(If not applicable, delete the items below)*

"**A**" means [●].

"**B**" means [●].

"**X**" means [●].

"**DCFi**" means [●].

**11. Euribor Floater:** [Applicable/Not applicable] *(If not applicable, delete the items below)*

"**A**" means [●].

"**B**" means [●].

"**DCFi**" means [●].

**12. Capped/Floored Euribor Floater:** [Applicable/Not applicable] *(If not applicable, delete the items below)*

"**C**" means [●]% per annum.

"**F**" means [●]% per annum.

"**DCFi**" means [●].

**13. Euribor Reverse Floater:** [Applicable/Not applicable] *(If not applicable, delete the items below)*

"**A**" means [●].

"**B**" means [●].

"**DCFi**" means [●].

**14. Capped/Floored Euribor Reverse Floater:** [Applicable/Not applicable] *(If not applicable, delete the items below)*

"**C**" means [●]% per annum.

"**F**" means [●]% per annum.

"**A**" means [●].

"**B**" means [●].

"**DCF<sub>i</sub>**" means [●].

**15. Spread Floater:** [Applicable/Not applicable] *(If not applicable, delete the items below)*

"**VR1**" means [Euribor n M/CMSmY].

"**VR2**" means [Euribor n M/CMSmY].

"**A**" means [●].

"**B**" means [●].

"**C**" means [●].

"**DCF<sub>i</sub>**" means [●].

**16. OIS Floater:** [Applicable/Not applicable] *(If not applicable, delete the items below)*

"**A**" means [●].

"**B**" means [●].

"**D**" means [●].

"**M**" means [●].

"**DCF<sub>i</sub>**" means [●].

**17. Variable Rate to Fixed Formula:** [Applicable/Not applicable] *(If not applicable, delete the items below)*

"**F**" means [●]% per annum.

"**A**" means [●].

"**B**" means [●].

"**DCF<sub>i</sub>**" means [●].

**18. Fixed Rate to Variable Formula:** [Applicable/Not applicable] *(If not applicable, delete the items below)*

"**F**" means [●]% per annum.

"**A**" means [●].

"**B**" means [●].

"**DCF<sub>i</sub>**" means [●].

**19. YoY French Inflation:** [Applicable/Not applicable] *(If not applicable, delete the items below)*

"**YoY CPI I**" i means [●].

"A" means [●].

"B" means [●].

"DCF<sub>i</sub>" means [●].

**20. YoY HICP Inflation:** [Applicable/Not applicable] *(If not applicable, delete the items below)*

"HICP I" means [●].

"A" means [●].

"B" means [●].

"DCF<sub>i</sub>" means [●].

## **B. Formulas applicable to the Final Redemption Amount**

**1. Zero Coupon French Inflation:** [Applicable/Not applicable] *(If not applicable, delete the items below)*

"CPI T" means the value of the CPI Index on *[specify the Maturity Date]*.

"CPI 0" means [●].

"A" means [●].

**2. Zero Coupon HICP Inflation:** [Applicable/Not applicable] *(If not applicable, delete the items below)*

"HICP T" means the value of the HICP Index on *[specify the Maturity Date]*.

"HICP 0" means [●].

"A" means [●].

## **C. Formulas applicable to both the Interest Amount and the Final Redemption Amount**

**1. French Inflation Bond Formula:** [Applicable/Not applicable] *(If not applicable, delete the items below)*

– Interest Amount

"R" means [●].

"CPI 0" means the value of the CPI Index on *[specify the Issue Date]*.

"DCF<sub>i</sub>" means [●].

– Final Redemption Amount

"CPI T" means the value of the CPI Index on *[specify the Maturity Date]*.

"CPI 0" means the value of the CPI Index on *[specify the Issue Date]*.

**2. European Inflation Bond Formula:** [Applicable/Not applicable] *(If not applicable, delete the items below)*

– Interest Amount

"**R**" means [●].

"**HICP 0**" means the value of the HICP Index on [*specify the Issue Date*].

"**DCF<sub>i</sub>**" means [●].

– Final Redemption Amount

"**HICP T**" means the value of the HICP Index on [*specify the Maturity Date*].

"**HICP 0**" means the value of the HICP Index on [*specify the Issue Date*].

## GENERAL INFORMATION

### 1. Listing and admission to trading

This Base Prospectus has received visa no 16-427 on 12 September 2016 from the AMF.

Application may be made for Notes issued under the Programme during a period of 12 months from the date of this Base Prospectus to be listed and admitted to trading on Euronext Paris or any other Regulated Market.

### 2. Corporate authorisations

The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in France in connection with the establishment and update of the Programme.

Any drawdown of Notes under the Programme, to the extent that such Notes constitute *obligations*, requires the prior authorisation of the Executive Board (*Directoire*) of the Issuer which may delegate its powers to any person. In addition, any issue of Notes which is likely to modify substantially the financial structure of the Issuer (which includes any issue of Subordinated Notes) requires the prior authorisation of the *Conseil de Surveillance* (Supervisory Board) of the Issuer.

Any drawdown of Notes under the Programme, to the extent that such Notes do not constitute *obligations*, falls within the general powers of the *Président* of the Executive Board (*Directoire*) of the Issuer or a *directeur général* of the Issuer.

For this purpose, (i) by a decision dated 4 April 2016, the Executive Board (*Directoire*) of the Issuer has authorised the issue, under the Programme, up to € 500,000,000 of unsubordinated *obligations* and assimilated securities (*obligations ou titres assimilés ou assimilables*), and the Executive Board (*Directoire*) of the Issuer has delegated to each of Mrs. Florence Lustman, *Directeur Financier* of the Issuer and Mr. Stéphane Magnan, *Directeur des Opérations Financières* of the Issuer, acting alone, the authority to issue unsubordinated *obligations* and assimilated securities (*obligations ou titres assimilés ou assimilables*) within the limits fixed by the Executive Board (*Directoire*) of the Issuer and determine the terms and conditions of the *obligations* and assimilated securities (*obligations ou titres assimilés ou assimilables*), which authority will, unless previously cancelled, expire on 31 December 2016 and (ii) pursuant to the prior authorisation of the Supervisory Board (*Conseil de Surveillance*) of the Issuer granted on 17 December 2015, by a decision dated 23 May 2016, the Executive Board (*Directoire*) of the Issuer has authorised, the issue, under the Programme, up to € 750,000,000 of Tier two subordinated *obligations* (*obligations*) and up to €500,000,000 of Tier one subordinated obligations being specified that the maximum aggregate amount of Tier one and Tier two subordinated obligations shall not exceed €1,000,000,000, and the Executive Board (*Directoire*) of the Issuer has delegated to each of Mrs. Florence Lustman, *Directeur Financier* of the Issuer and Mr. Stéphane Magnan, *Directeur des Opérations Financières* of the Issuer, acting alone, the authority to issue Tier two subordinated *obligations* (*obligations*) within the limits fixed by the Executive Board (*Directoire*) of the Issuer and determine the terms and conditions of the *obligations*, which authority will, unless previously cancelled, expire on 31 December 2016.

### 3. Clearing

Notes will be accepted for clearance through the Euroclear and Clearstream, Luxembourg systems which are entities in charge of keeping the records. The Common Code and the International Securities Identification Number (ISIN) or 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, Luxembourg is 42 avenue John Fitzgerald Kennedy, L- 1855 Luxembourg, Grand Duchy of Luxembourg.

Dematerialised Notes will be inscribed in the books of Euroclear France (acting as central depository). Dematerialised Notes which are in registered form (*au nominatif*) will be 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.

#### **4. Significant change**

Except as disclosed in this Base Prospectus, there has been no significant change in the financial position of the Issuer or La Banque Postale Group since 30 June 2016.

#### **5. Material adverse change**

There has been no material adverse change in the prospects of the Issuer since 31 December 2015.

#### **6. Litigation**

Except as disclosed in this Base Prospectus, neither the Issuer nor any member of La Banque Postale Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous twelve (12) months which may have, or have had in the recent past, significant effects on the Issuer and/or La Banque Postale Group's financial position or profitability.

#### **7. Documents available**

For a period of 12 months following the date of this Base Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at, or in the case of the documents referred to at (iii) and (iv) below may be obtained from, the office of the Fiscal Agent:

- (i) the Agency Agreement;
- (ii) the by-laws (*statuts*) of the Issuer;
- (iii) Final Terms for Notes that are listed on Euronext Paris or any other stock exchange;
- (iv) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Base Prospectus and any document incorporated by reference in such documents; and
- (v) the annual audited consolidated financial statements of the Issuer for the financial years ended 31 December 2015 and 2014.

This Base Prospectus and Final Terms relating to Notes listed and admitted to trading on any Regulated Market in the EEA are also available on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and of the Issuer ([www.labanquepostale.com](http://www.labanquepostale.com)). The 2014 EMTN Conditions, the 2015 EMTN Conditions, the French version and a free English translation of the 2015 Reference Document, the 2014 Reference Document and the Update to the 2015 Reference Document as well as any historical financial information of the Issuer and press releases are available on the website of the Issuer ([www.labanquepostale.com](http://www.labanquepostale.com)).

## 8. Auditors

KPMG Audit - a department of KPMG SA and PricewaterhouseCoopers Audit have audited and rendered an unqualified audit report on the consolidated financial statements of the Issuer for the year ended 31 December 2014 and on the consolidated financial statements of the Issuer for the year ended 31 December 2015. The French auditors carry out their duties in accordance with the principles of *Compagnie Nationale des Commissaires aux Comptes (CNCC)*.

## 9. Rating

The long term senior debt of the Issuer has been assigned a rating of A (with a stable outlook) by S&P on 3 December 2015 and A- (with stable outlook) by Fitch on 4 May 2016. The subordinated debt of the Issuer has been assigned a rating of BBB- (with a stable outlook) by S&P on 3 December 2015. Notes issued under the Programme may be unrated or rated differently from the current ratings of the Issuer or of its long term senior debt or its subordinated debt. The rating (if any) of Notes to be issued under the Programme will be specified in the applicable Final Terms.

Each of S&P and Fitch is established in the European Union and is registered under the CRA Regulation. Each of S&P and Fitch is included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website ([www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)) in accordance with the CRA Regulation as of the date of this Base Prospectus.

## 10. Information concerning the underlying

In respect of derivatives securities as defined in Article 15.2 of Commission Regulation no. 809/2004, the Final Terms will indicate whether or not the Issuer intends to provide post-issuance information concerning the underlying. If the Issuer intends to report such information, the Final Terms will specify what information will be reported and where such information can be obtained.

## 11. Yield

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.

## 12. Stabilisation

In connection with the issue of any Tranche (as defined in "GENERAL DESCRIPTION OF THE PROGRAMME"), 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, stabilisation may not necessarily occur. 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 cease 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 must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules

## RESPONSIBILITY STATEMENT

I hereby certify, having taken all reasonable care to ensure that such is the case, that, to the best of my knowledge, the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

In the statutory auditors' report on the consolidated financial statements for the financial year ended 31 December 2014, which is reproduced on pages 171 and 172 of the 2014 Reference Document, the statutory auditors make an observation without qualifying their opinion.

**La Banque Postale**  
115, rue de Sèvres  
75275 Paris Cedex 06  
France

Represented by Stephane Magnan, Head of Financial Operations

Dated 12 September 2016



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 French *Autorité des marchés financiers* ("AMF"), in particular Articles 211-1 to 216-1, the AMF has granted to this Base Prospectus the *visa* n°16-427 on 12 September 2016. This Base Prospectus has been prepared by the Issuer and its signatories assume responsibility for it. This document may only be used for the purposes of a financial transaction if completed by Final Terms. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the *visa* has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information in it 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**

**La Banque Postale**  
115, rue de Sèvres  
75275 Paris Cedex 06  
France

**Arranger**  
**BNP Paribas**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**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

**Citigroup Global Markets Limited**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**Crédit Agricole Corporate and Investment Bank**  
12, place des Etats-Unis  
CS 70052 92547 Montrouge Cedex  
France

**Credit Suisse Securities (Europe) Limited**  
One Cabot Square  
London E14 4QJ  
United Kingdom

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

**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

**La Banque Postale**  
115, rue de Sèvres  
75275 Paris Cedex 06  
France

**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**  
135 Bishopsgate  
London EC2M 3UR  
United Kingdom

**UBS Limited**  
5 Broadgate  
London EC2M 2QS  
United Kingdom

**Fiscal Agent, Principal Paying Agent,  
Redenomination Agent, Consolidation Agent  
and Calculation Agent**

**BNP Paribas Securities Services**  
9, rue du Débarcadère  
93500 Pantin  
France

**Auditors to the Issuer**

PricewaterhouseCoopers Audit  
63 rue de Villiers  
92208 Neuilly-sur-Seine cedex  
France

KPMG Audit  
A department of KPMG S.A.  
Tour Eqho  
2 avenue Gambetta  
CS60055  
92066 Paris La Défense  
France

**Legal Advisers**

*To the Issuer*

**Allen & Overy LLP**  
52, avenue Hoche  
CS 90005  
75379 Paris Cedex 08  
France

*To the Dealers*

**Linklaters LLP**  
25, rue de Marignan  
75008 Paris  
France