

LA BANQUE POSTALE HOME LOAN SFH
(duly licensed French credit institution)
€10,000,000,000
Euro Medium Term Note Programme
for the issue of *obligations de financement de l'habitat*

Under the Euro Medium Term Note Programme (the *Programme*) described in this base prospectus (the *Base Prospectus*), La Banque Postale Home Loan SFH (the *Issuer*), subject to compliance with all relevant laws, regulations and directives, may from time to time issue *obligations de financement de l'habitat* within the meaning of article L. 515-36, I of the *Code monétaire et financier* (the *French Monetary and Financial Code*), benefiting from the statutory *privilège* (priority right of payment) created by article L. 515-19 of the French Monetary and Financial Code (the *Privilège*), as more fully described herein (the *Notes*). No credit linked Notes will be issued under the Programme.

An application has been made to the *Autorité des marchés financiers* (the *AMF*) in France for approval of this Base Prospectus in its capacity as the competent authority pursuant to article 212-2 of its *Règlement Général* (the *AMF General Regulations*), which implements Directive 2003/71/EC of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading, as amended pursuant to Directive 2010/73/EC of 24 November 2010 (to the extent that such amendments have been implemented in a Member State of the European Economic Area) (the *Prospectus Directive*).

An application may be made to Euronext Paris within a period of twelve (12) months after the date of the visa granted by the AMF on the Base Prospectus in order for Notes issued under the Programme to be listed and admitted to trading on Euronext Paris. Euronext Paris is a regulated market for the purposes of Directive 2004/39/EC of 21 April 2004 on markets in financial instruments, as amended from time to time (a *Regulated Market*). Notes issued under the Programme may also be unlisted or listed and admitted to trading on any other stock exchange, including any other Regulated Market in any Member State of the European Economic Area. The relevant final terms (a form of which is contained herein) in respect of the issue of any Notes (the *Final Terms*) will specify whether or not an application will be made for such Notes to be listed and admitted to trading and, if so, the relevant Regulated Market(s) or stock exchange(s) where the Notes will be listed and admitted to trading. Notes admitted to trading on a Regulated Market in circumstances which require the publication of a prospectus under the Prospectus Directive shall have a minimum denomination of € 100,000 (or its equivalent in any other currency at the time of issue), or such higher amount as may be allowed or required by the relevant monetary authority or any applicable laws or regulations.

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 *et seq.* of the French Monetary and Financial Code. No physical documents of title will be issued in respect of the Dematerialised Notes. Dematerialised Notes may, at the option of the Issuer, be (i) in bearer form (*au porteur*) inscribed as from the issue date in the books of Euroclear France (acting as the central depository) which shall credit the accounts of the Account Holders (as defined in the section entitled "Terms and Conditions of the Notes - Form, Denomination and Title") including Euroclear Bank S.A./N.V. (*Euroclear*) and the depository bank for Clearstream Banking, *société anonyme* (*Clearstream, Luxembourg*), or (ii) in registered form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder (as defined in the section entitled "Terms and Conditions of the Notes - Form, Denomination and Title"), in either fully registered form (*au nominatif pur*), in which case they will be either inscribed in an account maintained by the Issuer or by a registration agent (appointed 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 Noteholder.

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a *Temporary Global Certificate*) will initially be issued in relation to the Materialised Notes. Such Temporary Global Certificate will subsequently be exchanged for definitive Materialised Notes with, where applicable, coupons for interest or talons attached, on or after a date expected to be on or about the fortieth (40th) day after the issue date of the Notes (subject to postponement as described in the section entitled "Temporary Global Certificate in respect of Materialised 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 more fully described herein) intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depository for Euroclear and 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(s) (as defined below).

Notes issued under the Programme are expected to be rated at issuance AAA by Standard & Poor's Rating Services (the **Rating Agency**). The rating of the Notes will be specified in the relevant 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 without notice. As of the date of this Base Prospectus, the Rating Agency is established in the European Union and registered under Regulation (EC) No. 1060/2009, as amended (the **CRA Regulation**) and 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) in accordance with the CRA Regulation.

This Base Prospectus and any document incorporated by reference therein will be available on the websites of the La Banque Postale (www.labanquepostale.fr) and the AMF (www.amf-france.org).

See the section entitled "Risk Factors" for certain information relevant to an investment in the Notes to be issued under the Programme.



In accordance with articles L. 412-1 and L. 621-8 of the French Monetary and Financial Code and with the General Regulation of the AMF, in particular articles 212-31 to 212-33, the AMF has granted to this Base Prospectus the visa n°13-446 on 2 August 2013. This Base Prospectus was prepared by the Issuer and its signatories assume responsibility for it.

The visa, in accordance with article L. 621-8-1-I of the French Monetary and Financial Code, has been granted by the AMF after the AMF has examined of whether the document is complete and understandable, and the information it contains is consistent. It does not imply that the AMF has approved the interest of the operation, nor that the AMF has verified the accounting and financial data set out herein.

In accordance with article 212-32 of the General Regulation of the AMF, any issuance or admission to trading of Notes on the basis of this Base Prospectus will be subject to prior publication of the Final Terms and conditions of the Notes to be issued.

ARRANGER

NATIXIS

PERMANENT DEALERS

LA BANQUE POSTALE

NATIXIS

PREAMBLE

This Base Prospectus (together with all supplements thereto from time to time), constitutes a base prospectus for the purposes of article 5.4 of the Prospectus Directive and contains all relevant information concerning the Issuer 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, as well as the base terms and conditions of the Notes to be issued under the Programme. The terms and conditions applicable to each Tranche (as defined in the section entitled "General description of the Programme") not contained herein (including, without limitation, the aggregate nominal amount, issue price, redemption price thereof, and interest, if any, payable thereunder) will be determined by the Issuer and the relevant Dealer(s) at the time of the issue on the basis of the then prevailing market conditions and will be set out in the relevant Final Terms.

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 section entitled "Documents incorporated by reference" and, in relation to any Tranche of Notes, should be read and construed in conjunction with the relevant Final Terms.

This Base Prospectus (together with all supplements thereto from time to time) may only be used for the purposes for which it has been published.

No person is, or has been, authorised to give any information or to make any representation, other than those contained or incorporated by reference 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, the Arranger or any of the Dealers (as defined in the section entitled "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 since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently supplemented, or that any other information supplied in connection with the Programme is correct as at 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 Notes in certain jurisdictions may be restricted by law. The Issuer, the Arranger and the Dealer(s) do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such a distribution or offering. In particular, no action has been taken by the Issuer, the Arranger or the Dealer(s) which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves of, and observe, any such restrictions on the distribution of this Base Prospectus and on the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and on the offer or sale of the Notes in the United States of America, the European Economic Area (including the Federal Republic of Germany, France, Italy, the Kingdom of Spain, the Netherlands, Switzerland and the United Kingdom) and Japan.

The Notes have not been and will not be registered under the US 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. The Notes may include Materialised Notes in bearer form that are subject to US tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or (in the case of Materialised Notes), delivered within the United States or to, or for

the account or benefit of, United States persons. The Notes are being offered and sold outside the United States of America to non-U.S. persons in reliance on Regulation S under the Securities Act (*Regulation S*).

For a description of these and certain other restrictions on offers, sales and transfers of the Notes and on the distribution of this Base Prospectus, see the section entitled "Subscription and Sale".

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

The Arranger and the Dealer(s) have not separately verified the information contained or incorporated by reference in this Base Prospectus. Neither the Arranger nor any of the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information contained or incorporated by reference in this Base Prospectus. Neither this Base Prospectus nor any other information supplied in connection with the Programme (including any information incorporated by reference therein) is 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 Dealer(s) that any recipient of this Base Prospectus or other information supplied in connection with the Programme (including any information incorporated by reference therein) should purchase the Notes. Each prospective investor in the Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of the Notes should be based upon such investigation as it deems necessary. Neither the Arranger nor any of the Dealers 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 that may come to the attention of any of the Dealers or the Arranger.

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

None of the Dealers or the Issuer makes any representation to any prospective investor in the Notes regarding the legality of its investment under any applicable laws. Any prospective investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "€", "Euro", "euro" or "EUR" are to the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended from time to time, references to "£", "pounds sterling" and "Sterling" are to the lawful currency of the United Kingdom, references to "\$", "USD" and "US Dollar" are to the lawful currency of the United States of America, references to "¥", "JPY" and "Yen" are to the lawful currency of Japan and references to "CHF" and "Swiss Francs" are to the lawful currency of Switzerland.

For the purposes of this Base Prospectus, cross-references to the definition of capitalised terms used in this Base Prospectus are set out in the section entitled "Index of defined terms".

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SUPPLEMENT TO THE BASE PROSPECTUS

In connection with Notes admitted to trading on a Regulated Market, if at any time during the duration of the Programme there is any significant new factor, material mistake or inaccuracy relating to the information contained or incorporated by reference in this Base Prospectus that is capable of affecting the assessment of any Notes, the Issuer shall prepare a supplement to the Base Prospectus in accordance with article 16 of the Prospectus Directive and article 212-25 of the AMF General Regulations or publish a replacement Base Prospectus for use in connection with any subsequent issue of the Notes, 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.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus shall be read and construed in conjunction with the following documents which have been previously or simultaneously published and filed with the AMF and which are incorporated in, and shall be deemed to form part of, this Base Prospectus:

- the financial statements of the Issuer as at, and for the year ended, 31 December 2011 in the French language and the auditors' report thereon (together the "**2011 Financial Statements**");
- the financial statements of the Issuer as at, and for the year ended, 31 December 2012 in the French language and the auditors' report thereon (together the "**2012 Financial Statements**");

Any document incorporated by reference in this Base Prospectus may be obtained, without charge and upon request, at the principal office of the Issuer and the Paying Agent(s) as set out at the end of this Base Prospectus during normal business hours for so long as any of the Notes are outstanding. Such document will be published on the websites of (a) the AMF (www.amf-france.org) and (b) La Banque Postale (www.labanquepostale.fr).

The information incorporated by reference in this Base Prospectus shall be read in connection with the cross reference list below. Any information not listed in the cross reference list but included in the document incorporated by reference is given for information purposes only and is not required by the relevant schedules of the Commission Regulation No 809/2004 of 29 April 2004, as amended.

CROSS-REFERENCE LIST

INFORMATION INCORPORATED BY REFERENCE (Annex XI of the European Regulation 809/2004/EC)	REFERENCE
FINANCIAL INFORMATION CONCERNING LA BANQUE POSTALE HOME LOAN SFH'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
<i>2011 Financial Statements</i>	
Balance sheet	Page 1
Profit and Loss Account	Page 2
Accounting policies and explanatory notes	Pages 5 to 7
Statutory Auditors' Report	2011 statutory auditors' report
<i>2012 Financial Statements</i>	
Balance sheet	Pages 1 to 2
Profit and Loss Account	Page 3
Accounting policies and explanatory notes	Pages 8 to 10
Statutory Auditors' Report	2012 statutory auditors' report

As at the date of this Base Prospectus, no cash flow statement of the Issuer is available as the Issuer did not engage in any business activity from the date of its incorporation and until 18 July 2013.

GENERAL DESCRIPTION OF THE PROGRAMME

This general description must be read as an introduction to this Base Prospectus and does not purport to be complete and should be read in conjunction with, and is qualified in its entirety by reference to, the more detailed information which appears elsewhere in this Base Prospectus. Any decision to invest in any Note should be based on a consideration by the investor of this Base Prospectus as a whole and the corresponding Final Terms.

In addition, as the nominal amount of the Notes is equal to € 100,000, the following section is not, and is not to be regarded as, a summary within the meaning of article 212-8 of the AMF General Regulations.

Capitalised terms used in this general description shall have the same meanings as those ascribed to them in the section entitled "Terms and Conditions of the Notes".

I. THE PARTIES UNDER THE PROGRAMME

Issuer: La Banque Postale Home Loan SFH, a *société anonyme* incorporated under French law duly licensed in France as a credit institution (*établissement de crédit*) with the status of *société financière - société de financement de l'habitat* (see the section entitled "Description of the Issuer").

The Issuer's assets are exclusively composed of home loans, securities and assets that are eligible to *société de financement de l'habitat* pursuant to the French legal framework applicable to *sociétés de financement de l'habitat* (see section entitled "Summary of the legislation and regulations relating to *sociétés de financement de l'habitat*").

On or about the date of this Base Prospectus, the Issuer, acting as lender (the **Lender**), entered with La Banque Postale, acting as borrower (the **Borrower**), into an uncommitted facility agreement (the **Uncommitted Facility Agreement**) in order to determine the terms and conditions according to which the Lender shall use the proceeds from the issuance of the Notes to make loans available to the Borrower (the **Loans**) under an uncommitted multicurrency term facility (the **Facility**) within the limit of an aggregate maximum amount equal to the Programme Limit (see section entitled "Relationship between La Banque Postale Home Loan SFH and La Banque Postale").

As condition precedent to the Lender making the Facility available to the Borrower, the Lender and the Borrower entered into, on or about the date of this Base Prospectus, a collateral security agreement governed by Articles L. 211-36 *et seq.* of the French Monetary and Financial Code (the **Collateral Security Agreement**) the purpose of which is to determine the terms and conditions according to which the Borrower:

- (i) shall secure its obligations to the Lender under the Uncommitted Facility Agreement by way of transfers of full title (*remises en pleine propriété*) as collateral security of eligible assets within the meaning of the French legal framework applicable to *sociétés de financement de l'habitat* (see section entitled "Summary of the legislation and regulations relating to *sociétés de financement de l'habitat* - Eligible assets") pursuant to Article L.211-38 of the French Monetary and Financial Code (the **Collateral Security**); and
- (ii) shall transfer to the Lender certain amount as cash collateral (*gage-espèces*) upon the occurrence of certain downgrading events relating to La Banque Postale (see section entitled "Relationship between La

Banque Postale Home Loan SFH and La Banque Postale").

Arranger:	Natixis.
Dealers:	<p>La Banque Postale and Natixis have been appointed by the Issuer as dealer in respect of the whole Programme.</p> <p>The Issuer may, from time to time, appoint additional dealers either in respect of one (1) or more Tranches or in respect of the whole Programme. References in this Base Prospectus to Permanent Dealers are to La Banque Postale and Natixis and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to Dealers are to the Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p> <p>The Issuer may also terminate the appointment of any Dealer from time to time.</p>
Fiscal Agent and Principal Paying Agent:	BNP Paribas Securities Services.
Calculation Agent:	BNP Paribas Securities Services, unless the Final Terms provide otherwise.
Services Provider:	La Banque Postale.
Statutory auditors:	PriceWaterhouseCoopers Audit and KPMG Audit FS I (see the section entitled "Description of the Issuer – Control of the Issuer").
Specific Controller:	Cailliau Dedouit et Associés (see the section entitled "Description of the Issuer – Control of the Issuer").
Rating Agency:	Standard & Poor's Rating Services as credit rating agency authorised to provide a rating document in respect of <i>sociétés de financement de l'habitat</i> . As of the date of this Base Prospectus, Standard & Poor's Rating Services is established in the European Union and registered under Regulation (EC) No. 1060/2009, as amended (the CRA Regulation) and 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) in accordance with the CRA Regulation.

II. THE PROGRAMME

Description:	Euro Medium Term Note Programme for the continuous offer of <i>obligations de financement de l'habitat</i> within the meaning of Article L. 515-36 I of the French Monetary and Financial Code (see the section entitled "Summary of the legislation and regulations relating to <i>sociétés de financement de l'habitat</i> ").
Programme Limit:	Up to €10,000,000,000 (or the equivalent in other currencies as at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Method of Issue:	<p>The Notes may be issued on a syndicated or non-syndicated basis.</p> <p>The Notes will be issued in series (each a Series) having one or more issue dates and on terms otherwise identical (or identical save as to 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</p>

issued in tranches (each a *Tranche*) on the same or different issue dates.

The specific terms of each Tranche (including, without limitation, the aggregate nominal amount, issue price, redemption price thereof, and interest, if any, payable thereunder) will be determined by the Issuer and the relevant Dealer(s) at the time of the issue and will be set out in the Final Terms of such Tranche.

Maturities: Subject to compliance with all relevant laws, regulations and directives, the Notes may have any maturity as specified in the relevant Final Terms (the *Maturity Date*), subject to such minimum maturity as may be required by the applicable legal and/or regulatory requirements.

An extended maturity date (the *Extended Maturity Date*) may be specified in the relevant Final Terms of a Series of Notes in accordance with the applicable Conditions.

Currencies: Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Euro, U.S. dollars, Japanese yen, Swiss francs and in any other currency specified in the Final Terms

Denomination(s): Notes shall be issued in the Specified Denomination(s) set out in the relevant Final Terms, save that each Note shall have a minimum denomination of €100,000 (or its equivalent in any other currency) or such higher amount as may be allowed or required from time to time in relation to the relevant Specified Currency.

Notes having a maturity of less than one year, in respect of which the issue proceeds are to be accepted in the United Kingdom, will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000, unless they are issued to a limited class of professional investors and they have a denomination of at least £100,000 (or its equivalent in any other currency).

Dematerialised Notes shall be issued in one denomination only.

Status of Notes and Privilège: The principal and interest of the Notes (and where applicable, any Coupons) will constitute direct, unconditional, unsubordinated and privileged obligations of the Issuer and will rank, *pari passu* and without any preference among themselves and equally and rateably with all other present or future notes (including the Notes of all other Series) and other resources raised by the Issuer benefiting from the *privilège* created by Article L. 515-19 of the French Monetary and Financial Code (all as described in the section entitled "Terms and Conditions of the Notes – Status").

The Notes are issued in accordance with Article L.515-36 of the French Monetary and Financial Code. The Notes benefit from the *Privilège* defined in Article L.515-19 of the French Monetary and Financial Code. For further description, see the sections entitled "Terms and Conditions of the Notes – *Privilège*" and "Summary of the legislation and regulations relating to *sociétés de financement de l'habitat*".

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

Negative Pledge: None.

Events of Default: None.

Redemption Amount: The relevant Final Terms will specify the redemption amounts payable

calculated in accordance with the applicable Conditions.

- 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, if so, the terms applicable to such redemption.
- Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below pursuant to any Issuer's option in accordance with Condition 6(b), each Note shall be finally redeemed on the Maturity Date or Extended Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided in the applicable Conditions, is its nominal amount).
- Early Redemption:** Except as provided in "Optional Redemption" above, Notes will be redeemable prior to their stated maturity only for illegality as provided for in Condition 6(g).
- Interest Periods and Interest Rates:** The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
- Fixed Rate Notes:** Fixed interest will be payable in arrears on the date or dates in each year specified in the relevant Final Terms.
- Floating Rate Notes:** Floating Rate Notes will bear interest determined separately for each Series as follows:
- on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by the 2007 FBF Master Agreement, as published by the *Fédération bancaire française*; or
 - on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or
 - by reference to EURIBOR or EONIA;
- in each case plus or minus any applicable margin, if any, and calculated and payable as indicated in the applicable Final Terms. Floating Rate Notes may also have a maximum rate of interest, a minimum rate of interest or both.
- Form of Notes:** Notes may be issued either in dematerialised form (*Dematerialised Notes*) or in materialised form (*Materialised Notes*).
- Dematerialised Notes may, at the option of the Issuer, be issued in bearer form (*au porteur*) or in registered form (*au nominatif*) and, in such latter case, at the option of the relevant holder, 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 any Dematerialised Notes. See Condition 1 at the section entitled "Terms and Conditions of the Notes – Form, Denomination and Title".
- Materialised Notes will be in bearer form only. A Temporary Global Certificate will initially be issued in respect of each Tranche of Materialised Notes. Materialised Notes may only be issued outside France.

Clearing Systems:	Euroclear France as central depository in relation to Dematerialised Notes and, in relation to Materialised Notes, Clearstream, Luxembourg and Euroclear or, in any case, any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s).
Initial Delivery of Dematerialised Notes:	No later than one (1) Paris business day before the issue date of each Tranche of Dematerialised Notes, the <i>Lettre comptable</i> 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 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(s).
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Listing and Admission to Trading:	Application may be made for the Notes to be listed and admitted to trading on Euronext Paris. Application may be made for the Notes to be listed and admitted to trading on any other Regulated Market in accordance with the Prospectus Directive, or on an alternative stock exchange or market, as specified in the relevant Final Terms. A Series of Notes may be unlisted.
Rating:	Notes issued under the Programme are expected to be rated at issuance AAA by Standard & Poor's Rating Services. The rating of the Notes will be specified in the relevant 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 without notice. There is no assurance that any such rating will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the Rating Agency as a result of changes in or unavailability of information or if, in the judgment of the Rating Agency, circumstances so warrant.
Selling Restrictions:	There are restrictions on the offer and sale of Notes and on the distribution of offering material in various jurisdictions. The Notes shall not be offered to the public in France (see the section entitled "Subscription and Sale"). In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed on the relevant supplement to the Base Prospectus. The Issuer is Category 2 for the purposes of Regulation S under the Securities Act. Materialised Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D)) (or any successor regulation issued under the the U.S. Internal Revenue Code of 1986, as amended (the <i>Code</i>) section 4701(b) containing rules identical to those applying under Code section 163(f)(2)(B)) (the <i>D Rules</i>) unless (i) the relevant Final Terms states that such Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor regulation issued under Code section 4701(b) containing rules identical to those applying under Code section 163(f)(2)(B)) (the <i>C Rules</i>) or (ii) such Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which such Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 (<i>TEFRA</i>),

which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

Dematerialised Notes do not require compliance with the TEFRA Rules.

Taxation:

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes 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 any jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

If any law should require that such payments be subject to deduction or withholding, the Issuer will not be required to pay any additional amounts in respect of any such deduction or withholding.

For a description of the French withholding tax rules, see "Terms and Conditions of the Notes - Taxation" and "Taxation".

III. GENERAL INFORMATION

Method of publication of the Base Prospectus, any Supplement and Final Terms:

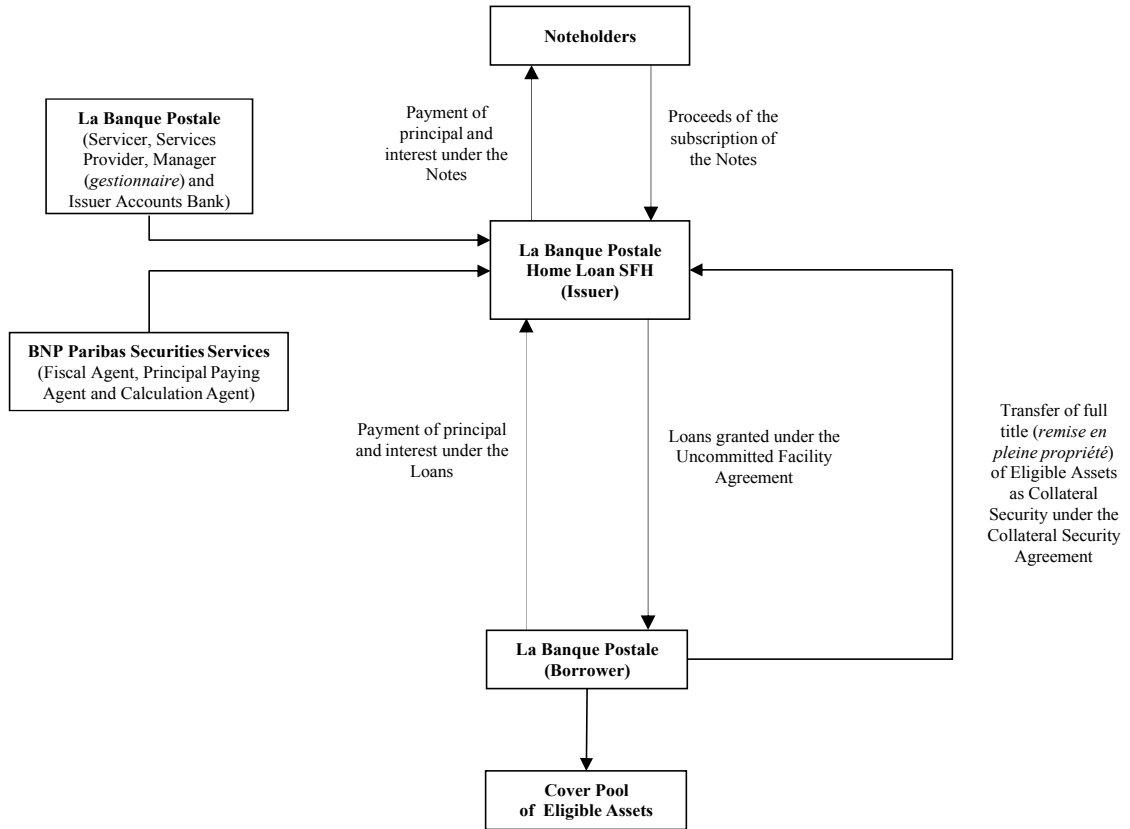
This Base Prospectus and any supplement to this Base Prospectus will be published on the websites of (a) the AMF (www.amf-france.org) and (b) La Banque Postale (www.labanquepostale.fr). The Final Terms related to Notes traded on any Regulated Market in accordance with the Prospectus Directive will be published, so long as such Notes are admitted to trading on any Regulated Market, on the websites of (a) the AMF (www.amf-france.org) and (b) La Banque Postale (www.labanquepostale.fr).

For so long as any Notes may be issued pursuant to this Base Prospectus, copies of such documents will also, when published, be available free of charge during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the registered office of the Issuer and at the specified office of the Paying Agent(s).

Governing Law:

French law.

STRUCTURE DIAGRAM



PERSON RESPONSIBLE FOR THE BASE PROSPECTUS**In the name of the Issuer**

After having taken all reasonable measures in this regard, I hereby certify that the information contained or incorporated by reference in this Base Prospectus is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

Paris, 2 August 2013

LA BANQUE POSTALE HOME LOAN SFH

115, rue de Sèvres
75275 Paris Cedex 06
France

Duly represented by Stéphane Magnan
in its capacity as Chief Executive Officer of the Issuer

RISK FACTORS

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes issued under the Programme. However, the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Investors must be aware that the list of factors set out below is not intended to be exhaustive and that other risks and uncertainties which, on the date of this Base Prospectus, are not known of by the Issuer, or are considered not to be relevant, may have a significant impact on the Issuer, its activities, its financial condition and the Notes. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and form their own opinion about risk factors prior to making any investment decision. Investors should in particular conduct their own analysis and evaluation of the risks relating to the Issuer, its financial condition and the Notes.

The Issuer considers that the Notes shall only be purchased by investors which are (or are advised by) financial institutions or other professional investors who have sufficient knowledge and experience to appropriately evaluate the risks associated with the Notes.

Words and expressions defined elsewhere in this Base Prospectus shall have the same meanings when used below.

I. RISK FACTORS RELATING TO THE ISSUER

Sole liability of the Issuer under the Notes

The Issuer is the only entity which has obligations to pay principal and interest in respect of the Notes. The Notes will not be obligations or responsibilities of any other entity, including (but not limited to) the Arranger, La Banque Postale (in any capacity) or any company within the La Banque Postale group, or the shareholders or directors or agents of any company in the same group of companies as any of them.

Reliance of the Issuer on third parties

The Issuer has entered into agreements with a number of third parties, which have agreed to perform services for the Issuer. The ability of the Issuer to make payments under the Notes may be affected by the due performance of the other third parties involved in the Programme in relation to their payment and other obligations thereunder, including the performance by the Services Provider, the Calculation Agent, the Fiscal Agent, the Paying Agent or the Principal Paying Agent of their respective obligations. For services contracts entered into with La Banque Postale, see the section entitled "Relationship between La Banque Postale Home Loan SFH and La Banque Postale".

Credit risk on bank counterparties

For the Issuer, bank counterparty risk is that of counterparties (i) in relation to hedging operations in respect of which it has entered into ISDA or FBF (*Fédération bancaire française*) master agreements, and (ii) in relation to the holding of the bank accounts of the Issuer.

The agreements to be entered into between the Issuer and the above counterparties will comply with the specific legal requirements applicable to *sociétés de financement de l'habitat*.

Conflicts of interests in respect of La Banque Postale

With respect to the Notes, conflicts of interest may arise during the life of the Programme as a result of various factors involving in particular La Banque Postale, its affiliates and the other parties named herein. For example, such potential conflicts may arise because La Banque Postale acts in several capacities under the operating of the Issuer and the Programme (see the section entitled "Relationship between La Banque Postale Home Loan SFH and La Banque Postale").

Even if their respective rights and obligations under the Programme are not conflicting and are independent from one another, in performing any such obligations in these different capacities under the Programme, La Banque Postale and/or such affiliates may be in a situation of conflict of interests. La Banque Postale and/or such affiliates will only have the duties and responsibilities expressly agreed to by such entity in the relevant capacity and will not, by virtue of its or any of its affiliates acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a duty of care other than as expressly provided in respect of each such capacity.

Also during the course of their business activities, the parties to the Programme and/or any of their respective affiliates may operate, service, acquire or sell properties, or finance loans secured by properties, which are in the same markets as the underlying home loans.

II. RISK FACTORS RELATING TO THE ASSETS OF THE ISSUER

Credit risk on the assets of the Issuer generally

The Issuer's sole business activity is to grant or refinance home loans (*prêts à l'habitat*) and to hold securities under the terms and conditions set out in the French Monetary and Financial Code.

The ability of the Issuer to make payments under the Notes depends of its assets which consist (i) initially in the Loans granted to the Borrower under the Uncommitted Facility Agreement and (ii) following the occurrence of an event of default of the Borrower under the Uncommitted Facility Agreement, in the home loans and replacement assets (*valeurs de remplacement*) transferred (*remis en pleine propriété*) as Collateral Security under the Collateral Security Agreement.

Therefore, the Issuer is exposed directly or indirectly to the credit risk of such home loans and replacement assets (*valeurs de remplacement*).

Credit risk on assets is overseen by the Financial Risk Direction department of La Banque Postale, which analyses risks applying group-wide methods. This unit produces an internal rating and sets a commitment ceiling.

Moreover, such risk on assets is mitigated by the fact that the assets of the Issuer are to be selected so as to comply with the legal eligibility criteria and other rules contained in the legal framework relating to *sociétés de financement de l'habitat* as further described hereinafter.

Eligibility criteria

The home loans must comply with the legal eligibility criteria provided for in Article L.515-35 of the French Monetary and Financial Code. For further descriptions, see the section entitled "Summary of the legislation and regulations relating to *sociétés de financement de l'habitat*".

In addition to the legal eligibility criteria, the Collateral Security Agreement will provide that the relevant home loans to be transferred (*remis en pleine propriété*) as Collateral Security pursuant to the provisions of Article L.211-38 of the French Monetary and Financial Code shall comply with article 129 of the Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (Capital Requirement Regulations) and with additional contractual eligibility criteria to be agreed with La Banque Postale.

The vast majority of these assets comes from the commercial financing activities of La Banque Postale group entities. Their legal eligibility to the assets of the Issuer is verified by the Specific Controller of the Issuer who reports to the *Autorité de contrôle prudentiel* (See the section entitled "Summary of the legislation and regulations relating to *sociétés de financement de l'habitat*").

In addition, according to Articles L.515-17, R.515-7 and R.515-16 of the French Monetary and Financial Code, the Issuer may also hold securities, instruments and deposits which are sufficiently secure and liquid, as replacement assets (*valeurs de remplacement*) which comprise exposures on credit institutions or investment firms benefiting from the highest level of credit assessment (*meilleur échelon*

de qualité de crédit) assigned by an external rating agency recognised by the *Autorité de contrôle prudentiel* pursuant to Article L.511-44 of the French Monetary and Financial Code or guaranteed by credit institutions or investment firms benefiting of the same level of credit assessment (*échelon de qualité de crédit*), or, if such securities, instruments or deposits have a maturity of less than 100 days, exposures on or guaranteed by credit institutions or investment companies of a Member State of the European Union or the European Economic Area benefiting from the second highest level of credit quality (*second meilleur échelon de qualité de crédit*) as well as debt securities issued or fully guaranteed by public sector entities as referred to in paragraphs 1 to 5 of Article L.515-15 of the French Monetary and Financial Code.

The total amount of such replacement assets (*valeurs de remplacement*) shall not exceed fifteen per cent. (15%) of the nominal amount of the *obligations de financement de l'habitat* and other resources benefiting from the *Privilège* as described in the section entitled "Summary of the legislation and regulations relating to *sociétés de financement de l'habitat – Privilège* and liabilities".

Pursuant to article 13 of Regulation n°99-10 of 9 July 1999 of the *Comité de la réglementation bancaire et financière* relating to the *sociétés de crédit foncier* and to the *sociétés de financement de l'habitat* as amended on 26 June 2001, 15 July 2002, 7 May 2007 and 23 February 2011 (the **CRBF Regulation**), the Issuer must send to the French *Autorité de contrôle prudentiel* no later than on 10 June of each year information relating to the quality of its assets. This report is published within 45 days of a general meeting approving the Issuer's financial statements of the year then ended. In particular, the characteristics, details of the distribution of loans, exposures and guarantees, the total of any unpaid amounts, the distribution of debts by amount and by category of debtors, the proportion of early repayments, and the level and sensitivity of the position of rates are required to be included as part of the latter report.

In addition, according to Article L.515-17-2 of the French Monetary and Financial Code and article 13 bis of the CRBF Regulation, the Issuer must publish every quarter a report containing the same information relating to the quality of its assets. Such report is available for viewing on the website of La Banque Postale (www.labanquepostale.fr).

Financing limitation by privileged debts

Even if they comply with all the legal eligibility criteria set out by the French legal framework applicable to *sociétés de financement de l'habitat*, home loans may only be financed by the issuance of *obligations de financement de l'habitat* (such as the Notes) and other debt benefiting from the *Privilège* up to a maximum limit determined by the law. See "Summary of the legislation and regulations relating to *sociétés de financement de l'habitat – Financing portion (quotité de financement)*".

Cover ratio between assets and privileged debts

According to Articles L.515-20 and R.515-7-2 of the French Monetary and Financial Code, *sociétés de financement de l'habitat* must at all times maintain a cover ratio of at least 102 per cent. of the total amount of their liabilities which benefit from the *Privilège* by the total amount of their assets, including the replacement assets (*valeurs de remplacement*). For the calculation of this cover ratio, when the assets comprise receivables secured by collateral assets pursuant to Articles L.211-36 to L.211-40, L.313-23 to L.313-35 and L.313-42 to L.313-49 of the French Monetary and Financial Code, which are not replacement assets (*valeurs de remplacement*), the *sociétés de financement de l'habitat* must take into account the assets received as collateral rather than the secured receivables.

Calculation of this cover ratio is set out in the CRBF Regulation pursuant to which the ratio's denominator (article 8 of the CRBF Regulation) is composed of *obligations de financement de l'habitat* and other resources benefiting from the *Privilège*, and the ratio's numerator (article 9 of the CRBF Regulation) is composed of all the assets at their risks weighted amount as such amount is determined in CRBF Regulation.

Pursuant to Article R.515-7-2 of the French Monetary and Financial Code, the Issuer must be in constant compliance with the conditions of the above cover ratio. The Specific Controller (as described

in the section entitled "Summary of the legislation and regulations relating to *sociétés de financement de l'habitat*") has access to information that allows confirmation of each issue's compliance with the cover ratio. This cover ratio is published twice a year and checked on a quarterly basis and for each issue whose amount is greater than Euro 500 million, by the Specific Controller (for more details on the cover ratio, see section entitled "Summary of the legislation and regulations relating to *sociétés de financement de l'habitat* - Cover ratio").

III. RISK FACTORS RELATING TO THE COLLATERAL SECURITY

No interpretation by French courts of rules applicable to Collateral Security

The Collateral Security will be granted by La Banque Postale, and, as the case may be, enforced by the Issuer, in accordance with the provisions of Articles L.211-38 *et seq.* of the French Monetary and Financial Code, being the applicable rules of French law implementing directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements, which has been amended by Directive 2009/44/EC of the 6 May 2009 (the "**Collateral Directive**").

It should be noted that French courts have not yet had the opportunity to interpret Articles L.211-38 *et seq.* of the French Monetary and Financial Code.

Impact of the hardening period on the Collateral Security

Article L.211-40 of the French Monetary and Financial Code states that the provisions of book VI of the French Commercial Code (pertaining to insolvency proceedings as a matter of French law) shall not impede ("*ne font pas obstacle*") the application of Articles L.211-36 *et seq.* of the French Monetary and Financial Code. This provision should lead to the conclusion that the rules pertaining to the nullity of acts concluded during the hardening period (*période suspecte*) (as provided for in articles L.632-1 and L.632-2 of the French Commercial Code) will not apply in respect of guarantees governed by article L. 211-38 of the French Monetary and Financial Code.

The hardening period (*période suspecte*) is a period of time the duration of which is determined by the bankruptcy judge upon the judgement recognising that the cessation of payments (*cessation des paiements*) of the insolvent company has occurred. The hardening period commences on the date of such judgement and extends for up to eighteen (18) months previous to the date of such judgement.

Given the provisions of the Collateral Directive, it is reasonable to consider that Article L.211-40 of the French Monetary and Financial Code will exclude application of article L.632-1-6° of French Commercial Code, which provides for an automatic nullity of security interest granted during the hardening period to secure past obligations of a debtor and, therefore, that the Collateral Security, which is governed by Articles L.211-38 *et seq.* of the French Monetary and Financial Code, would not be avoided on the basis of said article L. 632-1-6° of French Commercial Code.

However, it cannot be excluded that article L. 211-40 of the French Monetary and Financial Code does not intend to overrule article L.632-2 of the French Commercial Code, which provides for a potential nullity of acts which are onerous (*actes à titre onéreux*) if the counterparty of the debtor was aware, at the time of conclusion of such acts, that the debtor was unable to pay its debts due with its available funds (*en état de cessation des paiements*). Should article L.632-2 of the French Commercial Code be deemed applicable, nullity of the Collateral Security could be sought, if the Issuer was aware, at the time where the Collateral Security was granted (or the subject of an addition or a substitution), that La Banque Postale was unable to pay its debt due with its available funds (*en état de cessation des paiements*). However, within the French legal framework applicable to *sociétés de financement de l'habitat*, Article L.515-37 of the French Monetary and Financial Code provides that the provisions of Article L.632-2 of the French Commercial Code are not applicable to contracts concluded by a *société de financement de l'habitat*, or to legal transactions made by or in favour of *société de financement de l'habitat*, as far as such contracts or transactions are directly related to the transactions referred to in Articles L.515-34 to L.515-36 of the French Monetary and Financial Code.

No prior notification to debtors under the Home Loans granted as Collateral Security

The Collateral Security Agreement will provide that the relevant home loans will be transferred (*remis en pleine propriété*) as Collateral Security pursuant to the provisions of Article L.211-38 of the French Monetary and Financial Code, without notification or information of the debtors under such home loans. Such debtors will only be notified in case of enforcement of the Collateral Security by the Issuer. As long as no such notification has taken place, any payments made by the debtors under the relevant home loans will continue to be validly made by such debtors to La Banque Postale.

Each debtor may further raise defences (which may include, as applicable, any set-off right) against the Issuer arising from such debtor's relationship with La Banque Postale to the extent that such defences (i) are existing prior to the notification of the transfer of the relevant home loan or (ii) arise out of mutual claims (*compensation de créances connexes*) between the debtor and La Banque Postale which are closely connected with that home loan (irrespective of whether such notification has been made before or after such claims have arisen).

There is no guarantee that the notification to the debtors will be made at the times required and there can be no guarantee or assurance as to the ability of the Issuer to obtain effective direct payment from the debtors in a sufficient timely manner, which may affect payments under the Notes. In this situation, a shortfall in distributions of interest to Noteholders may result.

Until notification to the debtors has been made and provided that, at such time, an insolvency proceeding has been opened against La Banque Postale, French insolvency law will prevent the Issuer from recovering from La Banque Postale any collections received by it under the relevant home loans which are commingled with other funds of La Banque Postale.

However, these risks are mitigated by the funding of a cash reserve by La Banque Postale upon certain downgrade event (see section entitled "Relationship between La Banque Postale Home Loan SFH and La Banque Postale").

Maintenance of value of the Collateral Security prior to enforcement

Under the Collateral Security Agreement, for so long as no event of default under the Uncommitted Facility Agreement has occurred and the Collateral Security has not been enforced, La Banque Postale will be required to perform regularly an asset cover test (the "**Asset Cover Test**") in order to ensure that the value of the eligible assets granted as Collateral Security is at least equal to the minimum legal percentage set out in Article R. 515-7-2 of the French Monetary and Financial Code plus a contractual buffer percentage of the aggregate outstanding amount of the Loans made available under the Uncommitted Facility Agreement (the "**Asset Cover Ratio**").

Failure to maintain compliance with such Asset Cover Ratio may result in the Issuer having insufficient funds to meet its obligations under the Notes.

Disproportionate guarantee

Pursuant to article L. 650-1 of the French Commercial Code, a creditor may be held liable towards a bankrupt debtor if the credit granted by it to such debtor entailed a damage and the security interest securing such credit is disproportionate (*disproportionné*) compared to that credit. In such case, such security interest may be void or reduced by the judge. However, there is few French case law interpreting and implementing the provisions of Article L.650-1 of the French Commercial Code, so that there is an uncertainty as to whether the provisions of Article L.650-1 of the French Commercial Code would apply to the Collateral Security. Moreover, Article L.211-40 of the French Monetary and Financial Code expressly provides that the provisions of book VI of the French Commercial Code shall not impede (*ne font pas obstacle*) the application of Articles L.211-36 *et seq.* of the French Monetary and Financial Code.

Home loans debtors' ability to pay under the home loans

The home loans debtors are individuals. The purpose of the home loans is the financing of a real estate property.

If following enforcement of the Collateral Security, the Issuer does not receive the full amount due from the home loan debtors in respect of such home loans, this may affect the ability of the Issuer to make payments under the Notes.

The Issuer may therefore be exposed to the occurrence of credit risk in relation to the home loan debtors.

None of the Borrower under the Uncommitted Facility Agreement, the Issuer or any other party to the Programme does guarantee or warrant full and timely payment by the home loan debtors of any sums payable under such home loans.

The ability of the home loan debtors to make timely payment of amounts due under such home loans will mainly depend on their assets and its liabilities as well as their ability to generate sufficient income to make payments under the relevant home loans. Their ability to generate income may be adversely affected by a large number of factors, some of which (i) relate specifically to the home loan debtor itself (including but not limited to their age and health, employment situation, family situation, creditworthiness or expropriation) or (ii) are more general in nature (such as changes in governmental regulations, fiscal policy, etc.).

Furthermore, home loan debtors may benefit from the favorable legal and statutory provisions of the French Consumer Code, pursuant to which any individual may, under certain circumstances, and subject to certain conditions, request and obtain from the competent court a grace period, a reduction of the amount of all and any of its indebtedness and any interest relating thereto and, as the case may be, a full or partial extinguishment of its indebtedness against a credit institution (*établissement de crédit*).

Enforcement of home loan guarantees

If following enforcement of the Collateral Security in favour of the Issuer and then notification of the home loan debtors and then enforcement of its rights by the Issuer under the relevant home loan guarantee against the home loan guarantor, the later does not pay in whole or in part any amounts due under the relevant home loan guarantee for whatever reason or does not pay such amounts in a timely manner, this may affect the ability of the Issuer to make payments under the Notes.

IV. RISK FACTORS RELATING TO THE OPERATIONS OF THE ISSUER

Interest and currency risks

According to article 12 of the CRBF Regulation, the Issuer shall dispose of a system for measuring overall interest rate risks under the conditions set forth in article 28 of the Regulation 97-02 notwithstanding the provisions of article 29 of the same Regulation. The level of rate and maturity matching between the assets and the liabilities of the Issuer shall be verified by the Specific Controller.

The Issuer may use micro and macro-hedging instruments to hedge any interest rate and currency risks between its assets and liabilities, and in particular any interest rate and/or currency risks arising from the mismatches between (i) the amounts of principal and interest payable by the Issuer under the Notes, and (ii) its assets. For this purpose, the Issuer may enter into interest and/or currency hedging agreements with one or several hedging counterparties.

The replacement assets (*valeurs de remplacement*) are managed so as not to incur any currency risks.

Liquidity risk

In order to finance any temporary liquidity needs, the Issuer benefits from the ALM management tools and instruments provided to it by the laws and regulations applicable to *sociétés de financement de l'habitat* in order to fund temporary liquidity needs.

According to Article L. 515-36 of the French Monetary and Financial Code, the Issuer may at any time sell or liquidate certain assets or raise new short-term or medium-term funds in order to comply with its payment obligations under the Notes and raise other resources, whether or not they benefit from the *Privilège* (depending on whether their agreement or document designed to inform the public (within the meaning of article L. 412-1 of the French Monetary and Financial Code) or any equivalent document required for the admission to trading on foreign regulated markets, mentions the *Privilège* or not).

See section entitled "Summary of the legislation and regulations relating to *sociétés de financement de l'habitat*" for the full list of these tools and instruments. Some of these tools and instruments allow the Issuer to temporarily use its assets as eligible collateral with the European Central Bank in accordance with the rules of the Eurosystem.

In any event, the Issuer is legally bound to ensure at any time adequate coverage of its liquidity needs for a 180 days period (see section entitled "Summary of the legislation and regulations relating to *sociétés de financement de l'habitat* - Liquidity coverage"), by any of the following means:

- (i) with replacement assets (*valeurs de remplacement*) complying with the provisions of articles R.515-7 and R.515-16 of the French Monetary and Financial Code;
- (ii) with assets which are eligible for the credit operations of the *Banque de France* in accordance with the procedures and conditions set forth by the latter in the context of its monetary policy and intraday credit operations; and
- (iii) by refinancing agreements entered into with credit institutions with minimum ratings complying with the provisions of article R.515-7-1 of the French Monetary and Financial Code or guaranteed by other legal persons complying with such ratings.

In any case, if the Issuer is not able to cover its liquidity needs with any of the tools and instruments described above, the Issuer would be allowed to subscribe for its own *obligations de financement de l'habitat*, within the limit of ten (10) per cent. of the total outstanding amount (*encours total*) of the resources benefiting from the *Privilège* as at the date of their subscription, for the sole purpose of pledging them (*affecter en garantie*) as collateral security in order to secure the credit transactions (*opérations de crédit*) of the *Banque de France* in accordance with the provisions of article L. 515-32-1 of the French Monetary and Financial Code (See "Summary of the legislation and regulations relating to *sociétés de financement de l'habitat*").

Operating risks

The Issuer having no human resources, its technical administration has been subcontracted to its parent, La Banque Postale (see the section entitled "Relationship between La Banque Postale Home Loan SFH and La Banque Postale"). The security of the La Banque Postale group's information systems is managed within La Banque Postale. A security policy has been defined, including directives and operating procedures broken down by risk sector: physical security, security of system access control, security of data bases and applications, and security of continued operations.

V. RISK FACTORS RELATING TO THE NOTES

A. General risks related to the Notes

Set out below is a brief description of certain risks relating to the Notes generally:

Independent review and advice

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

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

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:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement to this Base Prospectus and the relevant Final Terms;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact the relevant Notes will have on its overall investment portfolio;
- (c) 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;
- (d) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. 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.

Potential Conflicts of Interest

The Issuer, the Dealers or their respective affiliates may from time to time advise the issuers or obligors in respect of reference assets regarding transactions to be entered into by them, or engage in transactions involving reference assets for their proprietary accounts and for other accounts under their management. Any such transaction may have a positive or negative effect on the value of such reference assets and therefore on the value of any Notes to which they relate. Accordingly, certain conflicts of interest may arise both among the Issuer, the Dealers or their affiliates and between the interests of the Issuer, the Dealers or their affiliates and the interests of holders of Notes.

Potential conflicts of interest may also arise between the Calculation Agent, if any, for a Tranche and the Noteholders, including with respect to certain discretionary determinations and judgments that such Calculation Agent may make, pursuant to the Terms and Conditions, that may influence the amount receivable upon redemption of the Notes.

Legality of Purchase

Neither the Issuer, the Dealer(s) nor any of their respective affiliates has or assumes responsibility for the lawfulness of the 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.

Modification of the Conditions

The Terms and Conditions contain provision for calling General Meetings of Noteholders to consider matters affecting their interest generally. The Terms and Conditions permit, in certain cases, defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant General Meeting and Noteholders who voted in a manner contrary to the majority. The General Meeting may 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, as more fully described in Condition 10.

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 judicial decision or change to French law or administrative practice after the date of this Base Prospectus.

Impact of regulatory changes

The Issuer is subject to financial services laws, regulations, administrative actions and policies in each jurisdiction in which it carries on business. Changes in supervision and regulation, in particular in France, could materially affect the Issuer's business, the products and services offered or the value of its assets. Although the Issuer works closely with its regulators and continually monitors its environment, future changes in regulation, fiscal or other policies can be unpredictable and are beyond the control of the Issuer.

No legal and tax advice

Each prospective investor should consult its own advisers as to legal, tax and related aspects investment in the Notes. A Noteholder's effective yield on the Notes may be diminished by the tax on that Noteholder of its investment in the Notes.

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs.

Taxation

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

Withholding Taxes - No gross-up obligation

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

EU Savings Directive

On 3 June 2003, the European Council of Economics and Finance Ministers adopted a directive 2003/48/EC regarding the taxation of savings income in the form of interest payments (the "**Savings Directive**"). The Savings Directive requires Member States, subject to a number of conditions being met, to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within their jurisdiction to an individual resident in that other Member State, except that, for a transitional period, Luxembourg and Austria will instead withhold an amount on interest payments unless the relevant beneficial owner of such payment elects otherwise and authorises the paying agent to disclose the above information. The rate of this withholding tax is currently 35% (see section entitled "Taxation – EU Savings Directive").

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

The Issuer is required to maintain a paying agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

The proposed financial transactions tax

The European Commission recently published a proposal for a Directive for a common financial transaction tax (the "**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia. The tax would be applicable from 1 January 2014.

The proposed FTT has very broad, potentially extraterritorial scope. It would apply to financial transactions where at least one party is a financial institution, and (a) one party is established in a participating Member State or (b) the financial instrument which is subject to the transaction is issued in a participating Member State. A financial institution in the meaning of the proposal for a Directive for a FTT encompasses a wide range of entities, including certain credit institutions but also, *inter alia*, certain regulated markets, UCITS, AIF, securitisation vehicles and individuals. A financial institution may be, or be deemed to be, "established" in a Member State in a broad range of circumstances.

The Issuer is incorporated in France and therefore financial institutions worldwide would be subject to the FTT when dealing in the Notes.

In relation to many secondary market transactions in bonds and shares, the FTT would be charged at a minimum rate of 0.1 per cent. on each financial institution which is party to the transaction. The issuance and subscription of the Notes should, however, be exempt. There are no broad exemptions for financial intermediaries or market makers. Therefore, the effective cumulative rate applicable to some dealings in bonds or shares (for instance, cleared transactions) could be greatly in excess of 0.1 per cent.

A person transacting with a financial institution which fails to account for FTT would be jointly and severally liable for that tax.

The FTT proposal remains subject to negotiation between the Member States, and may therefore be altered. Additional Member States may decide to participate. Prospective holders of the Notes are strongly advised to seek their own professional advice in relation to the FTT.

U.S. Foreign Account Tax Compliance Act Withholding

The Issuer and other non-U.S. financial institutions through which payments on the Notes are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of payments made after December 31, 2016 in respect of (i) Notes treated as debt for U.S. federal income tax purposes and issued after the date that is six months after the date on which final regulations that define "foreign passthru payments" are issued, or are materially modified from that date, and (ii) any Notes treated as equity for U.S. federal income tax purposes, whenever issued, pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended ("**FATCA**") or similar law implementing an intergovernmental approach to FATCA.

If the Notes are treated as debt for U.S. federal income tax purposes and are issued on or before the date that is six months after the date on which final regulations that define "foreign passthru payments" are published, they should be "grandfathered" and FATCA withholding would not be required with respect to interest, principal or other payments on the Notes or the proceeds of sale of the Notes unless the Notes are materially modified after that date.

If the Notes are not grandfathered or are equity for U.S. federal income tax purposes, the 30 per cent. withholding tax may be required if the Issuer, which will be a foreign financial institution ("**FFI**") (as defined in FATCA) or any of the non-U.S. financial institutions through which payments are made enters into and complies with an agreement with the U.S. Internal Revenue Service (or an equivalent arrangement provided for under a law implementing an intergovernmental approach to FATCA) to provide certain information on its account holders (making the Issuer and any such non-U.S. financial institutions a "Participating FFI" within the meaning of FATCA), and (i) the Issuer has a positive "passthru payment percentage" (as determined under FATCA), and (ii) (a) an investor does not provide information sufficient for the relevant Participating FFI to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer, (b) an investor does not consent, where necessary, to have its information disclosed to the IRS, or (c) any FFI that is an investor, or through which payments on the Notes are made, is not a Participating FFI.

It is not clear if or when regulations defining "foreign passthru payments" might be issued nor the requirements that might be set out in such regulations. Furthermore, France is reportedly in the final stages of negotiating an intergovernmental agreement with the United States, and it is not yet certain how the United States and France will address withholding by FFIs on "foreign passthru payments", or if such withholding will be required at all.

If an amount in respect of FATCA or as required under an intergovernmental approach to FATCA were to be deducted or withheld from interest, principal, or other payments on the Notes, none of the Issuer, the Paying Agents or any other person would, pursuant to the Terms and Conditions of the Notes, be required to pay additional amounts or otherwise indemnify a Noteholder as a result of the deduction or withholding of such tax and Noteholders might receive less interest or principal than expected.

The application of FATCA to Notes issued or materially modified after the date that is six months after the date on which the relevant final regulations are filed (or whenever issued, in the case of Notes treated as equity for U.S. federal income tax purposes) may be addressed in the relevant Final Terms or in a supplement to this Base Prospectus, as applicable.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE NOTES, AND THE NOTEHOLDERS IS UNCERTAIN AT THIS TIME. THE ABOVE DESCRIPTION IS BASED IN PART ON REGULATIONS AND OFFICIAL GUIDANCE THAT IS SUBJECT TO CHANGE. FURTHERMORE, WHILE FRANCE HAS ANNOUNCED ITS INTENTION TO DEVELOP AN INTERGOVERNMENTAL APPROACH TO FATCA, THE PARTICULARS OF THEIR APPROACH ARE NOT FULLY KNOWN AND COULD AFFECT THE WAY IN WHICH FATCA MIGHT APPLY TO THIS TRANSACTION, THE ISSUER, THE NOTES

AND THE HOLDERS. EACH POTENTIAL NOTEHOLDER SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH NOTEHOLDER IN ITS PARTICULAR CIRCUMSTANCE.

Implementation of Basel II and Basel III Risk-Weighted Asset Framework

In June 1999, the Basel Committee on Banking Supervision (the "**Basel Committee**") issued proposals for the reform of the 1988 Basel Capital Accord and proposed a new capital adequacy framework which would place enhanced emphasis on risk sensitivity and market discipline. On 26 June 2004, the Basel Committee published a new Capital Accord under the title "Basel II International Convergence of Capital Measurement and Capital Standards: a Revised Framework" ("**Basel II**"), an updated version of which was published in November 2005. Basel II was implemented under EU legislation by virtue of the directives no. 2006/48 of the European Parliament and of the Council relating to the taking up and pursuit of the business of credit institutions and no. 2006/49 on the capital adequacy of investment firms and credit institutions both dated 14 June 2006 as recently amended by the Directives 2009/27/EC, 2009/83/EC and 2009/111/EC (the "**Capital Requirements Directives**", as amended from time to time). In France, the provisions of the Capital Requirements Directives providing for a new solvency ratio were implemented in particular under the *arrêté* dated 20 February 2007 relating to the capital requirements applicable to the credit institutions and the investment firms (as amended) and the *ordonnance* no. 2007-571 dated 19 April 2007 relating to the credit institutions, the investment firms and *sociétés de crédit foncier*. Please note also that the *arrêté* dated 25 August 2010 transposing the Capital Requirements Directives, which has entered into effect on 31 December 2010, has amended the French prudential control requirements applicable to credit institutions and investment firms.

It also should be noted that on December 17, 2009, the Basel Committee has published for consultation a package of proposals for new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. On December 16, 2010 and January 13, 2011, the Basel Committee has approved significant changes to Basel II ("**Basel III**"), including new capital and liquidity standards for credit institutions. Those measures are expected to be implemented by relevant authorities starting from January 1, 2013 with full implementation on January 1, 2019, although certain supervisory authorities have already announced their intention to require an earlier application.

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

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

The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general. Those changes were implemented on a European level through the Directive 2013/36/EU of the European Parliament and the Council of 26 June 2013 (the "**Directive CRD IV**") and the Regulation (EU) No 575/2013 of the European Parliament and the Council of 26 June 2013 (the "**Capital Requirement Regulation**"). The Directive CRD IV and the Capital Requirement Regulation were published in the *Official Journal* on 27 June 2013. Member States must transpose the Directive CRD IV into national law by 31 December 2013 (except for certain provisions detailed within Article 162). The Capital Requirement Regulation enters into force on 28 June 2013, and applies from 1 January 2014, with the exception of the provisions listed in Article 521. With effect from 1 January 2014, the current Capital Requirements Directives will be repealed.

The implementation of the Directive CRD IV and the Capital Requirement Regulation will bring about a number of substantial changes to the current capital requirements, prudential oversight and risk-management systems applicable to credit institutions, including those of the Issuer. The direction and the magnitude of the impact of the Directive CRD IV and the Capital Requirement Regulation will

depend on the particular asset structure of each credit institution and its precise impact on the Issuer cannot be quantified with certainty at this time. The Issuer may operate its business in ways that are less profitable than its present operation in complying with the new guidelines resulting from the Directive CRD IV and the Capital Requirement Regulation.

In addition, the implementation of the Directive CRD IV and the Capital Requirement Regulation 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 Directive CRD IV and the Capital Requirement Regulation. Accordingly, recipients of this Base Prospectus should consult their own advisers as to the consequences and effects the implementation of the Directive CRD IV and the Capital Requirement Regulation could have on them.

Forecasts and estimates

Estimates of the weighted average lives of the Notes contained in this Base Prospectus, together with any other projections, forecasts and estimates in this Base Prospectus are forward-looking statements. Such projections are speculative in nature and it can be expected that some or all of the assumptions underlying the projections will not prove to be wholly correct or will vary from actual results. Consequently, the actual results might differ from the projections and such differences might be significant.

Ratings of the Notes

The rating assigned to the Notes by the Rating Agency is based, among other things, on the credit quality of the assets refinanced and the other relevant structural and credit enhancement features provided for under the Programme, including, among other things, the short-term and/or long-term unsecured, unguaranteed and unsubordinated debt ratings (with respect to Standard & Poor's Rating Services) of the parties involved in the Programme, and reflect only the views of the Rating Agency. The rating addresses the likelihood of full and timely receipt by any of the relevant Noteholders of interest on the Notes and the likelihood of receipt by any relevant Noteholder of principal of the Notes by the relevant Maturity Date or Extended Maturity Date, as the case may be. There is no assurance that any such rating will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the Rating Agency as a result of changes in or unavailability of information or if, in the judgement of the Rating Agency, circumstances so warrant. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon both the value of the Notes or their marketability in secondary market transactions.

The Rating Agency will be notified of the exercise of certain discretions exercised by or on behalf of the Issuer under the Programme documents. However, the Rating Agency is under no obligation to revert to the Issuer (or any of its agents) regarding the impact of the exercise of such discretion on the rating of the Notes and any decision as to whether or not to confirm, downgrade, withdraw or qualify the rating of all classes or any class of Notes based on such notification may be made at the sole discretion of the Rating Agency at any time, including after the relevant action has been taken.

B. Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature of the Notes is likely to limit their market value. During any period when the Issuer may elect to redeem the Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor would not generally be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed, and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed Rate Notes

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

Floating Rate Notes

The interest rate of Notes which bear interest at a floating rate is comprised of (i) a reference rate, and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three (3) months or six (6) months) which itself will change in accordance with general market conditions. Accordingly, the market value of Floating Rate Notes may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate. The market values of such Notes are typically more volatile than the market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which can/would further adversely affect the market value of these Notes.

Fixed to Floating Rate Notes

Fixed to Floating Rate Notes may bear interest at a rate that will automatically, or that the Issuer may elect to, convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The conversion (whether automatic or optional) will affect the secondary market and the market value of such Notes since it 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 may at any time be lower than the rates on other Notes. If a floating rate is converted to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

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

Notes with soft bullet maturity may be redeemed after their initial maturity

If so provided in the relevant Final Terms, the Maturity Date of the Notes may be extended automatically to the Extended Maturity Date (as specified in the applicable Final Terms).

The payment of the Final Redemption Amount may be automatically deferred and shall become due and payable on the Extended Maturity Date if so specified in the relevant Final Terms, provided that the Final Redemption Amount unpaid on the Maturity Date may be paid by the Issuer on any Specified Interest Payment Date occurring thereafter up to and including the relevant Extended Maturity Date.

Interest will continue to accrue on any unpaid amount during such extended period at the Rate of Interest specified in the relevant Final Terms and be payable on each Specified Interest Payment Date and on the Extended Maturity Date, all as specified in the relevant Final Terms and in accordance with the applicable Conditions.

There is no assurance that the situation of the Issuer will not change between the initial Maturity Date and the Extended Maturity Date.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Market value of the Notes

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors, including, but not limited to, the market interest and yield rates and the time remaining to the Maturity Date or Extended Maturity Date, as the case may be.

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

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, that are designed for specific investment objectives or strategies or that have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have an adverse effect on the market value of Notes.

In addition, Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Base Prospectus), whereby there is a general lack of liquidity in the secondary market for instruments similar to certain of the Notes which may be issued hereunder. Such lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the Notes. The Issuer cannot predict whether these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

Although applications have been made for the Notes issued under the Programme to be listed and admitted to trading on Euronext Paris, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may change significantly (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's

Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes, and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings may not reflect all risks

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

Legal investment considerations may restrict certain investments

The investment activities of certain investors can be subject to legal investment laws and regulations and/or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing, and (3) other restrictions that could apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules. Neither the Issuer, the Dealer(s) nor any of their respective affiliates has or assumes responsibility for the lawfulness of the 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.

SUMMARY OF THE LEGISLATION AND REGULATIONS RELATING TO *SOCIÉTÉS DE FINANCEMENT DE L'HABITAT*

Legal framework

On the date of this Base Prospectus, the legal and regulatory regime applicable to *sociétés de financement de l'habitat* results from the following provisions:

- (a) Articles L.515-14, L.515-16, L.515-17 to L.515-32-1 and L. 515-34 *et seq.* of the French Monetary and Financial Code (as amended from time to time);
- (b) Articles R.515-2, R.515-4, R.515-5, R.515-7 to R.515-11 and R.515-12 to R.515-17 of the French Monetary and Financial Code (as amended from time to time);
- (c) the CRBF Regulation (as amended from time to time);
- (d) the various *Autorité de contrôle prudentiel's* instructions applicable to *sociétés de financement de l'habitat*.

Entities entitled to issue *obligations de financement de l'habitat*

Sociétés de financement de l'habitat are licensed as credit institutions (*établissements de crédit*) and authorised to act as *sociétés de financement de l'habitat* by the *Autorité de contrôle prudentiel*.

The exclusive legal purpose of the *sociétés de financement de l'habitat* is to grant or finance home loans and hold securities and instruments under the conditions set out in the French Monetary and Financial Code.

Eligible assets

In accordance with the French current legal framework applicable to *sociétés de financement de l'habitat* on the date hereof, the eligible assets to a *société de financement de l'habitat* may only be:

- (a) loans granted by it to any credit institution and guaranteed by the transfer (*remise*), the assignment (*cession*) or the pledge (*nantissement*) of home loans receivables (as defined in paragraph (d) below), pursuant to and in accordance with the provisions of Articles L.211-36 to L.211-40 or Articles L.313-23 to L.313-35 of the French Monetary and Financial Code, regardless of their professional nature;
- (b) units or notes issued by French securitisation vehicles (*organismes de titrisation*) or any other similar entities governed by the laws of a European Union Member State or an European Economic Area Member State, the United States of America, Switzerland, Japan, Canada, Australia or New Zealand, if the following provisions of articles L. 515-16 and R.515-4 of the French Monetary and Financial Code are complied with (the ***Asset-Backed Securities***):
 - (i) the similar foreign entities mentioned above must be governed by the law of a European Union Member State or an European Economic Area Member State if its assets are composed in whole or part of loans mentioned in Article L.515-35-II of the French Monetary and Financial Code; and
 - (ii) the assets of such securitisation vehicles consist of, except for sums temporarily available and pending allocation, guarantees, security interest or other privileges benefiting to them, as well as securities kept by these securitisation vehicles or similar entities as reserve or guarantee in accordance with the applicable legislation, at least 90% of receivables of the same kind as those complying with the criteria set out in Article L.515-35-II of the French Monetary and Financial Code or other

receivables benefiting from guarantees that are equivalent to those of the loans referred to above;

- (iii) such units or notes are not specific units or specific notes bearing the risk of default of the debtors; and
 - (iv) such units or notes benefit from the highest level of credit assessment (*meilleur échelon de qualité de crédit*) assigned by an external rating agency recognised by the *Autorité de contrôle prudentiel* pursuant to Article L.511-44 of the French Monetary and Financial Code; and
 - (v) within a limit of 10 per cent. of the nominal amount of the *obligations de financement de l'habitat* and other liabilities benefiting from the *Privilège* of the *société de financement de l'habitat*. Until 31 December 2013, this limit of 10% is not applicable provided that the two following conditions are met: (i) loans composing at least 90% of the assets of the securitisation vehicle are transferred by an entity belonging to the same group or affiliated to the same central body as the *société de financement de l'habitat* and (ii) the subordinated units issued by the securitisation vehicle are kept by such entity.
- (c) promissory notes (*billets à ordre*) issued by any credit institution, pursuant to and in accordance with the provisions of Articles L.313-43 to L.313-48 of the French Monetary and Financial Code and which are issued in order to refinance home loans receivables that meet legal criteria of Article L.515-35 of the French Monetary and Financial Code, as an exception to Article L.313-42 of the said code; and
- (d) home loans which are defined as loans that:
- (i) aim at financing, in whole or in part, residential real property located in France or another European Union Member State or an European Economic Area Member State or a State benefiting from the highest level of credit assessment (*meilleur échelon de qualité de crédit*) assigned by an external rating agency recognised by the *Autorité de contrôle prudentiel* pursuant to Article L.511-44 of the French Monetary and Financial Code; and
 - (ii) are guaranteed by a first-ranking mortgage or a charge over real property which provides a guarantee at least equivalent, or a guarantee (*cautionnement*) granted by a credit institution or an insurance company.

In accordance with Article R.515-14 of the French Monetary and Financial Code, any *société de financement de l'habitat* must keep an up-to-date list (*état*) of the loans it has granted or acquired. Such list must also mention the nature and the value of the guarantees relating to these loans, together with the nature and the amount of the privileged debts.

In addition, according to Articles L.515-17, R.515-7 and R.515-16 of the French Monetary and Financial Code, a *société de financement de l'habitat* may also hold securities, instruments and deposits which are sufficiently secure and liquid, as replacement assets (*valeurs de remplacement*) defined as exposures on credit institutions or investment firms benefiting from the highest level of credit assessment (*meilleur échelon de qualité de crédit*) assigned by an external rating agency recognised by the *Autorité de contrôle prudentiel* pursuant to Article L.511-44 of the French Monetary and Financial Code or guaranteed by credit institutions or investment firms benefiting of the same level of credit assessment (*échelon de qualité de crédit*), as well as debt securities issued or fully guaranteed by public sector entities as referred to in paragraphs 1 to 5 of Article L. 515-15 of the French Monetary and Financial Code.

Finally, a *société de financement de l'habitat* may acquire and own any immovable or movable property which is necessary for the accomplishment of its corporate purpose or which derives from recovery of the receivables it holds.

A *société de financement de l'habitat* is not entitled to hold any equity interest (*participations*) in any entity in accordance with Article L.515-35, IV of the French Monetary and Financial Code.

See also the section entitled "Description of the Issuer – Issuer's exclusive purpose and business overview".

Privilège and liabilities

Privilège

The *obligations de financement de l'habitat* issued by *sociétés de financement de l'habitat*, together with the other resources raised pursuant to an agreement or a document designed to inform the public (within the meaning of Article L. 412-1 of the French Monetary and Financial Code) or any equivalent document required for the admission to trading on foreign regulated markets which mentions the *Privilège*, and the liabilities resulting from derivative transactions relating to the hedging of *obligations de financement de l'habitat* and other privileged debts in accordance with Article L.515-18 of the French Monetary and Financial Code benefit from the *Privilège* set out under Article L.515-19 of the French Monetary and Financial Code.

Pursuant to Article L.515-19 of the French Monetary and Financial Code, notwithstanding any legal provisions to the contrary and in particular the provisions included in the French Commercial Code relating to the prevention and conciliation of business difficulties and to the judicial administration and liquidation of companies:

- (a) the sums deriving from the loans or assimilated receivables, exposures and securities eligible to the assets of a *société de financement de l'habitat* within the meaning of Articles L.515-34 and L.515-35 of the French Monetary and Financial Code and from the financial instruments used for hedging as referred to in Article L.515-18 of the French Monetary and Financial Code, after set-off as the case may be, together with the claims in respect of deposits made by the *société de financement de l'habitat* with credit institutions, are allocated in priority to the payment of the *obligations de financement de l'habitat*, to other resources benefiting from the *Privilège* as mentioned in Article L.515-36-I of the French Monetary and Financial Code, to derivative transactions used for hedging purpose, under the condition of Article L.515-18 of the French Monetary and Financial Code, except those used to hedge non-privileged debts, and to other ancillary expenses and sums expressly referred to in Article L.515-19 of the French Monetary and Financial Code;
- (b) when a *société de financement de l'habitat* is subject to any safeguard procedure (*procédure de sauvegarde*), judicial reorganisation (*redressement judiciaire*) or liquidation (*liquidation judiciaire*) or to conciliation proceedings with its creditors (*procédure de conciliation*), the amounts due regularly from the operations referred to in Article L.515-36-I of the French Monetary and Financial Code are paid on their contractual due date, and in priority to all other debts, whether or not preferred or secured, including interest resulting from agreements whatever their duration. No other creditor of a *société de financement de l'habitat* may exercise any right over the assets and rights of such *société de financement de l'habitat* until all creditors benefiting from the *Privilège* have been fully paid off; and
- (c) the judicial liquidation of a *société de financement de l'habitat*, will not result in the acceleration of payment of *obligations de financement de l'habitat* and other debts benefiting from the *Privilège*.

Non-privileged debts

Sociétés de financement de l'habitat may also raise other resources which do not benefit from the *Privilège*. Such other resources include:

- (a) loans or resources raised pursuant to an agreement or a document designed to inform the public (within the meaning of Article L.412-1 of the French Monetary and Financial Code)

or any equivalent document required for the admission to trading on foreign regulated markets that does not mention the *Privilège*;

- (b) promissory notes (*billets à ordre*) issued pursuant to and in accordance with the provisions of Articles L.313-43 to L.313-48 of the French Monetary and Financial Code in order to refinance home loans receivables that meet legal criteria of Article L.515-35 of the French Monetary and Financial Code, as an exception to Article L.313-42 of the said code; and
- (c) temporary transfers of its securities as provided for in Articles L.211-22 to L.211-34 of the French Monetary and Financial Code, pledge of a securities account as defined in Article L.211-20 of the French Monetary and Financial Code and transfer of all or part of its receivables in accordance with Articles L.211-36 to L.211-40 or in accordance with Articles L.313-23 *et seq.* of the French Monetary and Financial Code, regardless of their professional nature. The receivables and securities so refinanced are not taken into account for the purpose of determining the cover ratio of the resources benefiting from the *Privilège*.

Financing portion (*quotité de financement*)

Pursuant to Article R.515-2 of the French Monetary and Financial Code to which Article R.515-15 of the same code expressly refers, the Issuer may only finance the home loans through issuance of *obligations de financement de l'habitat* or other resources benefiting from the *Privilège* up to the lowest of the following amounts:

- the principal outstanding amount of the home loan;
- the product of (i) the value of the financed real estate by guaranteed home loans or of the charged residential real estate for mortgage home loan and (ii) the applicable "financing portion" (*quotité de financement*) referred to in Article R.515-2 of the French Monetary and Financial Code (which in respect of certain home loans is 80%).

Pursuant to Article R.515-4 of the French Monetary and Financial Code to which Article R.515-15 of the same code expressly refers, the Issuer may only finance the Asset-Backed Securities through issuance of *obligations de financement de l'habitat* or other resources benefiting from the *Privilège* up to the lowest of the following amounts:

- the outstanding principal amount of such Asset-Backed Securities;
- the sum of (i) the capital remaining due under loans composing the assets of such securitisation vehicle and (ii) the liquidities of such securitisation vehicle as defined in Article R.214-220 of the French Monetary and Financial Code (*Code monétaire et financier*);
- the product of (i) the value of the financed real estate for guaranteed home loans or of the charged residential real estate for mortgage home loan and (ii) the applicable "financing portion" (*quotité de financement*) referred to in Article R.515-2 of the French Monetary and Financial Code (which in respect of home loans is 80%). This product shall be increased by the liquidities of the securitisation vehicle as defined in Article R. 214-220 of the French Monetary and Financial Code (*Code monétaire et financier*).

These amounts are those as of the date of the launch of the securitization vehicle, as of the date of any subsequent reloading or as of the date of the Asset-Backed Securities entering in the assets of the Issuer.

Cover ratio

Sociétés de financement de l'habitat must at all times maintain a cover ratio between their assets and their liabilities benefiting from the *Privilège*. According to Articles L.515-20 and R.515-7-2 of the French Monetary and Financial Code, *sociétés de financement de l'habitat* must at all times maintain a

cover ratio of at least 102 per cent. of the total amount of their liabilities which benefit from the *Privilège* by the total amount of their assets, including the replacement assets (*valeurs de remplacement*). For the calculation of this cover ratio, when the assets comprise receivables secured by collateral assets pursuant to Articles L.211-36 to L.211-40, L.313-23 to L.313-35 and L.313-42 to L.313-49 of the French Monetary and Financial Code, which are not replacement assets (*valeurs de remplacement*), the *sociétés de financement de l'habitat* must take into account the assets received as collateral rather than the secured receivables.

Sociétés de financement de l'habitat must appoint a Specific Controller (*contrôleur spécifique*) with the approval of the *Autorité de contrôle prudentiel* whose task is to ensure that the cover ratio is complied with at all times. In particular, the Specific Controller must certify that the cover ratio is satisfied in connection with (i) the *société de financement de l'habitat's* quarterly programme of issues benefiting from the *Privilège* and (ii) any specific issue also benefiting from the *Privilège* whose amount is greater than Euro 500 million. The Specific Controller must verify the quality of the assets, the process of yearly revaluation and the quality of the asset liability management. The Specific Controller (as further described in the paragraph entitled "Specific Controller" below) has access to information that allows confirmation of each issue's compliance with the cover ratio. This cover ratio is published twice a year.

Liquidity coverage

In accordance with Article R.515-7-1 of the French Monetary and Financial Code, a *société de financement de l'habitat* must ensure at any time the funding of its liquidity needs over a period of 180 days, taking into account the provisional fund flows arising from the principal and interest amounts over its assets and the net flows relating to the forward financial instruments (*instruments financiers à terme*) referred to in Article L.515-18 of the French Monetary and Financial Code. The needs in cash are covered with replacement assets (*valeurs de remplacement*) complying with the provisions of articles R.515-7 and R.515-16 of the French Monetary and Financial Code, assets which are eligible for the credit operations of the *Banque de France* in accordance with the procedures and conditions set forth by the latter in the context of its monetary policy and intraday credit operations, and by refinancing agreements entered into with credit institutions benefiting from the highest level of short term credit assessment (*meilleur échelon de qualité de crédit*) assigned by an external rating agency recognised by the *Autorité de contrôle prudentiel* pursuant to Article L.511-44 of the French Monetary and Financial Code or guaranteed by other corporates benefiting from the same level of credit assessment (*échelon de qualité de crédit*).

In the case where the assets of the *société de financement de l'habitat* are composed of receivables guaranteed by collateral assets in accordance with Articles L.211-36 to L.211-40, L.313-23 to L.313-35, and L.313-42 à L.313-49 of the French Monetary and Financial Code, if these assets are not replacement assets (*valeurs de remplacement*), the liquidity needs are evaluated by considering the assets transferred as collateral security (and not the receivables).

In accordance with, and pursuant to, the provisions of Article L.515-32-1 of the French Monetary and Financial Code, a *société de financement de l'habitat* may also, by derogation to the provisions of articles 1300 of the *Code civil* (the **French Civil Code**) and L. 228-44 to L. 228-74 of the French Commercial Code, subscribe for its own *obligations de financement de l'habitat*, for the sole purpose of pledging them as collateral security (*affecter en garantie*) in order to secure the credit transactions (*opérations de crédit*) of the *Banque de France* in accordance with the terms and conditions determined by the *Banque de France* for its monetary and intraday credit policy, if the *société de financement de l'habitat* is not able to cover its cash needs with the other means available to it, provided that:

- (a) the total amount of the *obligations de financement de l'habitat* subscribed by the Issuer does not exceed ten (10) per cent. of the total outstanding amount (*encours total*) of the resources benefiting from the *Privilège* as at the date of their subscription;
- (b) such *obligations de financement de l'habitat* are disentitled of their rights under articles L. 228-46 to L. 228-89 of the French Commercial Code as long as the *société de financement de l'habitat* holds them;

- (c) such *obligations de financement de l'habitat* are pledged for the benefit of the *Banque de France* within an 8-day period starting from the date on which they are paid and delivered (otherwise, such Notes shall be cancelled by the *société de financement de l'habitat* at the end of such 8-day period); and
- (d) they can not be subscribed by third parties.

In any case, the *obligations de financement de l'habitat* subscribed by the *société de financement de l'habitat* in accordance with, and pursuant to, the provisions of Article L.515-32-1 of the French Monetary and Financial Code, shall be cancelled within an 8-day period starting from the date on which they cease to be pledged for the benefit of the *Banque de France*.

Hedging

The Issuer may enter into forward financial instruments to hedge its interests and currency risks on the loans and exposures referred to in Articles L.515-34 and L.515-35 of the French Monetary and Financial Code, on the *obligations de financement de l'habitat* and on other resources whether or not benefiting from the *Privilège*. Any amounts payable pursuant to these forward financial instruments, after the applicable set-off as the case may be, benefit from the *Privilège*, unless such forward financial instruments were not concluded by the Issuer to hedge items of its assets and/or privileged liabilities or the global risk on its assets, liabilities and off-balance sheet items in accordance with article L. 515-18 of the French Monetary and Financial Code.

Insolvency derogating regime

Article L.515-27 of the French Monetary and Financial Code precludes the extension of any safeguard procedure (*procédure de sauvegarde*), judicial reorganisation (*redressement judiciaire*) or liquidation (*liquidation judiciaire*) in respect of the *société de financement de l'habitat*'s shareholders to the *société de financement de l'habitat*.

The French Monetary and Financial Code provides for a regime which derogates in many ways from the French legal provisions relating to insolvency proceedings. In particular, in the event of safeguard procedure (*procédure de sauvegarde*), judicial reorganisation (*redressement judiciaire*) or liquidation (*liquidation judiciaire*) of a *société de financement de l'habitat*, all claims benefiting from the *Privilège*, including interest thereon, must be paid on their due dates and in preference to all other claims, whether or not secured or statutorily preferred and, until payment in full of all such preferred claims, no other creditors may take any action against the assets of the *société de financement de l'habitat*.

In addition, pursuant to Article L.515-37 of the French Monetary and Financial Code, the provisions of Article L.632-2 of the French Commercial Code are not applicable to contracts concluded by a *société de financement de l'habitat*, or to legal transactions made by or in favour of *société de financement de l'habitat*, as far as such contracts or transactions are directly related to the transactions referred to in Articles L.515-34 to L.515-36 of the French Monetary and Financial Code.

Specific Controller

In each *société de financement de l'habitat*, a specific controller (*contrôleur spécifique*) (the **Specific Controller**) and a substitute Specific Controller (*contrôleur spécifique suppléant*) are in charge of ensuring the compliance of the *société de financement de l'habitat* with the legal framework described above. The Specific Controller and the substitute Specific Controller are selected from the official list of auditors and appointed by the officers of the *société de financement de l'habitat* with the approval of the *Autorité de contrôle prudentiel*.

Pursuant to Article L. 515-38 of the French Monetary and Financial Code, the tasks of the Specific Controller are:

- (a) to ensure that the *société de financement de l'habitat* complies with Articles L.515-34 to L.515-36 of the French Monetary and Financial Code;
- (b) to certify that the cover ratio is satisfied in connection with (i) the *société de financement de l'habitat's* quarterly programme of issues benefiting from the *Privilège* and (ii) any issue of resources benefiting from the *privilège* and whose amount is greater than Euro 500 million;
- (c) to ensure that the home loans (*prêts à l'habitat*) granted or refinanced by the *société de financement de l'habitat* comply with the purpose of article L. 515-34 of the French Monetary and Financial Code and with the requirements set out in articles L. 515-35 *et seq.* of the French Monetary and Financial Code;
- (d) to control, when the home loans (*prêts à l'habitat*) granted or financed by the *société de financement de l'habitat* are subject to a guarantee (*cautionnement*) from another credit institution or an insurance company included in the consolidation scope, as defined by article L. 233-16 of the French Commercial Code as applicable to the *société de financement de l'habitat*, the risks assessment methods established by such credit institution or insurance company are adequate, in accordance with Article R.515-17 of the French Monetary and Financial Code; and
- (e) to review, pursuant to article 12 of the CRBF Regulation, the level of rate and maturity matching between the assets and the liabilities. In case the Specific Controller believes that the level of rate and maturity matching would create excessive risks for the creditors benefiting from the *privilège*, the Specific Controller informs the officers of the relevant *société de financement de l'habitat* and the *Autorité de contrôle prudentiel*.

The Specific Controller attends all shareholders' meetings and, on his request, may be heard by the board of directors of the *société de financement à l'habitat* (Article L.515-30 of the French Monetary and Financial Code).

The Specific Controller is entitled to receive all the documents and information necessary to the fulfilment of its mission and to perform, under certain conditions, any audit and control in the premises of the *société de financement de l'habitat*. The Specific Controller prepares annual reports on the accomplishment of his missions to the management of the *société de financement de l'habitat*, a copy of which is delivered to the *Autorité de contrôle prudentiel*.

DESCRIPTION OF THE ISSUER

Incorporation, duration and registered office

The Issuer was incorporated on 26 April 2010, as a French *société par actions simplifiée* under the name GALLIENI SF2-3. Its term of existence is ninety-nine (99) years from the date of its incorporation. The Issuer is registered in the Commercial and Companies Registry (*Registre du Commerce et des Sociétés*) of Paris under number 522 047 570.

From the date of its incorporation and until 18 July 2013, the Issuer did not engage in any business activity.

On 7 February 2013, the Issuer adopted the legal form of French *société anonyme* and on 4 July 2013 the Issuer adopted its current legal and commercial name (i.e. La Banque Postale Home Loan SFH).

On 18 July 2013, the *Autorité de contrôle prudentiel* has licensed the Issuer as credit institution (*établissement de crédit*) with the status of *société financière - société de financement de l'habitat*.

The Issuer's office is at 115, rue de Sèvres - 75275 Paris cedex 06, France, its telephone number: +33 (0)1 57 75 60 00.

The Issuer is governed by the legal and regulatory provisions applicable to commercial companies (*sociétés commerciales*) (including, without limitation, articles L. 210-1 *et seq.* of the French Commercial Code), to credit institutions and to *sociétés de financement de l'habitat* (Articles L. 515-14, L. 515-16, L. 515-17 to L. 515-32-1, L. 515-34 *et seq.* and R. 515-2, R. 515-4, R. 515-5, R. 515-7 to R. 515-11 and R. 515-12 to R. 515-17 of the French Monetary and Financial Code, the CRBF Regulation and the various *Autorité de contrôle prudentiel*'s instructions) (see the section entitled "Summary of the legislation and regulations relating to *sociétés de financement de l'habitat*").

The Issuer is a member of the La Banque Postale group, fully owned subsidiary of La Banque Postale.

Share capital

The Issuer's share capital, as at the date of this Base Prospectus, amounts to EUR 120,000,000 divided into 12,000,000 fully paid-up ordinary shares of EUR 10. At the date of this Base Prospectus, 100 per cent (100%) of this share capital is owned by La Banque Postale.

There is no authorised and unissued share capital. There are no securities which grant rights to shares in the capital of the Issuer. All shares have equal voting rights.

Issuer's exclusive purpose and business overview

The Issuer's shall only carry out the activities and operations, whether in France or abroad, that are expressly allowed to it under its legal exclusive purpose defined in Articles L.515-34 *et seq.* of the French Monetary and Financial Code applicable to the *sociétés de financement de l'habitat* and in article 2 of its by-laws (*statuts*).

For information regarding the agreements already entered into by the Issuer, at the date of this Base Prospectus, see the section entitled "Relationship between La Banque Postale Home Loan SFH and La Banque Postale".

The Issuer may participate in any clearing system, interbank settlement system (*système de règlements interbancaires*), securities delivery and payment system (*système de règlement-livraison de titres*), as well as any activity within the context of the monetary policy of the European Central Bank.

More generally, the Issuer may perform any ancillary activities relating to its business or for the purpose of achieving its corporate purpose, as long as these activities comply with the corporate

purpose of *sociétés de financement de l'habitat* as it is defined in legal and mandatory legislation applying to their activities.

For a description of the legal framework applicable to *sociétés de financement de l'habitat*, see the section entitled "Summary of the legislation and regulations relating to *sociétés de financement de l'habitat*".

The Issuer may issue *obligations de financement de l'habitat* benefiting from the *privilege* defined in Article L. 515-19 of the French Monetary and Financial Code as part of this Programme and, as the case may be, any other notes whether under a programme or not and any other resources governed by the French law or any other law and benefiting from the *privilege* or not.

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

Subsidiaries

Pursuant to article L. 515-35, IV of the French Monetary and Financial Code, the Issuer is not entitled to hold any equity interest (*participations*) in any entity.

Management of the Issuer

The Issuer is run by a board of directors (*conseil d'administration*).

The Issuer's board of directors (*conseil d'administration*), which at the date of this Base Prospectus comprises six (6) members, including La Banque Postale, has full powers to act in all circumstances on behalf of the Issuer within the limits set by its internal rules and the by-laws (*statuts*) of the Issuer and subject to the powers expressly conferred by the French Commercial Code on shareholders in general meetings.

The chairman of the board of directors (*président du conseil d'administration*) organises and directs the work of the board of directors, of which he shall give an account at the shareholders' meetings, ensures that the governing bodies of the Issuer operate properly, and that the directors are able to perform their duties. At the date of this Base Prospectus, the chairman of the board of directors (*président du conseil d'administration*) is Yves Brassart.

The management of the Issuer consists of the chief executive officer (*directeur général*). The chief executive officer (*directeur général*) is vested with the broadest powers to act in all circumstances on behalf of the Issuer within the limits of the corporate purpose, and subject to the powers expressly attributed by law to shareholders' meetings and the special powers of the board of directors. He represents the Issuer in its relationships with third parties. At the date of this Base Prospectus, the chief executive officer (*directeur général*) is Stéphane Magnan.

Names, business address and functions of the members of the board of directors (*conseil d'administration*) and principal activities performed by them outside the Issuer are as follows:

Name	Business Address	Function	Principal activities performed outside the Issuer
Yves Brassart	115, rue de Sèvres - 75275 Paris cedex 06, France	Chairman of the board of directors (<i>président du conseil d'administration</i>)	Head of Finance and Strategy, member of the Executive Board at La Banque Postale
Marc Levy	115, rue de Sèvres - 75275 Paris cedex 06, France	Director (<i>administrateur</i>)	Head of Compliance at La Banque Postale
Dominique Rouquayrol de Boisse	115, rue de Sèvres - 75275 Paris cedex 06, France	Director (<i>administrateur</i>)	Head of Legal at La Banque Postale
Yann Coupris	115, rue de Sèvres - 75275 Paris cedex 06, France	Director (<i>administrateur</i>)	Head of the accounting department at La Banque Postale
François Géronde	115, rue de Sèvres - 75275 Paris cedex 06, France	Director (<i>administrateur</i>)	Chief Risk Officer at La Banque Postale
La Banque Postale represented by: Marc Batave	115, rue de Sèvres - 75275 Paris cedex 06, France	Director (<i>administrateur</i>)	Parent Company

The Issuer identified no potential conflicts of interest between the duties owed to it by the members of the board of directors (*membres du conseil d'administration*) and their private interests.

Control of the Issuer

The Issuer has appointed PriceWaterhouseCoopers Audit as statutory auditor (*commissaires aux comptes*) on 16 April 2010 and KPMG Audit FS I as co-statutory auditor (*commissaires aux comptes*) on 29 July 2013. The Issuer has also appointed Yves Nicolas as substitute statutory auditor (*commissaire aux comptes suppléant*) of PriceWaterhouseCoopers on 16 April 2010 and KPMG Audit FS II as substitute statutory auditor (*commissaire aux comptes suppléant*) of KPMG Audit FS I on 29 July 2013, in compliance with applicable laws and regulations (for further details, see the section entitled "General information – paragraph (9)").

The Issuer has also appointed, in accordance with Articles L.515-30, L.515-31 and L.515-38 of the French Monetary and Financial Code, Cailliau Dedouit et Associés as Specific Controller (*contrôleur spécifique*) and Rémi Savournin as substitute Specific Controller (*contrôleur spécifique suppléant*).

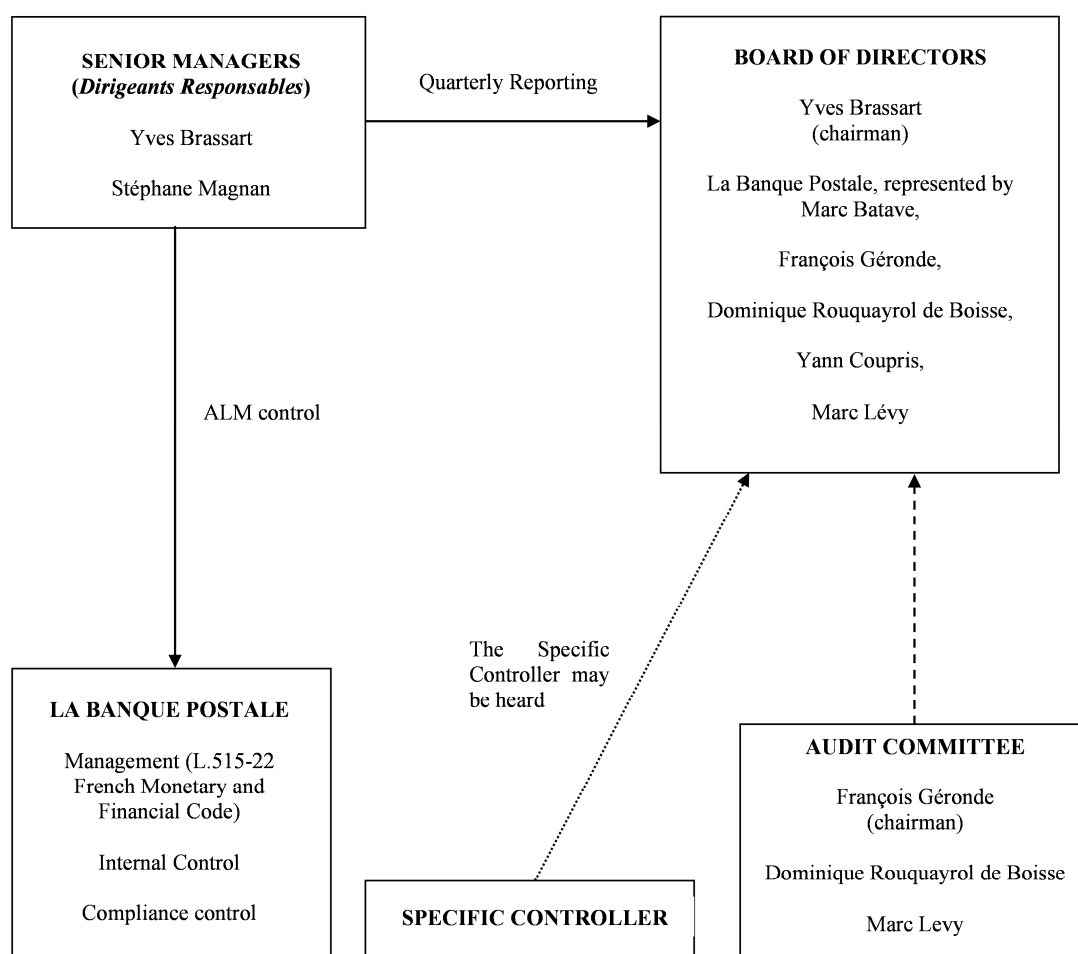
Under Regulation n° 97-02 of 21 February 1997, as amended from time to time, of the *Comité de la réglementation bancaire et financière* relating to the internal control of the credit institutions and the financial companies, the board of directors of the Issuer set up an audit committee. The audit committee is responsible in particular, under the supervision of the board of directors, for (i) reviewing the accounts of the Issuer before their presentation to the board of directors, (ii) ensuring that the accounting methods used to prepare the individual accounts are relevant and consistent, and (iii) advising on the organisation of the internal audit.

At the date of this Base Prospectus, the Issuer has also set-up a management committee and an internal control coordination committee.

The management committee examines the ALM policy of the Issuer, ensures that checks and procedures relating to the Issuer's ALM policy are effective and attends to the effective application of principles in force within La Banque Postale with respect to risk management in connection with entering into forward financial instruments in order to give the Issuer complete protection from rate and currency risks.

The purpose of the internal control coordination committee is to enable the chief executive officer (*directeur général*) of the Issuer to ensure the consistency and the effectiveness of the internal control of the Issuer. The chief executive officer (*directeur général*) of the Issuer is the chairman of the internal control coordination committee.

The management of the Issuer can thus be summarised by the following chart:



Staff

The Issuer has no human resources. Its technical administration has been subcontracted to its parent, La Banque Postale, which acts in accordance with the instructions of the Issuer's board of directors, pursuant to the Outsourcing and Assistance Agreement and any document entered into between the Issuer and La Banque Postale in relation thereto (see the section entitled "Relationship between La Banque Postale Home Loan SFH and La Banque Postale").

Compliance with the corporate governance regulations

The Issuer complies with the corporate governance regulations applicable to French companies.

USE OF PROCEEDS

The net proceeds of the issues of the Notes will be used for financing or refinancing:

- (a) the granting of Loans under the Uncommitted Facility Agreement; and
- (b) from time to time, the granting or acquisition of the other assets of the Issuer, in accordance with its by-laws (*statuts*) and Articles L.515-34 *et seq.* of the French Monetary and Financial Code.

See the sections entitled "Description of the Issuer – Issuer's exclusive purpose and business overview" and "Summary of the legislation and regulations relating to *sociétés de financement de l'habitat*".

MATERIAL CONTRACTS

Please refer to the section entitled "Relationship between La Banque Postale Home Loan SFH and La Banque Postale".

RELATIONSHIP BETWEEN LA BANQUE POSTALE HOME LOAN SFH AND LA BANQUE POSTALE

As of the date of this Base Prospectus, the main contracts entered into between La Banque Postale Home Loan SFH and La Banque Postale are as follows:

- the Outsourcing and Assistance Agreement (*convention d'externalisation et de fourniture de services*), pursuant to which La Banque Postale (in its capacity as "**Services Provider**") shall (i) fulfill regulatory obligations of the Issuer of permanent supervision, periodic supervision and compliance supervision and (ii) provide the Issuer with certain services required by its operations (administrative, logistic, tax accounting and legal assistance) (the "**Outsourcing and Assistance Agreement**");
- the Management and Servicing Agreement (*convention de gestion*), pursuant to which La Banque Postale (in its capacity as "**Manager**") shall carry out, in accordance with article L. 515-22 of the French Monetary and Financial Code, the administration and recovery of the receivables of the Issuer and shall provide financial management and ALM management of the Issuer (the "**Management and Servicing Agreement**");
- the Dealer Agreement in relation to the Programme;
- the Uncommitted Facility Agreement setting out the terms and conditions according to which the Issuer shall use the proceeds from the issuance of the Notes to make loans available to La Banque Postale in an aggregate maximum amount equal to the Programme Limit (the "**Uncommitted Facility Agreement**"). The Uncommitted Facility Agreement is drafted on the basis of the Loan Market Association French law multicurrency term and revolving facilities agreement and contains usual and customary clauses for this type of financing;
- the Collateral Security Agreement (the "**Collateral Security Agreement**") pursuant to which La Banque Postale shall, as security to its financial obligations towards the Issuer under the Uncommitted Facility Agreement:
 - (i) transfer, by way of security (*remise en pleine propriété à titre de garantie*) to the benefit of the Issuer pursuant to articles L. 211-36 *et seq.* of the French Monetary and Financial Code, home loans complying with the eligibility criteria provided for by Article L. 515-35 of the French Monetary and Financial Code and other eligible assets within the meaning of the French legal framework applicable to *sociétés de financement de l'habitat* (the "**Collateral Security**") for an amount which shall comply at all times with the Asset Cover Ratio; and
 - (ii) (a) upon the occurrence of a Collection Loss Rating Downgrade Event and within sixty (60) calendar days from the occurrence of such Collection Loss Rating Downgrade Event, transfer pursuant to articles L. 211-38 *et seq.* of the French Monetary and Financial Code into the credit of a bank account to be opened in the Issuer's name and in the books a bank having a certain minimum credit rating an amount (*gage-espèces*) equal to the aggregate amount of collections (interest and principal) received by La Banque Postale under the home loan receivables granted as Collateral Security during the two and half (2,5) calendar months preceding the occurrence of such Collection Loss Rating Downgrade Event and (b) further, for so long as a Collection Loss Rating Downgrade Event is continuing, adjust within sixty (60) calendar days following each date on which the Asset Cover Test is performed, the amount standing to the credit of this bank account so that it is an amount equal to the sum of collections received by the Borrower under the home loans granted as Collateral Security during the two and half (2,5) calendar months preceding such date (the "**Collection Loss Reserve**").

"Collection Loss Rating Downgrade Event" means the downgrading of the credit rating of La Banque Postale below A (long-term) or A-1 (short-term) by S&P (or any other rating levels as may be required by law and regulations applicable to SFH and/or complying with the then applicable public methodologies criteria of the relevant Rating Agency commensurate with the then applicable rating of the Notes).

Failure by La Banque Postale to (i) fund the Collection Loss Reserve up to the required amount within the required period following the occurrence of the Collection Loss Rating Downgrade Event or (ii) adjust, as long as the Collection Loss Rating Downgrade Event is continuing, the amount standing into the credit of the Collection Loss Reserve Account up to the required amount within the required period following each date on which the Asset Cover Test is performed shall constitute an event of default under the Uncommitted Facility Agreement.

- the Issuer Accounts Agreement (the **"Issuer Accounts Agreement"**) setting out the terms and conditions according to which La Banque Postale shall open, maintain and operate the bank accounts of the Issuer.

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 relevant Final Terms, shall be applicable to the Notes (the **Terms and Conditions**). 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 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 Final Terms or (ii) these Terms and Conditions as so completed (in each case subject to simplification by the deletion of non-applicable provisions) shall be endorsed on Definitive Materialised Notes. All capitalised terms that are not defined in these Terms and Conditions will have the meanings given to them in the relevant Final Terms. References below to **Conditions** are, unless the context requires otherwise, to the numbered paragraphs below. 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.*

The Notes are issued by La Banque Postale Home Loan SFH (the **Issuer**) in series (each a **Series**) having one or more issue dates and on terms otherwise identical (or identical save as to 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 (including, without limitation, the aggregate nominal amount, issue price, redemption price thereof, and interest, if any, payable thereunder) will be determined by the Issuer and the relevant Dealer(s) at the time of the issue and will be set out in the final terms of such Tranche (the **Final Terms**) in accordance with the applicable Conditions.

The Notes are issued with the benefit of an agency agreement dated 2 August 2013, as amended and restated from time to time (the **Agency Agreement**) between the Issuer, BNP Paribas Securities Services as fiscal agent and principal paying agent and the other agents named therein. The fiscal agent, the paying agents and the calculation agent for the time being (if any) are referred to below respectively as the **Fiscal Agent**, the **Paying Agents** (which expression shall include the Fiscal Agent) and the **Calculation Agent(s)**. The holders of the interest coupons (the **Coupons**) relating to interest bearing Materialised Notes and, where applicable in the case of such Notes, talons (the **Talons**) for further Coupons are referred to below as the **Couponholders**.

For the purposes of these Terms and Conditions, **Regulated Market** means any regulated market situated in a member state of the European Economic Area (the **EEA**), as defined in Directive 2004/39/EC of the European Parliament and of the Council dated 21 April 2004 on markets in financial instruments.

1. Form, Denomination, Title and Redenomination

(a) Form

Notes may be issued either in dematerialised form (**Dematerialised Notes**) or in materialised form (**Materialised Notes**), as specified in the relevant Final Terms.

- (i) Title to Dematerialised Notes will be evidenced in accordance with articles L. 211-3 *et seq.* of the French Monetary and Financial Code by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to article R. 211-7 of the French Monetary and Financial Code) will be issued in respect of the Dematerialised Notes.

Dematerialised Notes are issued, at the option of the Issuer, either in bearer form (*au porteur*), which will be inscribed in the books of Euroclear France (acting as central depository) which shall credit the accounts of the Account Holders, or in registered form (*au nominatif*) and, in such latter case, at the option of the relevant holder either in administered registered form (*au nominatif administré*) inscribed in the books of an Account Holder designated by the relevant holder of Notes or in fully registered form (*au nominatif pur*) inscribed in an account maintained by the Issuer or a 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 authorised intermediary institution entitled to hold accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank S.A./N.V. (**Euroclear**) and the depositary bank for Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**).

- (ii) Materialised Notes are issued in bearer form only. Materialised Notes in definitive form (**Definitive Materialised Notes**) are numbered serially and are issued with Coupons (and, where appropriate, a Talon) attached.

In accordance with articles L. 211-3 *et seq.* of the French Monetary and Financial Code, securities (such as Notes constituting obligations under French law) in materialised form and governed by French law must be issued outside the French territory.

Materialised Notes and Dematerialised Notes may also be cleared through one or more clearing system(s) other than, or in addition to, Euroclear France, Euroclear and/or Clearstream Luxembourg, as may be specified in the relevant Final Terms.

The Notes may be **Fixed Rate Notes** and **Floating Rate Notes**, or a combination of any of the foregoing, depending on the Interest Basis and the redemption method specified in these Conditions and the relevant Final Terms.

(b) Denomination

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 prospectus under Directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003, as amended pursuant to Directive 2010/73/EC of 24 November 2010 will be €100,000 (or its equivalent in any other currency) or such higher amount as may be allowed or required from time to time by the relevant monetary authority or any laws or regulations applicable to the relevant Specified Currency.

Notes having a maturity of less than one year in respect of which the issue proceeds are to be accepted in the United Kingdom 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 shall be issued in one Specified Denomination only.

(c) Title

- (i) Title to Dematerialised Notes in bearer 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 the 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 maintained by the Issuer or by the Registration Agent.

- (ii) Title to Definitive Materialised Notes, including, where appropriate, Coupons and/or a Talon attached, 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,

Noteholder or, as the case may be, **holder of any Note** means (a) in the case of Dematerialised Notes, the individual or entity whose name appears in the account of the relevant Account Holder, the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes, and (b) in the case of Definitive Materialised Notes, the bearer of any Definitive Materialised Note and the Coupons or Talons relating to it.

(d) Redenomination

The Issuer may, on any date, without the consent of the holder of any Note, Coupon or Talon, by giving at least thirty (30) days' notice in accordance with Condition 13 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, as amended from time to time) or events have occurred which have substantially the same effects, 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. The date on which such redenomination becomes effective shall be referred to in these Conditions as the "**Redenomination Date**".

2. Conversions and Exchanges of Notes

(a) Dematerialised Notes

(i) Dematerialised Notes issued in bearer form (*au porteur*) may not be converted for Dematerialised Notes in registered form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).

(ii) Dematerialised Notes issued in registered form (*au nominatif*) may not be converted for Dematerialised Notes in bearer form (*au porteur*).

(iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the holder of such Notes, be converted into Notes in administered registered form (*au nominatif administré*), and *vice versa*. The exercise of any such option by such holder shall be made in accordance with article R. 211-4 of the French Monetary and Financial Code. Any such conversion shall be effected at the cost of such holder.

(b) Materialised Notes

Materialised Notes of one Specified Denomination may not be exchanged for Materialised Notes of another Specified Denomination (as defined in the relevant Final Terms).

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

3. Status

The principal and interest of the Notes and, where applicable, any Coupons relating to them, constitute direct, unconditional, unsubordinated and, pursuant to the provisions of Condition 4, privileged obligations of the Issuer and rank, and will rank, *pari passu* and without any preference among themselves and equally and rateably with all other present or future notes (including the Notes of all other Series) and other resources raised by the Issuer benefiting from the *privilège* (priority right of payment) (the **Privilège**) created by article L. 515-19 of the French Monetary and Financial Code as described in Condition 4.

4. *Privilège*

- (a) The Notes benefit from the *Privilège* created by Article L. 515-19 of the French Monetary and Financial Code.
- (b) Accordingly, notwithstanding any legal provisions to the contrary (including *Livre VI* of the French Commercial Code), pursuant to Article L.515-19 of the French Monetary and Financial Code:
 - (i) the sums deriving from loans or assimilated receivables, exposures and securities eligible to the assets of a *société de financement de l'habitat* in the meaning of Articles L.515-34 and L.515-35 of the French Monetary and Financial Code and forward financial instruments referred to in Article L.515-18 of the French Monetary and Financial Code (in each case after any applicable set-off), together with the claims in respect of deposits made by the Issuer with credit institutions, are allocated in priority to the payment of *obligations de financement de l'habitat* such as the Notes, and any other resources raised by the Issuer and benefiting from the *Privilège*. It should be noted that it is not solely Notes that benefit from the *Privilège*; other resources raised by the Issuer pursuant to any agreement, document purporting to inform the public within the meaning of Article L. 412-1 of the French Monetary and Financial Code or any other equivalent document required in connection with the admission to trading on a Regulated Market located outside France referring to the *Privilège* and forward financial instruments (i.e. derivative transactions) used for hedging under the conditions of Article L. 515-18 of French Monetary and Financial Code, as well as some ancillary expenses and the sums, if any, due under the contract provided for in Article L.515-22 of the French Monetary and Financial Code may also benefit from the *Privilège*;
 - (ii) in case of conciliation (*conciliation*), safeguard (*sauvegarde*), judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) of the Issuer, all amounts due regularly under *obligations de financement de l'habitat* such as the Notes, and any other resources benefiting from the *Privilège*, are paid on their contractual due date, and in priority to all other debts, whether or not preferred, including interest resulting from agreements whatever their duration. Accordingly, until all creditors (including the Noteholders) benefiting from the *Privilège* have been fully paid, no other creditor of the Issuer may exercise any right over the assets and rights of the Issuer; and
 - (iii) the judicial liquidation of the Issuer will not result in the acceleration of payment of *obligations de financement de l'habitat* such as the Notes.

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:

Benchmark means the reference rate as set out in the applicable Final Terms which shall be either EURIBOR or EONIA.

Business Day means:

- (i) in the case of Euro, a day, other than a Saturday or Sunday, on which banks are open to public for general business to the public in Paris and on the which Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (or any successor thereto) is open for business (a **TARGET2 Business Day**), and/or
- (ii) in the case of a Specified Currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency, and/or
- (iii) in the case of a Specified Currency and/or one or more additional 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, the **Calculation Period**):

- (i) if **Actual/Actual**, **Actual/Actual-ISDA**, **Act/Act**, **Act/Act-ISDA** or **Actual/365-FBF** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if **Actual/Actual-FBF** is specified in the relevant Final Terms, the fraction whose numerator is the actual number of days elapsed during such period and whose denominator is 365 (or 366 if 29 February falls within the Calculation Period). If the Calculation Period is of a duration of more than one (1) year, the basis shall be calculated as follows:
 - (x) the number of complete years shall be counted back from the last day of the Calculation Period; and
 - (y) this number shall be increased by the fraction for the relevant period calculated as set out in the first paragraph of this definition;
- (iii) if **Actual/Actual-ICMA** or **Act/Act-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 (1) Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins, divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

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

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)**, **Act/365 (Fixed)**, **A/365 (Fixed)** or **A/365 F** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (v) if **Actual/360**, **Act/360** or **A/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:

$$\text{Day Count Fraction} = \frac{1}{360} \times [[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)]$$

where:

Y1 is the year, expressed as a number, in which the first day of the Calculation Period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

M1 is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

M2 is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

D1 is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

D2 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 D1 greater than 29, in which case D2 will be 30;

- (vii) if **30/360-FBF** or **Actual 30A/360 (American Bond Basis)** is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days calculated as for 30E/360-FBF, subject to the following exception:

where the last day of the Calculation Period is the 31st and the first day is neither the 30th nor the 31st, the last month of the Calculation Period shall be deemed to be a month of thirty-one (31) days,

using the same abbreviations as for 30E/360-FBF, the fraction is:

If $dd2 = 31$ and $dd1 \neq (30,31)$

then:

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + (dd2 - dd1)]$$

or

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + \text{Min}(dd2, 30) - \text{Min}(dd1, 30)];$$

- (viii) if **30E/360** or **Eurobond Basis** is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{1}{360} \times [[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)]$$

where:

Y1 is the year, expressed as a number, in which the first day of the Calculation Period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

M1 is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

M2 is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

D1 is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

D2 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 D2 will be 30.

- (ix) if **30E/360-FBF** is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days elapsed during such period, calculated on the basis of a year comprising twelve (12) months of thirty (30) days, subject to the following the exception:

if the last day of the Calculation Period is the last day of the month of February, the number of days elapsed during such month shall be the actual number of days,

where:

D1 (dd1, mm1, yy1) is the date of the beginning of the period

D2 (dd2, mm2, yy2) is the date of the end of the period

the fraction is:

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + \text{Min}(dd2, 30) - \text{Min}(dd1, 30)]$$

- (x) 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:

$$\text{Day Count Fraction} = \frac{1}{360} \times [[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)]$$

where:

Y1 is the year, expressed as a number, in which the first day of the Calculation Period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

M1 is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

M2 is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

D1 is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

D2 is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date (or the Extended Maturity Date, if any) or (ii) such number would be 31, in which case D2 will be 30.

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

Euro Zone means the region comprised of member states of the European Union that have adopted or will adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.

FBF Definitions means the definitions set out in the 2007 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**).

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 for an Interest Period, 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 (as defined in the relevant Final Terms) 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 (2) TARGET2 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 (2) 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.

ISDA Definitions means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc..

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

Rate of Interest means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions in the relevant Final Terms.

Reference Banks means the institutions specified as such in the relevant Final Terms or, if none, four major banks (excluding, in each case, for the avoidance of doubt, the Issuer) selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR or EONIA is the relevant Benchmark, shall be the Euro-zone).

Relevant Date means, in respect of any Note or Coupon, the date on which payment in respect of it first became due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (in the case of Materialised Notes if earlier) the date seven (7) days after that on which notice is duly given to the holders of such Materialised Notes when, upon further presentation of the Materialised Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

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

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

Relevant Time means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose **local time** means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, 11:00 a.m. (Brussels time).

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

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

Specified Duration means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(c)(ii).

(b) 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 arrears on each Interest Payment Date except as otherwise provided in the relevant Final Terms.

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

(c) Interest on Floating Rate Notes

(i) **Interest Payment Dates:** Each Floating 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 arrears (except as otherwise provided in the relevant 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.

(ii) **Business Day Convention:** If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the **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. Notwithstanding the foregoing, where the applicable Final Terms specify that the relevant Business Day Convention is to be applied on an "unadjusted" basis, the Interest Amount payable on any date shall not be affected by the application of that Business Day Convention.

- (iii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in (i) the relevant Final Terms and (ii) the provisions below relating to either FBF Determination, ISDA Determination or Screen Rate Determination, depending upon which is specified in the relevant Final Terms.

(A) FBF Determination for Floating Rate Notes

Where FBF Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the 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 Agent under a notional interest rate swap transaction (*Echange*) in the relevant Specified Currency incorporating the FBF Definitions and under which:

- (a) the Floating Rate is as specified in the relevant Final Terms; and
- (b) the Floating Rate Determination Date is as specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), **Floating Rate**, **Agent** and **Floating Rate Determination Date** are translations of the French terms "Taux Variable", "Agent" and "Date de Détermination du Taux Variable", respectively, which have the meanings given to those terms in the FBF Definitions.

(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.

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

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

- (a) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
 - (i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
 - (ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date as disclosed in the relevant Final Terms, plus or minus (as indicated in the relevant Final Terms) the Margin (if any);

- (b) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (a)(i) applies and no Relevant Rate appears on the Page or the Page is not available at the Relevant Time on the Interest Determination Date or if sub-paragraph (a)(ii) applies and fewer than two Relevant Rates appear on the Page or the Page is not available at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean (rounded as provided above) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent, plus or minus (as indicated in the relevant Final Terms) the Margin (if any); and
- (c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is Euro, in the Euro-zone as selected by the Calculation Agent (the *Principal Financial Centre*) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest

Determination Date (after readjustment for any difference between any Margin or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(d) 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.

(e) 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 to the Rates of Interest for the specified Interest Accrual Periods in the case of (y), calculated in accordance with Condition 5(c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest 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, (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth (1/100,000) of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven (7) 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 of such currency.

(f) Calculations

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

(g) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts.

The Calculation Agent, as soon as practicable on such date as it 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 (as defined in the relevant Final Terms) of the Notes for the relevant Interest Accrual Period, shall calculate the Final Redemption Amount, Early Redemption Amount, Minimum Redemption Amount, Maximum Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption

Amount, Early Redemption Amount, Minimum Redemption Amount, Maximum Redemption Amount or Optional Redemption Amount to be notified to the Fiscal Agent, the Issuer, the Paying Agents, the holders of Notes, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are admitted to trading on a Regulated Market or other stock exchange and the rules of such Regulated Market or other stock exchange so require, such Regulated Market or other stock exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such Regulated Market or other stock exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii), 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.

(h) Calculation Agent and Reference Banks

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined above). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. 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, Minimum Redemption Amount, Maximum 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/or stock exchange and the rules of, or applicable to, that Regulated Market and/or stock exchange so require, notice of any change of Calculation Agent shall be given in accordance with Condition 13.

For the purposes 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 full and cancelled in accordance with the Conditions, (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption monies (including all interest accrued on such Notes up to the date for such redemption and any interest payable after such date) have been duly paid (c) those which have become void or in respect of which claims have become prescribed under Condition 9, (d) those which have been purchased or subscribed and cancelled as provided in Condition 6(f), (e) in the case of Definitive Materialised Notes (i) those mutilated or defaced Definitive Materialised Notes that have been surrendered in exchange for replacement Definitive Materialised Notes, (ii) (for the purpose only of determining how many such Definitive Materialised Notes are outstanding and without prejudice to their status for any other purpose) those Definitive Materialised Notes alleged to have been lost, stolen or

destroyed and in respect of which replacement Definitive 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 Notes, pursuant to its provisions or which has become void in accordance with its terms.

6. Redemption, Purchase and Options

(a) Final Redemption

Unless previously redeemed, purchased and cancelled as provided below or unless its maturity is extended in accordance with the paragraph below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided in these Condition, is its nominal amount).

Notes may have hard bullet maturities (not allowing the Maturity Date of the relevant Series to be extended) or soft bullet maturities (allowing the Maturity Date of the relevant Series to be extended), as specified in the Final Terms of the relevant Series. With respect to Series of Notes having a soft bullet maturity, an extended Maturity Date (the *Extended Maturity Date*) shall be specified as applying in relation to such Series in the applicable Final Terms. This means that if the Final Redemption Amount of the relevant Series is not paid by the Issuer on the Maturity Date, then payment of such Final Redemption Amount shall be automatically deferred and shall become due and payable one (1) or several years later on the Extended Maturity Date. However, any amount representing the Final Redemption Amount remaining unpaid on the Maturity Date may be paid by the Issuer on any Specified Interest Payment Date thereafter, up to (and including) the relevant Extended Maturity Date. Interest will continue to accrue on any unpaid amount during such extended period at the Rate of Interest specified in the relevant Final Terms and be payable on each Specified Interest Payment Date and on the Extended Maturity Date all as specified in the relevant Final Terms and in accordance with the applicable Conditions.

(b) 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 the relevant laws, regulations and directives and on giving not less than fifteen (15) no more than thirty (30) days' irrevocable notice in accordance with Condition 13 to the Noteholders redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount (as specified below) together with interest accrued to the date fixed for redemption, if any. Any such redemption must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed as specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed as specified in the relevant Final Terms.

The Optional Redemption Amount payable in respect of any Note, upon redemption of such Note pursuant to this Condition shall be determined as specified below:

Optional Redemption Amount = $Y \times \text{Specified Denomination}$

Where:

Y means the ratio expressed as a percentage 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 numbers of the Definitive Materialised Notes to be redeemed which shall have been drawn in such place and in such manner as may be

fair and reasonable in the circumstances, taking account of prevailing market practices and subject to compliance with any applicable laws and Regulated Market or stock exchange requirements.

In the case of a partial redemption in respect of Dematerialised Notes, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full only some of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes of any Series that will not be redeemed shall be made in accordance with article R. 213-16 of the French Monetary and Financial Code and the provisions of the relevant Final Terms, subject to compliance with any other applicable laws and Regulated Market or stock exchange requirements.

So long as the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, such Regulated Market require, the Issuer shall, each time there has been a partial redemption of the Notes, cause to be published (i) as long as such Notes are admitted to trading on Euronext Paris and the rules applicable to such Regulated Market so permit, on the website of the AMF (www.amf-france.org) or (ii) in a leading financial newspaper with general circulation in the city where the Regulated Market on which such Notes are admitted to trading is located, which in the case of Euronext Paris is expected to be *Les Echos*, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes, a list of any Definitive Materialised Notes drawn for redemption but not surrendered.

(c) No Redemption for Taxation Reasons

If any law should require that payments of principal or interest in respect of any Note be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, such Notes may not be redeemed early.

(d) Purchases

The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise (including by tender offer) at any price, subject to the applicable laws and/or regulations.

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.

(e) Subscriptions

The Issuer shall have the right at all times to subscribe for Notes for the purpose of pledging them (*affecter en garantie*) as collateral security in order to secure the credit transactions (*opérations de crédit*) of the *Banque de France* in accordance with the terms and conditions determined by the *Banque de France* for its monetary and intraday credit policy, if the Issuer is not able to cover its cash needs with the other means available to it, provided that:

- (i) the total amount of the Notes subscribed by the Issuer does not exceed ten (10) per cent. of the total outstanding amount (*encours total*) of the resources benefiting from the *Privilège* as at the date of their subscription;
- (ii) the Notes are disentitled of their rights under articles L. 228-46 to L. 228-89 of the French Commercial Code as long as the Issuer holds them;

- (iii) the Notes are pledged for the benefit of the *Banque de France* within an 8-day period starting from the date on which they are paid and delivered (otherwise, such Notes shall be cancelled by the Issuer at the end of such 8-day period); and
- (iv) they cannot be subscribed by third parties.

In any case, the Notes subscribed by the Issuer shall be cancelled within an 8-day period starting from the date on which they cease to be pledged for the benefit of the *Banque de France*.

(f) **Cancellation**

All Notes which have been purchased by or on behalf of the Issuer for cancellation or subscribed by the Issuer will be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Notes, by surrendering the relevant Temporary Global Certificate or the Definitive Materialised Notes in question, together with all unmatured Coupons and all unexchanged Talons, if applicable, to the Fiscal Agent and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Definitive Materialised Notes, all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(g) **Illegality**

If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, it would become unlawful for the Issuer to perform or comply with one or more of its obligations under the Notes, the Issuer will, subject to having given not more than forty-five (45) nor less than thirty (30) days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 13, redeem all, but not some only, of the Notes at their Early Redemption Amount (which shall be the Final Redemption Amount) together with any interest accrued to the date set for redemption.

7. Payments and Talons

(a) **Dematerialised Notes**

Payments of principal and interest in respect of Dematerialised Notes shall (i) 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 holders of Notes, and (ii) 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 relevant holder of Notes. All payments validly made to such Account Holders or Bank will be an effective discharge of the Issuer in respect of such payments.

(b) **Definitive Materialised Notes**

(i) **Method of payment**

Subject as provided below, payments in a Specified Currency will be made by credit or transfer to an account denominated in the relevant Specified Currency, or to which the Specified Currency may be credited or transferred (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account)

maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is euro, shall be any country in the Euro-zone, and, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively).

(ii) Presentation and surrender of Definitive Materialised Notes and Coupons

Payments of principal in respect of Definitive Materialised Notes will (subject as provided below) be made in the manner provided in paragraph (i) above only upon presentation and surrender (or, in the case of partial payment of any sum due, annotation) of such Notes, and payments of interest in respect of Definitive Materialised Notes will (subject as provided below) be made as aforesaid only upon presentation and surrender (or, in the case of part payment of any sum due, annotation) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Fixed Rate Notes in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on the exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of five (5) years from the date on which such Coupon would have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date (or the Extended Maturity Date, if any), all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note in definitive form becomes due and repayable prior to its Maturity Date (or the Extended Maturity Date, if any), unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any Definitive Materialised Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only upon presentation and surrender (if appropriate) of the relevant Definitive Materialised Note.

(c) Payments in the United States

Notwithstanding the foregoing, if any Materialised Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agent(s) with specified offices outside the United States with the reasonable expectation that such Paying Agent(s) 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 for the Issuer.

(d) Payments subject to Fiscal Laws

All payments are subject in all cases to (i) any applicable tax 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, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or 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 Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed at the end of this Base Prospectus relating to the Programme of the Notes of the Issuer. The Fiscal Agent, the Paying Agents 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, does 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, the Paying Agents, the Registration Agent or the Calculation Agent and to appoint another Fiscal Agent, Paying Agent(s), Registration Agent(s) or Calculation Agent(s) or additional Paying Agent(s), Registration Agent(s) or Calculation Agent(s), 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 Paying Agent having specified offices in at least two major European cities and ensuring the financial servicing of the Notes free of charge to the Noteholders, so long as the Notes are listed and admitted to trading on Euronext Paris and, so long as the Notes are admitted to trading on any other Regulated Market, in such other city where the Notes are admitted to trading, (iv) in the case of Materialised Notes, a Paying Agent having its specified office in a Member State of the EU that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC regarding the taxation of savings income in the form of interest payments or any other EU Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in compliance with, such Directive (which may be the Paying Agent referred to in (iii) above), (v) in the case of Dematerialised Notes in fully registered form, a Registration Agent, and (vi) such other agents as may be required by the rules of 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 Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

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

(f) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(g) Business Days for Payment

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, (B) in such jurisdictions as shall be specified as **Financial Centre(s)** in the relevant Final Terms, and (C) (i) in the case of a payment in a currency other than Euro, where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) in the case of a payment in Euro, which is a TARGET2 Business Day.

(h) **Bank**

For the purpose of this Condition 7, **Bank** means a bank in Paris and the principal financial centre of the relevant currency or, in the case of Euro, in a city in which banks have access to the TARGET2 System.

8. Taxation

(a) **Withholding Tax**

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes 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 any jurisdiction or any authority therein or thereof having the power to tax, unless such withholding or deduction is required by law.

(b) **No Additional Amounts**

If any law should require that payments of principal or interest in respect of any Note or any Coupon relating thereto, be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will not be required to pay any additional amounts in respect of any such withholding or deduction.

9. Prescription

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

10. Representation of Noteholders

In respect of the representation of 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 of their common interests in a masse (the **Masse**) and the provisions of the French Commercial Code (Code de commerce) relating to the Masse shall apply subject to the provisions of this Condition 10(a) below.

The names and addresses of the initial Representative (the **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 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 initial Representative, such Representative will be replaced by its alternate. In the event of 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 Commercial Code (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 Noteholder as of 0:00, Paris time, on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting.

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

- (b) If the relevant Final Terms specify "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 provisions of this Condition 10(b) below.

The Masse will be governed by the provisions of the French Commercial Code (*Code de commerce*) with the exception of articles L. 228-48, L. 228-59, L. 228-71, R. 228-63, R. 228-65, R. 228-67 and R. 228-69, subject to the following provisions:

(i) Legal Personality

The Masse will be a separate legal entity and will act in part through a Representative and in part through a General Meeting.

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

(ii) Representatives

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

- the Issuer, the members of its board of directors (*conseil d'administration*), its general managers (*directeurs généraux*), its statutory auditors, its employees and 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, employees and their ascendants, descendants and spouse; or
- companies holding ten (10) per cent. or more of the share capital of the Issuer or companies having ten (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 and its alternate will be set out in the 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 to such remuneration in connection with its function 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 the alternate 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 Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agent(s).

(iii) Powers of Representative

The Representative shall (in the absence of any decision to the contrary of the General Meeting and except as provided by paragraph 1 of article L. 515-31 of the French Monetary and Financial Code) 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, except that, should safeguard procedure (*procédure de sauvegarde*), judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) proceedings be commenced against the Issuer, the Specific Controller would file the proof of debt of all creditors (including the Noteholders) of the Issuer benefiting from the *Privilège*.

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, upon 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 the convening of a General Meeting. If such General Meeting has not been convened within two (2) 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, hour, place and agenda of any General Meeting will be published as provided under Condition 13.

Each Noteholder has the right to participate in a General Meeting either in person or by proxy. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination (as defined in the relevant Final Terms), one vote in respect of each multiple of the lowest

Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

In accordance with article R. 228-71 of the French Commercial Code (*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 third business day in Paris preceding the date set for the meeting of the relevant General Meeting at zero hours, Paris time.

(v) Powers of the General Meetings

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and may also 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 dispute or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase amounts payable by Noteholders, nor establish any unequal treatment between the Noteholders.

General Meetings may only validly deliberate on first convocation if the 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 two-third majority of votes cast by Noteholders attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 13.

(vi) Information to Noteholders

Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified office of the Paying Agent(s) 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.

(viii) Single Masse

The Noteholders of the same Series, and the Noteholders of any other Series which has been assimilated with the Notes of such first mentioned Series in accordance with Condition 12, shall, for the defence of their respective

common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche or Series of Notes will be the Representative of the single Masse of all such Series.

For the avoidance of doubt, in this Condition 10, the term "outstanding" shall not include the Notes subscribed or purchased by the Issuer pursuant to respectively Article L. 515-32-1 and Article L. 213-1-A of the French Monetary and Financial Code and that are held by it and not cancelled.

11. Replacement of Definitive Materialised Notes, Coupons and Talons

If, in the case of any Materialised Notes, a Definitive Materialised Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and Regulated Market regulations, at the specified office of the Fiscal Agent or any Paying Agent as may from time to time be designated by the Issuer for this 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 Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Notes, Coupons or Talons must be surrendered before replacements will be issued.

12. Further Issues and Consolidation

- (a) **Further Issues:** The Issuer may, from time to time, without the consent of the Noteholders or Couponholders create and issue further notes to be assimilated (*assimilées*) with the Notes, provided such Notes and the further notes carry rights identical in all respects (or identical in all respects save for the principal amount thereof and the first payment of interest) and that the terms of such notes provide for such assimilation, and references in these Conditions to **Notes** shall be construed accordingly.
- (b) **Consolidation:** The Issuer may, with the prior approval (which shall not be unreasonably withheld) of the Fiscal Agent, from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than thirty (30) days' prior notice to the Noteholders in accordance with Condition 13, without the consent of the Noteholders, Receiptholders or Couponholders, consolidate the Notes of one Series denominated in Euro with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other Notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

13. Notices

- (a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth (4th) 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 in a leading daily financial newspaper of general circulation within Europe (which is expected to be the *Financial Times*), provided that, so long as such Notes are admitted to trading on any Regulated Market and the rules applicable to such Regulated Market so require, notices shall be valid if published in a daily financial newspaper with general circulation in the city/ies where the Regulated Market on which such Notes are admitted to trading is located which, in the case of Euronext Paris, is expected to be *Les Echos*, or as otherwise required by the rules applicable to that Regulated Market, as the case may be.

- (b) Notices to the holders of Materialised Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if published in a daily leading financial newspaper of general circulation within Europe (which is expected to be the *Financial Times*) and so long as such Notes are admitted to trading on any Regulated Market and the applicable rules of that Regulated Market so require, in a leading daily financial newspaper with general circulation in the city/ies where the Regulated Market on which such Notes are admitted to trading is located which, in the case of Euronext Paris, is expected to be *Les Echos*, or as otherwise required by the rules applicable to that Regulated Market, as the case may be.
- (c) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) (*au nominatif* or *au porteur*) 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 (d); provided that so long as such Notes are admitted to trading on any Regulated Market(s) and the rules applicable to that Regulated Market so require, notices shall also be published in a daily financial newspaper with general circulation in the city/ies where the Regulated Market(s) on which such Notes are admitted to trading is/are located, which, in the case of Euronext Paris, is expected to be *Les Echos*, and as otherwise required by the rules applicable to that Regulated Market, as the case may be.
- (d) If any such publication is not practicable, notice shall be validly given if published in a leading daily financial newspaper with general circulation within Europe, provided that, so long as such Notes are admitted to trading on any Regulated Market, notice shall be published as otherwise required by the rules applicable to that Regulated Market, as the case may be. 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. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Notes in accordance with this Condition.

14. Governing Law and Jurisdiction

(a) **Governing Law**

The Notes (and, where applicable, the Coupons and Talons) are governed by, and shall be construed in accordance with, French law.

(b) **Jurisdiction**

Any claim against the Issuer in connection with any Notes, Coupons or Talons may be brought before any competent court in Paris.

TEMPORARY GLOBAL CERTIFICATES IN RESPECT OF MATERIALISED NOTES

Temporary Global Certificates

A Temporary Global Certificate without interest coupons (a *Temporary Global Certificate*) will initially be issued in connection with each Tranche of Materialised Notes, and will be delivered on or prior to the issue date of the Tranche to a common depositary (the *Common Depositary*) for Euroclear Bank S.A./N.V. (*Euroclear*) and to Clearstream Banking, *société anonyme* (*Clearstream, Luxembourg*). Upon the delivery of such Temporary Global Certificate to a Common Depositary, Euroclear and Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depositary may also credit with a nominal amount of Notes the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, 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 Materialised 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 indicate that such Temporary Global Certificate is issued in compliance with the C Rules 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 Definitive Materialised Notes; and
- (ii) otherwise, in whole but not in part, upon certification if required under U.S. Treasury regulation section 1.163-5(c)(2)(i)(D)(3) (or any successor regulation issued under the U.S. Internal Revenue Code of 1986, as amended (the *Code*) section 4701(b) containing rules identical to those applying under Code section 163(f)(2)(B)) as to non-U.S. beneficial ownership for Definitive Materialised Notes.

While any Materialised Note is represented by a Temporary Global Certificate, any payment payable in respect of such Materialised Note prior to the Exchange Date (as defined below) will be made only to the extent that the certification described in (ii) above has been received by Euroclear and/or Clearstream, Luxembourg, and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certification received) to the relevant Paying Agent. The holder of a Temporary Global Certificate will not be entitled to collect any payment due thereon on or after the Exchange Date unless, upon due certification as described above, exchange of the Temporary Global Certificate for an interest in Definitive Materialised Notes is improperly refused or withheld.

Delivery of Definitive Materialised Notes

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to, or to the order of, the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Notes. In this Base Prospectus, *Definitive Materialised Notes* means, in relation to any Temporary Global Certificate, the Definitive Materialised Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid in respect of the Temporary Global Certificate and a Talon). Definitive Materialised Notes will be securely printed in accordance with any applicable legal and stock exchange requirement.

Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Certificate in respect of any Materialised Notes, the day falling after the expiry of forty (40) days after its issue date, provided that in the event any further Materialised Notes which are to be assimilated with such first mentioned Materialised Notes are issued prior to such day pursuant to Condition 12, the Exchange Date may, at the option of the Issuer, be postponed to the day falling after the expiry of forty (40) days after the issue date of such further Materialised Notes.

In the case of Materialised Notes with an initial maturity of more than 365 days (and that are not relying on the C Rules of the TEFRA), the Temporary Global Certificate shall bear the following legend:

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES FEDERAL INCOME TAX LAWS INCLUDING THE LIMITATION PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

FORM OF FINAL TERMS**Final Terms dated [●]****LA BANQUE POSTALE HOME LOAN SFH
(Issuer)**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €10,000,000,000 Euro Medium Term Note Programme

Issue Price: [●] per cent.

[Name(s) of Dealer(s)]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the **Conditions**) set forth in the Base Prospectus dated 2 August 2013 which received visa n°13-446 from the *Autorité des marchés financiers* (the **AMF**) on 2 August 2013 [and the supplement to the Base Prospectus dated [●] which received visa n°[●] from the AMF on [●]] which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003, 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 the Base Prospectus [as so supplemented]. Full information on the Issuer and 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, [the supplement to the Base Prospectus] and these Final Terms are available for viewing on the websites of (a) the AMF (www.amf-france.org) and (b) La Banque Postale (www.labanquepostale.fr) [and during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent(s) where copies may be obtained]. [In addition¹, the Base Prospectus, [the supplement to the Base Prospectus] and these Final Terms are available for viewing [on/at] [●].]

[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.]

1. Issuer:	LA BANQUE POSTALE HOME LOAN SFH
2. (i) Series Number:	[●]
(ii) Tranche Number:	[●]
(iii) Date on which the Notes will be assimilated (<i>assimilables</i>) and form a single Series:	[The Notes will be assimilated (<i>assimilables</i>) and form a single Series [<i>identify earlier Tranches</i>] on [the Issue Date/exchange of the Temporary Global Certificate for interests in the Definitive Materialised Notes, as referred in paragraph 20(iii) below, which is expected to occur on or about [date].] / [Not Applicable]
3. Specified Currency or Currencies:	[●]
4. Aggregate Nominal Amount of Notes:	[●]
(i) Series:	[●]
(ii) Tranche:	[●]
5. Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (<i>if applicable</i>)]
6. Specified Denomination(s):	[●] <i>(one (1) denomination only for Dematerialised Notes) (Not less than €100,000 or its equivalent in other currency at the Issue Date when the Notes are admitted to trading on a</i>

¹ If the Notes are admitted to trading on a Regulated Market other than Euronext Paris.

*Regulated Market in circumstances which require the publication of a prospectus under the Prospectus Directive*²

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*]
- 9 **Extended Maturity Date** [[●] *Specify/Not Applicable*]
10. **Interest Basis:** [[●] per cent. Fixed Rate]
[EURIBOR or EONIA] +/- [●] per cent.
Floating Rate]
(further particulars specified below)
11. **Redemption:** Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount.
12. **Change of Interest Basis:** [*Specify details of any provision allowing the change of Notes into another Interest Basis and Cross refer to paragraphs 16 and 17 below and identify there./ Not Applicable*]
13. **Call Option:** [Applicable/Not Applicable]
(further particulars specified below)
- 14 **Date of corporate authorisations for issuance of Notes obtained:** Decision of the board of directors (*Conseil d'administration*) of the Issuer dated [●]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Notes Provisions:** [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) **Rate(s) of Interest:** [●] per cent. per annum [payable [annually / semi-annually / quarterly / monthly] in arrear on each Interest Payment Date]
- (ii) **Interest Payment Date(s):** [●] in each year up to and including the Maturity Date *(also specify the Interest Payment Dates if the item 9 above (Extended Maturity Date) is applicable)*

² [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 FSMA and having a maturity of less than one year must have a minimum denomination of Sterling 100,000 (or its equivalent in other currencies).]

[NB: this will need to be amended in the case of long or short coupons]

- (iii) Fixed Coupon Amount(s): [●] per [●] in Specified Denomination
- (iv) Broken Amount(s): [[●] payable on the Interest Payment Date falling [in / on] [●]]/[Not Applicable]
- (v) Day Count Fraction: [Actual/Actual / Actual/Actual-ISDA / Actual/365-FBF / Actual/Actual-FBF / Actual/Actual-ICMA / Actual 365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360-FBF / 30E/360-ISDA]
- (vi) Interest Determination Dates: [[●] in each year/Not Applicable]
- (Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last coupon.)*
- 16. Floating Rate Notes Provisions:** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●] in each year, subject to adjustment in accordance with the Business Day Convention set out in (v) below *(also specify the Specified Interest Payment Dates if the item 9 above (Extended Maturity Date) is applicable)*
- (iii) First Interest Payment Date: [●]
- (iv) Interest Period Date: [Interest Payment Date/Other (specify)]
- (v) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
- [Insert "unadjusted" if the application of the relevant business day convention is not intended to affect the Interest Amount]*
- (vi) Business Centre(s) (Condition 5(a)): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [FBF Determination/ ISDA Determination/ Screen Rate Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest

	Amount(s) (if not the Calculation Agent):	[●]
(ix)	FBF Determination:	[Applicable/Not Applicable]
	Floating Rate (<i>Taux Variable</i>):	[●] (<i>specify Benchmark [EURIBOR or EONIA] and months, if any [e.g. EURIBOR 3 months]</i>)
	Floating Rate Determination Date (<i>Date de Détermination du Taux Variable</i>):	[●]
	FBF Definitions (if different from those set out in the Conditions):	[●]
(x)	ISDA Determination:	[Applicable/Not Applicable]
	Floating Rate Option:	[●]
	Designated Maturity:	[●]
	Reset Date:	[●]
(xi)	Screen Rate Determination:	[Applicable/Not Applicable]
	Relevant Rate:	[●] (<i>specify Benchmark [EURIBOR or EONIA] and months, if any [e.g. EURIBOR 3 months]</i>)
	Relevant Time:	[●]
	Interest Determination Date(s):	[●]
	Reference Banks (if applicable):	[Specify four/Not Applicable]
	Relevant Screen Page:	[●] (<i>in the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate or amend the fallback provisions appropriately</i>)
	[Designated Maturity: ³	[●]
(xii)	Margin(s):	[+/-] [●] per cent. per annum
(xiii)	Minimum Rate of Interest:	[Not Applicable/[●] per cent. per annum]
(xiv)	Maximum Rate of Interest:	[Not Applicable/[●] per cent. per annum]
(xv)	Day Count Fraction:	[Actual/Actual / Actual/Actual-ISDA / Actual/365-FBF / Actual/Actual-FBF / Actual/Actual-ICMA / Actual 365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis /

³ Applicable only where the Relevant Rate in respect of the Floating Rate Notes is EUR CMS.

30E/360-FBF / 30E/360-ISDA]

PROVISIONS RELATING TO REDEMPTION

- 17. Call Option:** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
- (ii) Components of the formula of the Optional Redemption Amount(s) of each Note: [Optional Redemption Amount [●] Y= [●] per cent.]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [●]
- (b) Maximum Redemption Amount: [●]
- 18 Final Redemption Amount of each Note:** [[●] per Note [of [●] Specified Denomination]⁴
- 19. Early Redemption Amount:**
- Early Redemption Amount(s) of each Note payable on redemption for illegality (Condition 6(g)): [Not Applicable]/[Condition 6(g) applies]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 20. Form of Notes:** [Dematerialised Notes/ Materialised Notes] *(Materialised Notes are only in bearer form)*
- [Delete as appropriate]*
- (i) Form of Dematerialised Notes: [Not Applicable/if Applicable specify whether bearer form (*au porteur*)/ administered registered form (*au nominatif administré*)/ fully registered form (*au nominatif pur*)]
- (ii) Registration Agent: [Not Applicable/if applicable give name and address] *(Note that a Registration Agent can be appointed in relation to Dematerialised Notes in fully registered form only)*
- (iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Notes on the **Exchange Date**, being forty (40) days after the Issue Date (subject to postponement as specified in the Temporary Global Certificate)]

⁴ Delete bracketed text in case of Dematerialised Notes.

21. **Financial Centre(s) relating to payment dates for the purposes of Condition 7(g):** [Not Applicable/Specify any other applicable Financial Centre]. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which subparagraphs 16(vi) relate]
22. **Talons for future Coupons to be attached to Definitive Materialised Notes (and dates on which such Talons mature):** [Yes/No/Not Applicable. If yes, give details] (Only applicable to Materialised Notes)
23. **Redenomination, renominatisation and reconventioning provisions:** [Not Applicable/The provisions in Condition 1(d) apply]
24. **Consolidation provisions:** [Not Applicable/The provisions in Condition 12(b) apply]
25. **Masse (Condition 10):** [Full Masse]/[Contractual Masse] shall apply]
- (Note that: (i) in respect of any Tranche of Notes issued outside France, Condition 10(b) (Contractual Masse) may be elected by the Issuer, and (ii) in respect of any Tranche of Notes issued inside France, Condition 10(a) (Full Masse) shall apply. Insert below details of Representative and Alternative Representative and remuneration, if any:)*
- [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 [●]]

GENERAL

- 26 The aggregate principal amount of Notes issued has been translated into Euro at the rate of [●] per cent. producing a sum of: [Not Applicable / [●]]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on [Euronext Paris /other (specify)] of the Notes described herein pursuant to the Euro 10,000,000,000 Euro Medium Term Note Programme of La Banque Postale Home Loan SFH.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [(Relevant third party information) has been extracted from (specify source). 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 (specify source), no facts have been omitted which would render the reproduced information inaccurate or misleading.]⁵

⁵ Include if the third party information is provided

Signed on behalf of La Banque Postale Home Loan SFH:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing(s): [Euronext Paris] / other (*specify*)/ Not Applicable]
- (ii) (a) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Paris] / (*specify relevant regulated market*) with effect from [●.] / [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Paris] / (*specify relevant regulated market*) with effect from [●.] / [Not Applicable]
- [The [first / (*specify*)] Tranche(s) of the Notes are already listed as from [its/their respective] issue date.]
- (Where documenting an interchangeable (fungible) issue need to indicate that original Notes are already admitted to trading.)*
- (b) Regulated Markets or equivalent markets on which, to the knowledge of the Issuer, securities of the same class of the Notes to be admitted to trading are already admitted to trading: [●]
- (iii) Estimate of total expenses related to admission to trading: [●]
- (iv) Additional publication of Base Prospectus and Final Terms: [●] (*See paragraph 10 of the section entitled "General Information" of the Base Prospectus which provides that the Base Prospectus and Final Terms will be published on the website of the Autorité des marchés financiers so long as the Notes are admitted to trading on any Regulated Market. Please provide for additional methods of publication in respect of an admission to trading on a Regulated Market other than Euronext Paris.*)

2. RATINGS

- Ratings: [The Notes [have been rated]/[are expected to be rated]
 [Standard & Poor's Rating Services]: [●]
 [[Other]: [●]]

Standard & Poor's Rating Services is established in the European Community and is registered under European Regulation 1060/2009/EC of 16 September 2009 on credit rating agencies, as amended (the **CRA Regulation**) and 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) 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.)

3. [NOTIFICATION]

The AMF, which is the French competent authority for the purpose of the Prospectus Directive [has been requested to provide/has provided - *include first alternative for an issue which is contemporaneous with the 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. SPECIFIC CONTROLLER

The specific controller (*contrôleur spécifique*) shall deliver to the Issuer (i) for each quarter a certificate relating to the borrowing Programme for the relevant quarter and, (ii) in case of issue of Notes equals or exceeds Euro 500,000,000 or its equivalent in any other currency, a certificate relating to such an issue.

5. 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, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement: "Save for any fees payable to the [Managers/Dealers] in connection with the Issue of the Notes, so far as the Issuer is aware, no person involved in the issue of the Notes has a material interest to the Issue. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business."

(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.)

6. YIELD - Fixed Rate Notes only

[Not Applicable] (*Include where the Notes are not Floating Rate Notes*)

Indication of yield:

[●]

Calculated as [*include specific details of method of calculation in summary form*] on the issue date

7. HISTORIC INTEREST RATES - Floating Rate Notes only

[Not Applicable] (*Include where the Notes are not Floating Rate Notes*)

Details of historic [EURIBOR or EONIA] rates can be obtained from [Reuters/other]. (*Include where the Notes are Floating Rate Notes*)

8. OPERATIONAL INFORMATION

ISIN Code: [●]

Common Code: [●]

Depositories:

(i) Euroclear France to act as Central Depository [Yes/No]

(ii) Common Depository for Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* [Yes/No]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s):

[Not Applicable/give name(s) and number(s) and address(es) and provide any other appropriate information]

Delivery: Delivery [against/free of] payment

Name and address of Paying Agents: **BNP Paribas Securities Services**
(affiliated with Euroclear France under number 29106)
Les Grands Moulin de Pantin
9, rue du Débarcadère
93500 Pantin
France

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

9. DISTRIBUTION

Method of distribution: [Syndicated/Non-Syndicated]

(i) If syndicated, names of Managers: [Not Applicable/give names]

(ii) Stabilising Manager(s) (if any): [Not Applicable/give name]

If non-syndicated, name of Dealer: [Not Applicable/give name]

U.S. selling restrictions: [Regulation S Compliance Category 1/Category 2]

[C Rules apply/ D Rules apply/ TEFRA not Applicable]

(TEFRA Rules are not applicable to Dematerialised Notes)

TAXATION

The following is a summary limited to certain tax considerations in France and in Luxembourg relating to the payments made in respect of the Notes that may be issued under the Programme and specifically contains information on taxes on the income from the securities withheld at source. This summary is based on the laws in force in France and in Luxembourg as of the date of this Base Prospectus and as applied by the tax authorities, all of which are subject to changes or to different interpretation. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. 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 disposal of the Notes in light of its particular circumstances.

1. EU Savings Directive

On 3 June 2003, the European Council of Economics and Finance Ministers adopted the directive 2003/48/EC regarding the taxation of savings income in the form of interest payments (the "**Savings Directive**"). The Savings Directive requires Member States as from 1 July 2005 provide the tax authorities of other Member States with details of payments of interest and other similar income within the meaning of the Savings Directive made by a paying agent located within their jurisdiction to (or, under certain circumstances, to the benefit of) a beneficial owner (within the meaning of the Savings Directive) resident in another Member State, except that Luxembourg and Austria will instead impose a withholding system for a transitional period unless the beneficiary of the interest payment elects for the exchange of information. At the date of the Base Prospectus, the rate of this withholding tax is 35%.

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

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

The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

2. French taxation

Savings Directive

The Savings Directive has been implemented in French law by Article 242 *ter* of the French General Tax Code (*Code général des impôts*) and Articles 49 I *ter* to 49 I *sexies* of Annex III to the French General Tax Code (*Code général des impôts*), impose on paying agents based in France an obligation to report certain information to the French tax authorities with respect to interest (and other similar revenues) payments made to beneficiaries domiciled in another Member State, including, in particular, the identity and the address of the beneficiaries as well as a detailed list of the different categories of interest paid to these beneficiaries.

French withholding tax

- (a) Following the introduction of the French "*loi de finances rectificative pour 2009 n° 3*" (no. 2009-1674 dated 30 December 2009) (the **Law**), 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 General Tax Code (*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 General Tax Code (*Code général des impôts*) (a "**Non-Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a 75% withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French General Tax Code (*Code général des impôts*).

Notwithstanding the foregoing, the Law provides that the 75% withholding will not apply in respect of the issue of the Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the *Exception*). Pursuant to official guidelines issued by the French tax authorities under the references BOI-INT-DG-20-50-20120912, no. 990, BOI-RPPM-RCM-30-10-20-50-20120912, no. 70, and BOI-ANNX-000366-20120912, no. 90, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French Monetary and Financial Code or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the 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 Monetary and Financial Code, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Furthermore, pursuant to Article 238 A of the French General Tax Code (*Code général des impôts*), interest and other revenues on such Notes are, *inter alia*, not deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 *et seq.* of the French General Tax Code (*Code général des impôts*), in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French General Tax Code (*Code général des impôts*), at a rate of 30% or 75%.

However, neither the non-deductibility set out under Article 238 A of French General Tax Code (*Code général des impôts*), nor the withholding tax set out under article 119 *bis* 2 of the French General Tax Code (*Code général des impôts*) will apply in respect of the Notes if the Issuer can prove that it can benefit from the Exception and that the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount. Pursuant to official guidelines issued by French tax authorities

under the references BOI-INT-DG-20-50-20120912, no. 550, BOI-ANNX-000364-20120912, no. 20 and BOI-ANNX-000366-20120912, no. 90, the issue of the Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes since the Notes qualify to one of the three above-mentioned conditions.

- (b) Pursuant to the 2013 Finance Law (*loi de finances pour 2013, n° 2012-1509 du 29 décembre 2012*) and subject to certain exceptions, interest and other revenues received under the Notes as from 1 January 2013 by individuals who are fiscally domiciled in France are subject to a 24% withholding tax, set out under Articles 125 A and 125 D of the French General Tax Code (*Code général des impôts*). This withholding tax is an advance payment made in respect of the personal income tax of the individual receiving the interest or revenue, which is deductible from his personal income tax liability in respect of the year during which this withholding has been made; if the amount of this withholding exceeds the amount of personal income tax due, the excess is refundable. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding at an aggregate rate of 15.5% on interest and similar revenues paid by the Issuer under the Notes, to individuals who are fiscally domiciled in France.

3. Luxembourg taxation

The Savings Directive has been implemented in Luxembourg law by Act of 21 June 2005.

Individuals

(a) Luxembourg residents

A 10 per cent. withholding tax has been introduced, as from 1 January 2006, on interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents. Only interest accrued after 1 July 2005 falls within the scope of this withholding tax. Income (other than interest) from investment funds and from current accounts provided that the interest rate is not higher than 0.75 per cent. is exempt from the withholding tax. Furthermore, interest which is accrued once a year on savings accounts (short and long term) and which does not exceed €250 per person and per paying agent is exempted from the withholding tax.

This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers.

(b) Luxembourg non-residents

Subject to the application of the Savings Directive and applicable laws, there is no withholding tax on payments of interest (including accrued but unpaid interest) made to Luxembourg non-resident Noteholders.

Under the Savings Directive and applicable laws, a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State unless the beneficiary of the interest payments elects for the exchange of information. The same regime applies to payments to individuals or Residual Entities resident in certain dependent territories.

The current withholding tax rate is 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain other countries.

Corporations

There is no withholding tax for Luxembourg resident and non-resident corporations Noteholders on payments of interest (including accrued but unpaid interest).

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in a dealer agreement dated 2 August 2013 between the Issuer, the Arranger, and the Permanent Dealers, as amended and restated from time to time (the **Dealer Agreement**), the Notes will be offered by the Issuer to the Permanent Dealers. However, the Issuer will have 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 such Dealer. The Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the Programme and the Dealers for certain of their 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 for Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

General

These selling restrictions may be modified by the Dealer Agreement and the Dealers in particular following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Base Prospectus.

Pursuant to the Dealer Agreement, each Dealer has represented and agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility therefore.

United States of America

The Notes have not been and will not be registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any State or jurisdiction of the United States and may not be offered or sold, directly or indirectly within the United States or to, or for the account or benefit of U.S. persons except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act. The Notes are being offered and sold outside the United States to non U.S. persons in reliance on Regulation S under the Securities Act ("**Regulation S**"). Terms used in this paragraph have the meanings given to them by Regulation S.

Materialised Notes having a maturity of more than one (1) year are subject to US tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by US tax regulations. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code and regulations thereunder.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time and (ii) otherwise until forty (40) days after completion of the distribution of the Tranche of which such Notes are a part, as determined and certified to the Fiscal Agent by such Dealer (or, in the case of Notes issued on a syndicated basis, the Lead Manager), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells the Notes during the distribution compliance period a

confirmation or other notice setting forth the restrictions on offers and sales of Notes within the United States or to, or for the account or benefit of, U.S. persons.

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

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States is prohibited.

United Kingdom

The Permanent Dealers have represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) in relation to any Notes which have a maturity of less than one (1) 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;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

France

Each of the Permanent Dealers and the Issuer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) 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*), all as defined in, and in accordance with, Articles L. 411-1, L. 411-2 and D. 411-1 of the French Monetary and Financial Code.

Italy

Each of the Issuer and the Permanent Dealers has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that this Base Prospectus has not been, nor will be, published in the Republic of Italy in connection with the offering of Notes and

such offering of Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa (Consob)* in the Republic of Italy pursuant to Legislative Decree no. 58 of 24 February 1998 as amended (the *Financial Services Act*) and to Consob Regulation no. 11971 of 14 May 1999, as amended (the *Issuers Regulation*) and, accordingly, no Note may be offered, sold, transferred or delivered, and will not be offered, sold, transferred or delivered, directly or indirectly, in the Republic of Italy in an offer to the public ("*offerta al pubblico*"), nor may, or will, copies of this Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of the Financial Services Act and Article 34-ter, paragraph 1(b) of the Issuers Regulation; or
- (b) in other circumstances which are exempted from the rules on offers to the public pursuant to, and in compliance with, the conditions set out in Article 100 of the Financial Services Act and its implementing regulations, including Article 34-ter of the Issuers Regulation.

Moreover, and subject to the foregoing, each of the Permanent Dealers has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that any offer, sale, transfer or delivery of Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must, and will, be effected in accordance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations and, in particular, will be made:

- (i) by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Consob Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, and
- (ii) in compliance with any other notification requirement and/or limitation which may be, from time to time, imposed by Consob, the Bank of Italy and/or any other Italian authority.

Any investor purchasing the Notes in the offering is solely responsible for ensuring that any offer and resale of the Notes it purchased in the offering occurs in compliance with applicable Italian laws and regulations. Article 100-*bis* of the Financial Services Act affects the transferability of the Notes in the Republic of Italy to the extent that the Notes are placed solely with qualified investors and such Notes are then systematically resold to non-qualified investors on the secondary market at any time in the twelve (12) months following such placing. Should this occur without the publication of a prospectus pursuant to Prospectus Directive in the Republic of Italy or outside of the application of one of the exemptions referred to above, purchasers of Notes who are acting outside of the course of their business or profession are entitled, under certain conditions, to have such purchase declared void and to claim damages from any authorised intermediary at whose premises the Notes were purchased.

This Base Prospectus, the Final Terms or any other document relating to the Notes, and the information contained herein are intended only for the use of its recipients and are not to be distributed to any third-party resident or located in the Republic of Italy for any reason.

Germany

No Base Prospectus nor any prospectus within the meaning of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) or the German Investment Product Act (*Vermögensanlagengesetz*) has been, or will be, published in Germany or filed with the German Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) with regard to any Notes.

Notes may not be offered, sold or delivered, and will not be offered, sold or delivered, directly or indirectly to the public in Germany, except in compliance with all applicable laws.

The Issuer assumes no responsibility and makes no representation regarding the suitability of Notes as an investment product for any investor. In particular, the Issuer assumes no responsibility for the eligibility of any Notes as investment for any Noteholder domiciled in Germany and subject to

particular regulatory requirements with regard to its investments, including, without limitation, insurance companies, pension funds, credit institutions and investment funds. Unless explicitly stated otherwise in the Conditions or the Final Terms, no reference therein to particular German law regulatory requirements implies or may be construed to imply any representation or warranty by the Issuer as to the suitability of the relevant Notes for the Noteholder.

The Netherlands

Each Dealer appointed under this Program will be required to agree that it will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive unless:

- (a) such offer is made exclusively to legal entities which are qualified investors (as defined in the Dutch Financial Services Act (*Wet op het financieel toezicht*, or "Wft") and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in the Netherlands; or
- (b) standard exemption logo and wording are disclosed as required by article 5:20(5) of the Wft; or
- (c) such offer is otherwise made in circumstances in which article 5:20(5) of the Wft is not applicable,

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

Austria

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes have not been offered or sold and will not be offered, sold or delivered directly or indirectly in the Republic of Austria by way of a public offering, unless in compliance with the Austrian Capital Market Act (*Kapitalmarktgesetz*) as amended from time to time.

Denmark

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes have not been offered or sold and will not be offered, sold or delivered directly or indirectly in the Kingdom of Denmark by way of a public offering, unless in compliance with the Danish Securities Trading Act, Consolidation Act No. 803 of 9 August 2011 as amended from time to time and any Executive Orders issued in connection thereto.

Sweden

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes have not been offered or sold and will not be offered, sold or delivered directly or indirectly in the Kingdom of Sweden by way of a public offering, unless in compliance with the Swedish Securities Trading Act, (SFS 1991:980) as amended from time to time and any Executive Orders issued in connection thereto.

Finland

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 publicly offer the Notes or bring the Notes into general circulation in Finland other than in compliance with all applicable provisions of the laws of Finland and especially in compliance with the Finnish Securities Market Act (*Arvopaperimarkkinalaki*

495/1989), as amended and any regulation or rule made thereunder, as supplemented and amended from time to time.

Norway

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it will comply with all laws, regulations and guidelines applicable to the offering of Notes in Norway.

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 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 that it has not, directly, or indirectly, offered or sold and will not, directly, or indirectly, offer or sell any Notes, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Peoples Republic of China

Each Dealer has represented and agreed 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.

Singapore

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. 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, Chapter 289 of Singapore (b) to a relevant person under 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:

- (a) 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;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law; or
- (d) pursuant to Section 276(7) of the Securities and Futures Act.

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 INFORMATION

- (1) An application has been made to the AMF to approve this document as a base prospectus and this Base Prospectus has received visa n°13-446 on 2 August 2013. Application will be made in certain circumstances to list and admit the Notes on Euronext Paris and application may be made for the listing and admission to trading on any other Regulated Market in a Member State of the EEA.
- (2) The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in France in connection with the establishment of the Programme.

Any issue of Notes by the Issuer under the Programme will, to the extent that such Notes constitute obligations under French law, require the prior authorisation of the board of directors (*conseil d'administration*) of the Issuer. The board of directors (*conseil d'administration*) of the Issuer may delegate to any of its members and to any other person, the power to decide on the issue of such Notes within a period of one year. For this purpose, the board of directors (*conseil d'administration*) of the Issuer has delegated on 29 July 2013 to its Chairman (*Président du Conseil d'administration*) and to its Chief Executive Officer (*Directeur général*), acting jointly or separately, the power to issue *obligations de financement de l'habitat* under the Programme, up to a maximum amount of € 1,000,000,000 for a period ending 30 September 2013, unless previously cancelled.
- (3) Notes issued under the Programme are expected to be rated at issuance AAA by Standard & Poor's Rating Services (the "**Rating Agency**"). The rating of the Notes will be specified in the relevant 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 without notice. As of the date of this Base Prospectus, the Rating Agency is established in the European Union and registered under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**") and 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) in accordance with the CRA Regulation.
- (4) Except as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of the Issuer or in the results of operations of the Issuer since 31 December 2012.
- (5) Except as disclosed in this Base Prospectus, there has been no material adverse change in the prospects of the Issuer since 31 December 2012.
- (6) Except as disclosed in this Base Prospectus, the Issuer is not or has not been involved in any governmental, legal or arbitration proceedings (including any such proceeding 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 financial position or profitability of the Issuer.
- (7) Except as disclosed in this Base Prospectus, there are no material contracts that are not entered into the ordinary course of the Issuer's business which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to Noteholders in respect of the Notes being issued.
- (8) Application may be made for Notes to be accepted for clearance through Euroclear France (66, rue de la Victoire, 75009 Paris, France) and/or Euroclear (boulevard du Roi Albert II, 1210 Bruxelles, Belgique) and Clearstream, Luxembourg (42, avenue JF Kennedy, 1855 Luxembourg, Luxembourg). 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.

- (9) Pursuant to articles L. 515-20 and R. 515-13, IV of the French Monetary and Financial Code, the Specific Controller certifies that the rule providing that the amount of eligible assets of the Issuer is greater than the amount of liabilities benefiting from the *Privilège* is satisfied on the basis of a quarterly borrowing programme and for any issue of Notes or debts benefiting from the *Privilège* in a principal amount equal to or above Euro 500 million or its equivalent in the currency of issue.
- (10) PriceWaterhouseCoopers Audit (represented by Agnès Hussherr, 63 rue de Villiers 92208 Neuilly sur Seine Cedex) and KPMG Audit FS I (represented by Isabelle Goalec, 3 cours du Triangle 92939 Paris La Défense Cedex), the Issuer's statutory auditors are registered with the *Compagnie Nationale des Commissaires aux Comptes* (National Association of Statutory Auditors) and subject to the authority of the *Haut Conseil du Commissariat aux Comptes* (French High Council of Statutory Auditors).
- (11) This Base Prospectus and any supplement to this Base Prospectus will be published on the websites of (a) the AMF (www.amf-france.org) and (b) La Banque Postale (www.labanquepostale.fr). The Final Terms related to Notes traded on any Regulated Market in accordance with the Prospectus Directive will be published, so long as such Notes are admitted to trading on any Regulated Market, on the websites of (a) the AMF (www.amf-france.org) and (b) La Banque Postale (www.labanquepostale.fr).

In addition, should the Notes be admitted to trading on a Regulated Market other than Euronext Paris, in accordance with the Prospectus Directive, the Final Terms related to those Notes will provide whether this Base Prospectus and the relevant Final Terms will be published on the website of (x) the Regulated Market where the Notes have been admitted to trading or (y) the competent authority of the Member State of the EEA where the Notes have been admitted to trading.

- (12) So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the registered office of the Issuer and at the specified office of the Paying Agent(s):
- (a) the by-laws (*statuts*) of the Issuer; the most recently published audited non-consolidated financial statements and interim financial statements of the Issuer ;
 - (b) Final Terms relating to Notes admitted to trading on Euronext Paris or any other Regulated Market;
 - (c) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Base Prospectus; and
 - (d) 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 this Base Prospectus, including the certificate of the Specific Controller in respect of (i) each quarter relating to the borrowing programme for the relevant quarter and (ii) each issue of Notes in a principal amount equal to or above Euro 500 million or its equivalent in the currency of the relevant issue.

The Agency Agreement (which includes the form of the *Lettre Comptable*, of the Temporary Global Certificates, of the Definitive Materialised Notes, of the Coupons and of the Talons) will be available during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection, at the registered office of the Issuer and at the specified office of the Paying Agent(s).

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

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