COMPAGNIE DE FINANCEMENT FONCIER

COMPAGNIE DE FINANCEMENT FONCIER
USD10,000,000,000
US Medium Term Securities Program for the issue of *Obligations Foncières*

Under the US Medium Term Securities Program (the "**Program**") described in this Base Prospectus (the "**Base Prospectus**"), Compagnie de Financement Foncier (the "**Company**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue *obligations foncières* (the "***Obligations Foncières***" or the "**Securities**"), benefiting from the statutory *privilège* created by Article L.513-11 of the French *Code monétaire et financier*, as more fully described herein. The aggregate nominal amount of Securities (issued under the Program) outstanding will not at any time exceed USD10,000,000,000 (or the equivalent in other currencies). Any Securities to be issued on or after the date hereof under the Program are issued subject to the provisions set out in this Base Prospectus. This does not affect any Securities issued prior to the date hereof.

Under the Program, the Company may from time to time issue Securities in registered form only denominated in Euros or U.S. dollars or any other currency agreed between the Company and the relevant Dealer (as defined in this Base Prospectus). The minimum denomination of each Security will be EUR1,000 (or, if the Securities are denominated in a currency other than euro, the equivalent amount in any such currency as at the date of issue of those Securities).

Securities will be issued on a continuous basis in series (each a "**Series**") having one or more issue dates and the same maturity date, bearing interest (if any) on the same basis and at the same rate (except in respect of the first payment of interest) and on terms otherwise identical (or identical other than in respect of the first payment of interest, the issue date, the issue price and the nominal amount), the Securities of each Series being intended to be consolidated as regards their financial service (*assimilables*) with all other Securities of that Series. Each Series may be issued in tranches ("**Tranches**") on the same or different issue dates.

No application has been made to any competent authority of a Member State of the European Economic Area ("**EEA**") for the approval of this Base Prospectus or to any stock exchange for listing and admission to trading of Securities to be issued under the Program. Application may be made to the competent authority of a Member State of the EEA and/or to a stock exchange for a particular Series of Securities issued under the Program to be listed and admitted to trading on a regulated market as defined in Directive 2004/39/EC on markets in financial instruments (as amended from time to time), appearing on the list of regulated markets issued by the European Commission (a "**Regulated Market**"), or to be listed on an alternative stock exchange. The relevant final terms (the "**Final Terms**") (as defined in "*Overview of the Program*" and the forms of which are contained herein) in respect of the issue of any Securities will specify whether or not such Securities will be listed and admitted to trading and, if so, the Regulated Market or alternative stock exchange where the Securities will be listed and admitted to trading and will be published, if relevant, on the website of the Regulated Market where the admission to trading is sought, if the rules applicable to such Regulated Market so require.

Each Series of Securities will be issued in registered form only and will be represented by registered certificates (each, a "**Certificate**"), one Certificate being issued in respect of each holder's entire holding of Securities of one Series. Securities issued in global form and which are sold in an "offshore transaction" within the meaning of Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**Securities Act**") ("**Unrestricted Securities**"), will initially be represented by a registered global certificate (each an "**Unrestricted Global Certificate**"), which may be deposited on the relevant issue date (a) in the case of a Series intended to be cleared through Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"), with a common depositary (the "**Common Depositary**") on behalf of, or a common safekeeper (the "**Common Safekeeper**") for, Euroclear and Clearstream, Luxembourg, and (b) in the case of a Series 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, as agreed between the Company and the relevant Dealer(s). Securities which are sold in the United States to "qualified institutional buyers" (each, a "**QIB**") within the meaning of Rule 144A ("**Rule 144A**") under the Securities Act ("**Restricted Securities**") will initially be represented by a permanent registered global certificate (each a "**Restricted Global Certificate**" and, together with the "**Unrestricted Global Certificate**", the "**Global Certificates**"), which may be deposited on the relevant issue date with a custodian (the "**Custodian**") for, and registered in the name of *Cede & Co.* as nominee for, The Depository Trust Company ("**DTC**"). If an Unrestricted Global Certificate is to be held under the New Safekeeping Structure (the "**NSS**"), it will be delivered on or prior to the original issue date of the relevant Tranche (as defined in "*Overview of the Program - Method of Issue*") to the Common Safekeeper for Euroclear and Clearstream. Unrestricted Global Certificates which are not held under the NSS will be registered in the name of a nominee for, and deposited on the issue date of the relevant Tranche with the Common Depositary on behalf of Euroclear and Clearstream, Luxembourg. The provisions governing the exchange of interests in each Global Certificate for definitive Securities are described in "*Summary of Provisions Relating to the Securities while in Global Form.*"

The Program has been rated AAA by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, Inc. ("**Standard & Poor's**"), Aaa by Moody's Investors Service, Inc. ("**Moody's**") and AAA by Scope Ratings AG ("**Scope Ratings**"). It is expected that the Securities issued under the Program will be rated AAA by Standard & Poor's, Aaa by Moody's and AAA by Scope Ratings. The credit ratings included in or referred to in this Base Prospectus will be treated for the purposes of Regulation (EC) No. 1060/2009 on credit rating agencies (the "**CRA Regulation**") as having been issued by Standard & Poor's, Moody's and Scope Ratings, which are established in the European Union, and registered under the CRA Regulation.

Tranches of Securities to be issued under the Program will be rated. Where a Tranche of Securities is to be rated, such rating will be specified in the relevant Final Terms and will not necessarily be the same as the rating assigned to the Program or Securities already issued. The relevant Final Terms will specify whether or not such credit ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency without notice.

The specific terms of the Securities, including the final offer price and the amount of such Securities, will be determined at the time of the offering of each Tranche by the Company and the relevant Dealer(s) in accordance with prevailing market conditions at the time of the issue of the Securities and will be set out in the relevant Final Terms, substantially in the form of the *pro forma* Final Terms set out in this Base Prospectus. The Company may agree with any Dealer(s) that Securities may be issued in a form and on terms not, or not fully, contemplated by the Terms and Conditions of the Securities set out in this Base Prospectus, in which event either a supplement to this Base Prospectus or, if appropriate, a separate prospectus will be made available, which will describe the effect of the agreement reached in relation to such Securities.

This Base Prospectus, any supplement thereto and the Final Terms will be available on the website of the Company (*www.foncier.fr*), as further described in "*General Information – Availability of documents*" and in the relevant Final Terms.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Base Prospectus before deciding to invest in the Securities issued under the Program.

Arranger

CITIGROUP

Dealers

BOFA MERRILL LYNCH
CITIGROUP
GOLDMAN SACHS & CO. LLC
MORGAN STANLEY
NOMURA

BARCLAYS
CREDIT SUISSE
HSBC
NATIXIS
RBC CAPITAL MARKETS

BNP PARIBAS
DEUTSCHE BANK SECURITIES
J.P. MORGAN
NATWEST MARKETS
SOCIETE GENERALE
CORPORATE & INVESTMENT BANKING

UBS INVESTMENT BANK

The date of this Base Prospectus is December 7, 2017.

This Base Prospectus (together with supplements to this Base Prospectus from time to time) comprises a base prospectus (which, only in relation to Securities offered to the public in any Member State of the EEA which has implemented the Prospectus Directive and/or admitted to trading on an EEA Regulated Market, comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive) for the purpose of giving information with regard to the Company, and the base terms and conditions of the Securities to be issued under the Program which, according to the particular nature of the Company and the Securities, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Company.

This Base Prospectus has not been, and is not required to be, submitted to the *Autorité des marchés financiers* (the "**AMF**") in France or any other competent authority for approval as a "prospectus" pursuant to Directive 2003/71/EC (and any amendments thereto, including the Directive 2010/73/EU to the extent implemented in the relevant Member State of the EEA), which includes any relevant implementing measure in the relevant Member State of the EEA (the "**Prospectus Directive**").

This Base Prospectus is to be read in conjunction with all documents which are incorporated herein by reference as described in the section entitled "*Documents Incorporated by Reference*" below. This Base Prospectus shall be read and construed on the basis that such documents are so incorporated in, and form part of, this Base Prospectus.

No person has been authorized to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of Securities and, if given or made, such information or representation must not be relied upon as having been authorized by or on behalf of the Company or any of the Dealers or the Arranger (as defined in "*Overview of the Program*"). 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 Company since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented, or that there has been no adverse change in the financial position of the Company since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented, or that any other information supplied in connection with the Program is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and the offering or sale of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Company, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Securities have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Subject to certain exceptions, Securities may not be offered or sold within the United States. For a description of certain restrictions on offers and sales of Securities and on distribution of this Base Prospectus, see "*Plan of Distribution.*"

The Securities issued under the Program are being offered and sold outside the United States in reliance on Regulation S under the Securities Act and/or within the United States to qualified institutional buyers (each, a "**QIB**") in reliance on Rule 144A under the Securities Act ("**Rule 144A**"). Prospective purchasers are hereby notified that sellers of the Securities may be relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A. For a description of these restrictions and certain further restrictions on offers, sales and transfers of Securities and distribution of this Base Prospectus see "*Plan of Distribution*" and "*Transfer Restrictions.*"

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

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Securities includes a legend entitled "*Prohibition of Sales to EEA Retail Investors*", the Securities are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to, any retail investor in the European Economic

Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC ("IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Company or any Dealer to subscribe for, or purchase, any Securities.

Neither the Arranger nor any Dealer has separately verified the information or representations contained in this Base Prospectus. To the fullest extent permitted by law, neither the Arranger nor any Dealer makes any representation, express or implied, or accepts any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by the Arranger or any Dealer or on its behalf in connection with the Company or the issue and offering of the Securities. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement. Neither this Base Prospectus (as supplemented from time to time) nor any other financial statements nor any other information incorporated by reference are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Arranger or any Dealer that any recipient of this Base Prospectus (as supplemented from time to time) or any other financial statements or any other information incorporated by reference should purchase the Securities. Each potential purchaser of Securities should determine for itself the relevance of the information contained in this Base Prospectus (as supplemented from time to time) and its purchase of Securities should be based upon such investigation as it deems necessary. Neither the Arranger nor any Dealer has reviewed or undertakes to review the financial condition or affairs of the Company during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Securities of any information coming to the attention of the Arranger or any Dealer.

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

FORWARD-LOOKING STATEMENTS

This Base Prospectus includes forward-looking statements. All statements other than statements of historical fact included in this Base Prospectus may constitute forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "project", "intend", "estimate", "anticipate", "believe", "continue", "could", "should", "would" or the like. Although the Company believes that expectations reflected in its forward-looking statements are reasonable as of the date of this Base Prospectus, there can be no assurance that such expectations will prove to have been correct. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements or industry results to be materially different from those contemplated, projected, forecasted, estimated or budgeted, whether expressed or implied, by these forward-looking statements. These factors include those set forth in the section of this Base Prospectus entitled "*Risk Factors*" beginning on page 50.

The risks described in this Base Prospectus are not the only risks an investor should consider. New risk factors emerge from time to time and it is not possible for the Company to predict all such risk factors on its

business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place any undue reliance on forward-looking statements as a prediction of actual results. The Company undertakes no obligation to update the forward-looking statements contained in this Base Prospectus or any other forward-looking statement it may make.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "euro", "Euro", "EUR" and "€" are to the currency introduced at January 1, 1999 with the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty Establishing the European Community, as amended by which date the Euro became the legal currency in eleven Member States of the European Union, references to "£", "pounds sterling", "GBP" and "Sterling" are to the lawful currency of the United Kingdom, references to "U.S.$", "USD", "U.S. dollars" and "$" are to the lawful currency for the time being of the United States of America, references to "¥", "JPY", "Japanese yen" and "Yen" are to the lawful currency of Japan, references to "CHF" and "Swiss francs" are to the lawful currency of the Helvetic Confederation, references to "HKD", "Hong Kong Dollars" are to the lawful currency of Hong Kong and references to "CAD" and "Canadian Dollars" are to the lawful currency of Canada.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any Securities remain outstanding and are "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, the Company will, during any period that it is neither subject to section 13 or 15(d) of the United States Securities and Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, furnish, upon request, to any holder or beneficial owner of such restricted securities or any prospective purchaser designated by any such holder or beneficial owner upon the request of such holder, beneficial owner or prospective purchaser, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act and will otherwise comply with the requirements of Rule 144A(d)(4) under the Securities Act. Any such request should be directed to Compagnie de Financement Foncier, 4, Quai de Bercy, 94224 Charenton Cedex, France.

FINANCIAL STATEMENTS

The Financial Statements of the Company incorporated by reference in this Base Prospectus are presented on the basis of French generally accepted accounting principles ("**GAAP**") in a format that is specific to French credit institutions. The financial statements of the Company comply with the regulation of the French Accounting Regulation Committee and the French Banking and Financial Regulation Committee. See "*Documents Incorporated by Reference*" below. Significant differences in GAAP may exist between different jurisdictions, including between French GAAP and United States GAAP. Significant differences may also exist between French GAAP and International Financial Reporting Standards ("**IFRS**") as adopted by the European Union. The Company has not quantified the impact of these differences. Investors should be aware that these differences may be material in the interpretation of the financial statements and financial information contained herein and should consult their own professional advisors for an explanation of the differences between French GAAP, on the one hand, and US GAAP and IFRS, on the other hand. See the section entitled "*Risk Factors*" for a discussion of certain considerations relating to the presentation of financial information by the Company on the basis of French GAAP.

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SUMMARY OF THE PROGRAM

Summaries are made up of disclosure requirements known as "Elements", the communication of which is required by Annex XXII of Regulation (EC) No 809/2004 of 29 April 2004, as amended by Commission Delegated Regulation (EU) No 486/2012 of 30 March 2012 and Commission Delegated Regulation (EU) No 862/2012 of 4 June 2012.

*These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and for Compagnie de Financement Foncier (the "**Company**"). As some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.*

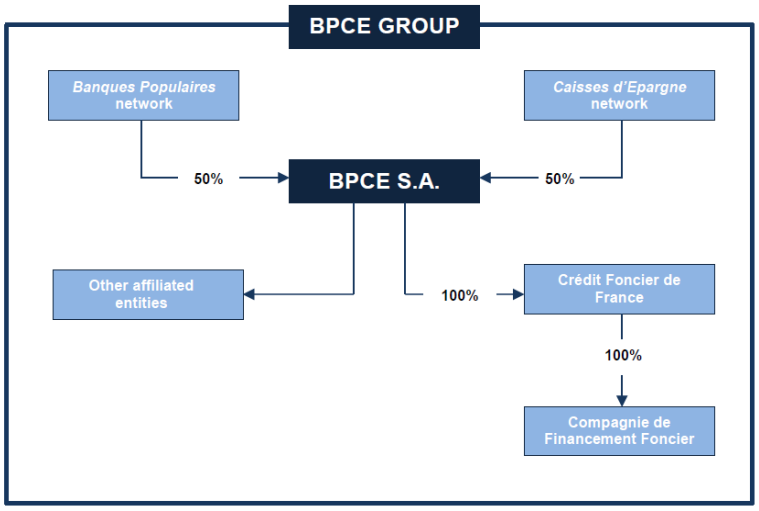
Even though an Element may be required to be inserted in the summary because of the type of securities and the Company, it is possible that no relevant information can be given regarding such Element. In this case a short description of the Element is included in the summary and marked as "Not applicable".

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

Section A - Introduction and warnings		
A.1	**General disclaimer regarding the summary**	This summary must be read as an introduction to this Base Prospectus. Any decision to invest in the Securities should be based on a consideration by any investor of the Base Prospectus as a whole, including any documents incorporated by reference and any supplement from time to time. Where a claim relating to information contained in this Base Prospectus is brought before a court, the plaintiff may, under the national legislation of the Member State of the EEA where the claim is brought, be required to bear the costs of translating this Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus or it does not provide, when read together with the other parts of this Base Prospectus, key information in order to aid investors when considering whether to invest in the Securities.
A.2	**Information regarding consent by the Company to the use of the Base Prospectus**	In the context of any offer of Securities in a Member State of the EEA specified in the applicable Final Terms (the "**Public Offer Jurisdictions**") that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended, (a "**Non-exempt Offer**"), the Company consents to the use of this Base Prospectus and the relevant Final Terms in connection with a Non-exempt Offer of any Securities during the offer period specified in the relevant Final Terms (the "**Offer Period**") and in the Public Offer Jurisdiction(s) specified in the relevant Final Terms by (i) each financial intermediary duly authorised and designated in such Final Terms or (ii) if so specified in the relevant Final Terms, any financial intermediary (each an "**Authorised Offeror**"). The consent referred to above relates to Offer Periods (if any) ending no later than

		the date falling 12 months from the date of the approval of the Base Prospectus by the relevant competent authority of a Member State of the EEA. **The Terms and Conditions of the Non-exempt Offer shall be provided to investors by that Authorised Offeror at the time of the Non-exempt Offer. Neither the Company nor any of the Dealers nor other Authorised Offeror has any responsibility or liability for such information.** ***Issue specific summary:*** [In the context of the offer of the Securities in [●] ("**Public Offer Jurisdiction[s]**") which is not made within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended (the "**Non-exempt Offer**"), the Company consents to the use of this Base Prospectus in connection with such Non-exempt Offer of any Securities during the period from [●] until **[●]** (the "**Offer Period**") and in the Public Offer Jurisdiction[s] by [●] / [any financial intermediary] (the "**Authorised Offeror[s]**"). [The Authorised Offeror[s] must satisfy the following conditions: [●]]] **The Terms and Conditions of the Non-exempt Offer shall be provided to Investors by that Authorised Offeror at the time of the Non-exempt Offer. Neither the Company nor any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.]/** [Not applicable]

Section B – The Company		
B.1	**Legal and commercial name of the Company**	Compagnie de Financement Foncier ("**Compagnie de Financement Foncier**", the "**Issuer**" or the "**Company**").
B.2	**Domicile and legal form of the Company, the legislation under which the Company operates and its country of incorporation**	The Company is a limited liability company organized under the laws of the Republic of France. Compagnie de Financement Foncier was granted a license as a "financial company" by the French *Autorité de Contrôle Prudentiel et de Résolution* ("**ACPR**", formerly known as the French Supervisory Authority or *Autorité de Contrôle Prudentiel* and before that, as the French Credit Institutions and Investment Companies Committee or *Comité des Etablissements de Crédit et des Entreprises d'Investissements*) on July 23, 1999. The French Credit Institutions and Investment Companies Committee also granted Compagnie de Financement Foncier a license as a *Société de Crédit Foncier* pursuant to the provisions of the Savings and Financial Security Act of 1999 (*Loi du 25 juin 1999 Relative à l'Epargne et à la Sécurité Financière*, or the "**SFSA Law**"). The registered office of the Company is located at 19, rue des Capucines, 75001 Paris, France, and the Company is registered with the Trade and Companies Registry of Paris under reference number 421 263 047 RCS Paris.
B.4b	**Description of any known trends affecting the Company**	Not Applicable. The outlook of the Company has not been affected since the date of its last published audited financial statements.

	and the industries in which it operates	
B.5	**Description of the Company's Group and the Company's position within the Group**	The Company is an indirect subsidiary of BPCE S.A., which owns 100% of Crédit Foncier de France (the parent of Compagnie de Financement Foncier). BPCE S.A. is the central institution of the BPCE Group, a cooperative banking group composed of 16 *Caisses d'Epargne* and 15 *Banques Populaires* and constituting one of the largest banking groups in France. The following diagram illustrates the position of the Company within the BPCE Group: 
B.9	**Profit forecast or estimate**	Not Applicable. The Company does not disclose any profit forecasts or estimates.
B.10	**Qualifications in the auditors' report**	Not Applicable. The statutory auditors' reports on the financial statements of the Company for the years ended December 31, 2016, December 31, 2015 and December 31, 2014 and the statutory auditors' limited review report on the unaudited condensed interim financial statements for the six-month period ended June 30, 2017 do not contain any qualification.
B.12	**Selected historical key financial information**	There has been no material adverse change in the prospects of the Company since December 31, 2016. There has been no significant change in the financial or trading position of the Company since June 30, 2017.
		The following tables show the key figures related to the income statement and balance sheet of the Company as at and for the periods ended December 31, 2016, December 31, 2015 and December 31, 2014: (A) The tables below set forth summary historical financial information relating to the Company, as derived from financial statements prepared by the Company in accordance with generally accepted accounting principles in France:

	As of December 31, 2016	As of December 31, 2015	As of December 31, 2014
	(EUR thousands)		
Assets			
Cash due from central banks and post office accounts	2,400,000	5,360,083	1,200,069
Treasury notes and similar securities	3,455,424	3,606,541	3,175,674
Due from banks	20,827,904	21,092,317	20,790,892
Customer loans	42,237,163	43,026,282	44,963,602
Bonds and other fixed income securities	12,724,987	11,246,613	13,604,518
Equity investments and other long term investments	0	4	0
Intangible assets			
Other	8,175	59,306	92,195
Prepayments, deferred charges and accrued income	2,694,997	3,187,163	4,122,040
Total Assets	**84,348,650**	**87,578,310**	**87,948,990**
Liabilities			
Due to banks	8,778,050	9,852,497	5,034,721
Customer deposits	0	408	19,967
Debt securities	67,573,795	69,123,576	71,288,157
Other liabilities	2,261,259	2,981,454	3,610,586
Accruals and deferred income	2,514,616	2,370,553	2,693,545
Provisions for liabilities and charges	20,435	16,129	26,334
Subordinated debt	0	0	3,450,258
Fund for general banking risks	20,000	20,000	20,000
Equity other than Fund for General Banking Risks	3,180,495	3,213,693	1,805,423
– Subscribed capital stock, share premiums, reserves, regulated provisions and investment subsidies, retained earnings	3,086,819	3,081,206	1,721,095
– Net income for the year	93,676	132,486	84,328
Total Liabilities and Equity	**84,348,650**	**87,578,310**	**87,948,990**

	As of	As of	As of

	December 31, 2016	December 31, 2015	December 31, 2014
	(EUR thousands)		
Interest and similar income	2,850,600	3,128,590	3,446,672
Interest and similar expenses	-2,571,615	-2,872,698	-3,119,359
Commission and fee income	82,972	109,711	45,555
Commission and fee expenses	-2,047	-2,195	-4,225
Gains or losses on investment securities transactions	-456	213	-10,341
Other income from banking operations	7	77	1,307
Other expenses on banking operations	-4	-51	-57
Net banking income	**359, 457**	**363,646**	**359,551**
General operating expenses	-127,689	-123,155	-105,366
Depreciation, amortization and provisions on tangible and intangible fixed assets			
Gross Operating Income	**231,768**	**240,491**	**254,185**
Cost of risk*	-27,078	-14,753	-127,816
Operating Income	**204,690**	**225,738**	**126,369**
Gains or losses on fixed assets	-48	-4,032	1,362
Ordinary Income before Tax	**204,642**	**221,706**	**127,731**
Exceptional items			
Income taxes	-110,965	-89,220	-43,403
Increases and decreases in fund for general banking risks and provisions			
Net Income	**93,676**	**132,486**	**84,328**
***Cost of risk excluding the impact of the HETA securities in 2014 and 2015:**	**-27,078**	**-26,954**	**-23,816**

(B) The composition of the total assets and liabilities of the Company as at December 31, 2016, December 31, 2015 and December 31, 2014 is summarized by asset category in the following chart:

Assets	As of December 31, 2016		As of December 31, 2015		As of December. 31, 2014	
	EUR million	% balance sheet	EUR million	% balance sheet	EUR million	% balance sheet
Mortgage Assets	**39,377**	**46.7%**	**37,953**	**43.3%**	**40,390**	**45.9%**
Mortgage loans guaranteed by FGAS	16,941	20.1%	16,594	18.9%	15,818	18.0%
Other mortgage loans	12,381	14.7%	13,754	15.7%	16,329	18.6%
Other loans with real estate guarantee	2,729	3.2%	1,850	2.1%	920	1.0%
Mortgage notes	7,325	8.7%	5,755	6.6%	7,323	8.3%
Public Sector Assets	**34,719**	**41.2%**	**39,304**	**44.9%**	**36,399**	**41.4%**
Public sector loans	10,623	12.6%	12,000	13.7%	13,110	14.9%
Other public loans	12,840	15.2%	12,846	14.7%	12,632	14.4%
Public entity securities	8,856	10.5%	9,098	10.4%	9,457	10.8%
Deposits at Banque de France	2,400	2.8%	5,360	6.1%	1,200	1.4%
Other Assets	**3,409**	**4.0%**	**3,246**	**3.7%**	**4,214**	**4.8%**
Replacement Securities	**6,844**	**8.1%**	**7,075**	**8.1%**	**6,946**	**7.9%**
Total Assets	**84,349**	**100.0%**	**87,578**	**100.0%**	**87,949**	**100.0%**

Liabilities	As of December 31, 2016		As of December 31, 2015		As of December 31, 2014	
	EUR million	% balance sheet	EUR million	% balance sheet	EUR million	% balance sheet
Privileged Debt	**66,803**	**79.2%**	**68,034**	**77.7%**	**70,579**	**80.3%**
Obligations Foncières	67,423	80.0%	68,972	78.8%	71,135	80.9%
Foreign exchange difference on *obligations*	-827	-1.0%	-1,173	-1.3%	-804	-0.9%

foncières							
Other Privileged Resources	208	0.2%	235	0.3%	248	0.3%	
Foreign exchange delta relating to hedging of balance sheet items*	**1,587**	**1.9%**	**1,459**	**1.7%**	**1,012**	**1.2%**	
Non-Privileged Debt and Equity	**15,959**	**18.9%**	**18,085**	**20.7%**	**16,357**	**18.6%**	
Unsecured debt	10,521	12.5%	12,589	14.4%	10,810	12.3%	
Subordinated debt and related debt	2,217	2.6%	2,246	2.6%	3,696	4.2%	
Equity, provisions and fund for general banking risk	3,221	3.8%	3,250	3.7%	1,852	2.1%	
Total Liabilities and Equity	**84,349**	**100.0%**	**87,578**	**100.0%**	**87,949**	**100.0%**	

**In 2013 and 2014, Compagnie de Financement Foncier reviewed the treatment of swaps for the purposes of determining its regulatory coverage ratio. Since 2013, assets and liabilities have been recognised at historical cost for the purposes of this calculation, i.e. after taking into account their initial currency hedging, and accrued interest on swaps is now calculated after netting for each counterparty. These changes, which only affect prudential ratio items, required adjustments in the above presentation of liabilities, and the creation of the item "Foreign exchange delta relating to hedging of balance sheet items".*

(C) The following table shows certain key performance indicators of the Company as at and for the years ended December 31, 2016, December 31, 2015 and December 31, 2014:

	2016	**2015**	**2014**
Net income (EUR)	93.7 million	132.5 million	84.3 million
Overcollateralization ratio	117.6%	122.1%	120.0%
Loan-to-value ratio	74.1%	74.9%	73.6%

The following tables show the half-year financial information of the Company as at and for the six-month period ended June 30, 2017, June 30, 2016 and June 30, 2015, prepared in accordance with French professional accounting standards. The half-year financial statements of the Company have only been subject to a limited review by the statutory auditors.

Assets	**As of June 30, 2017**	**As of June 30, 2016**	**As of June 30, 2015**
	(EUR thousands)		
Cash and amounts due from central banks	1,019,958	1,100,043	1,973,463
Treasury notes and similar securities	3,450,718	3,594,319	2,743,137

Loans and receivables due from credit institutions	30,819,683	20,628,543	20,200,626
- On demand	*470,623*	*188,843*	*252,101*
- At maturity	*30,349,060*	*20,439,700*	*19,948,526*
Customer transactions	36,975,136	44,028,035	44,001,293
- Other facilities granted to customers	*36,975,136*	*44,028,035*	*44,001,293*
Bonds and other fixed-income securities	5,594,557	11,784,975	13,477,675
Equity interests and other long term investments*		4	
Intangible assets and property, plant and equipment			
Other assets	43,512	7,452	64,868
Asset adjusting account	2,390,425	2,842,551	3,773,198
Total Assets	**80,293,990**	**83,985,922**	**86,234,260**

**Participation certificates within the deposit guarantee system*

Liabilities	**As of June 30, 2017**	**As of June 30, 2016**	**As of June 30, 2015**
	(EUR thousands)		
Central Banks			
Due to credit institutions	6,603,509	8,223,975	4,994,212
- On demand	*375*	*2,396*	
- At maturity	*6,603,134*	*8,221,579*	*4,994,212*
Customer transactions		2	2,891
- On demand		2	2,891
Debt securities	66,452,546	67,119,863	70,346,706
- Interbank securities and negotiable debt securities	*150,575*	*150,466*	*150,504*
- Bond issues (obligations foncières)	*66,301,971*	*66,969,398*	*70,196,202*
Other liabilities	1,811,634	2,865,394	3,046,083
Liabilities adjusting account	2,278,986	2,572,602	2,536,909
Provisions	21,315	18,353	15,110
Subordinated debt			3,466,492
Reserve for general banking risks	20,000	20,000	20,000
Equity excluding reserve for general banking risks	3,106,000	3,165,733	1,805,857
- Share capital	2,537,460	2,537,460	1,187,460
- Additional paid-in capital	343,002	343,002	343,002
- Reserves	119,152	114,468	107,843
- Regulated provisions and investment grants			
- Retained earnings	87,313	91,889	92,901
- Net income to be allocated			
- Net income for the period	19,073	78,914	74,650
Total Liabilities	**80,293,990**	**83,985,922**	**86,234,260**

		Income Statement	**From January 1, 2017 to June 30, 2017**	**From January 1, 2016 to June 30, 2016**	**From January 1, 2015 to June 30, 2015**
			(EUR thousands)		
		Interest and similar income	1,231,590	1,424,177	1,637,370
		Interest and similar expenses	-1,202,916	- 1,267,392	-1,491,185
		Net interest margin	28,674	**156,785**	**146,185**
		Fee and commission income	66,651	33,177	39,833
		Fee and commission expense	-884	- 1,026	-1,139
		Gains or losses on trading book transactions	-22	- 301	398
		Other income from banking operations	90	2	27
		Other expenses on banking operations	-1,059	- 1	-64
		Net banking income	**93,450**	**188,635**	**185,239**
		Personnel expenses	-28	- 17	-91
		Taxes other than on income	-10,713	- 11,409	-9,572
		External services and other expenses	-54,087	- 48,364	-45,736
		Depreciation and amortisation			
		Total overheads	-64,828	*- 59,790*	*-55,399*
		Gross operating income	**28,622**	**128,845**	**129,841**
		Cost of risk	-3,641	- 4,418*	3,680*
		Operating income	**24,982**	**124,427**	**133,521**
		Gains or losses on fixed assets	7,319	- 48	-15,722
		Income before tax	**32,301**	**124,378**	**117,799**
		Extraordinary income			
		Income tax	-13,228	- 45,465	-43,149
		Net Income	**19,073**	**78,914**	**74,650**
		**Cost of risk excluding the impact of the HETA securities*			
B.13	**Recent material events relevant to the evaluation of the Company's solvency**	Not Applicable. No recent events have had any significant impact on the evaluation of the Company's solvency.			
B.14	**Extent to which the Company is dependent upon other entities within the Group**	The Company is entirely dependent on the resources dedicated to it by Crédit Foncier for the day-to-day operation of its business. This is because the SFSA Law requires that the assets and liabilities of a *Société de Crédit Foncier* (such as the Company) be managed by a credit institution pursuant to servicing agreements. As a result, Crédit Foncier manages all the assets and liabilities of the Company pursuant to servicing agreements. In relevant part, these agreements relate to loan servicing and recovery, administrative and accounting management, internal control and compliance, information technology services, human resources, compensation for services and settlement bank services. Crédit Foncier also monitors and controls risks relating to credit, counterparties, markets, operations, exchange rates, interest rates, liquidity or settlement at the level of the			

		Company. Although the Company does have a Board of Directors and its own office, the Company has elected not to have its own employees. Sixteen agreements have been entered into between the Company and Crédit Foncier. They include: • A framework agreement, which provides for the acquisition by the Company of Eligible Assets from Crédit Foncier and for the latter to provide the Company with its human resources, information technology and other resources. • An agreement for loan assignments, which provides for the transfer of eligible loans to the Company and pursuant to which the Company undertakes not to compete with Crédit Foncier. • An agreement for loan servicing and recovery, under which the Company assigns to Crédit Foncier the management and recovery of all loan assets acquired or originated by the Company and all of the Company's assets. • An agreement governing financial services, under which Crédit Foncier undertakes to provide the Company with services such as the acquisition or origination of assets and the administrative and accounting management of financial operations. • An asset liability management agreement, for the management by Crédit Foncier of the Company's assets, liabilities and off-balance sheet obligations. • An administrative and accounting management agreement, covering accounting, financial management, taxation, legal and insurance services provided to the Company by Crédit Foncier. • A service agreement on internal control and compliance, under which Crédit Foncier provides the Company with all functions linked to compliance and the respect of all requirements and controls. • An agreement related to the implementation of information technology services, such as *Bloomberg*, *Tradix* and others. • An agreement concerning human resources, providing for Crédit Foncier to put its personnel at the disposition of the Company and to assign employees to the Company. • An agreement concerning compensation for services, which states that services will be provided by Crédit Foncier to the Company at cost. • An agreement related to settlement bank services, which addresses financial cash flows related to loans, whether principal, interest or related amounts. • A guarantee agreement for adjustable-rate loans pursuant to which Crédit Foncier agreed to indemnify the Company for any losses incurred in connection with various measures taken by Crédit Foncier in 2008 to protect its clients against a rise in adjustable mortgage rates. • A guarantee and compensation agreement under which Crédit Foncier assumed the risks related to certain assets transferred to the Company (interest rate risk, early redemption risk and loan renegotiation risk).

		• A paying agency agreement. • An agreement related to current account advances. • An agreement relating to the assignment of mortgage loans. Two agreements have also been entered into between the Company, Crédit Foncier and a third-party: • An agreement relating to management and collection of loans subsidized by the French State. • The renewal of the broker agreement (with BPCE, Caisses d'Epargne and Crédit Foncier).
B.15	**Principal activities of the Company**	The sole permitted business of the Company is to provide financing to the housing and public sectors in France and to a number of other developed countries by acquiring eligible assets and financing these purchases by issuing *obligations foncières* and other resources secured by a privileged claim, or non-privileged debt. The Company finances its business principally by the issuance of *obligations foncières* and other forms of privileged debt benefiting from a legal priority in right of payment created by Article L.513-11 of the French *Code monétaire et financier*. Under the French regulatory framework, the Company may only make or acquire mortgage loans (which include loans incurred to acquire real property and secured by a mortgage or, in certain limited circumstances, other high-quality credit support), extend financing to public sector entities by making public sector loans or acquiring public sector obligations, and/or acquire debt securities backed by mortgage loans or public sector obligations. The Company is also permitted to invest in certain highly liquid cash-like securities, instruments, deposits and loans. However, the Company may not hold equity participations or other forms of equity interest.
B.16	**Extent to which the Company is directly or indirectly owned or controlled**	Nearly all of the share capital of the Company is held by Crédit Foncier. As required by the by-laws of the Company, each member of the Board of Directors must own at least one share during his or her term of office.
B.17	**Credit ratings assigned to the Company or its debt securities**	The Program is rated AAA by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, Inc. ("**Standard & Poor's**" or "**S&P**"), Aaa by Moody's Investors Service, Inc. ("**Moody's**") and AAA by Scope Ratings AG ("**Scope Ratings**"). It is expected that the Securities issued under the Program will be rated AAA by Standard & Poor's, Aaa by Moody's and AAA by Scope Ratings. S&P, Moody's and Scope Ratings are established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit ratings agencies (the "**CRA Regulation**"), as amended by Regulation (EU) No. 513/2011, and included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website. Securities issued pursuant to the Program may be unrated or rated differently from the current ratings of the Company in certain circumstances. 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. ***Issue specific summary:*** Credit ratings: [Not applicable/The Securities to be issued [been/are expected to be] rated: **[** S&P: **[●]][** Moody's: **[●]** [Scope Ratings : **[●]**]]

Section C - Securities		
C.1	**Type, class and identification number of the Securities**	Up to USD 10,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Securities outstanding at any one time pursuant to the US Medium Term Securities Program (the "**Program**"). The Securities (*Obligations Foncières*) will be issued on a syndicated or non-syndicated basis. The Securities will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical, the Securities of each Series being intended to be interchangeable or identical (other than in respect of the first payment of interest, the issue date, the issue price and the nominal amount) with all other Securities of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the relevant final terms to this Base Prospectus (the "**Final Terms**"). The Securities will be issued in registered form only and will be evidenced by registered certificates. Securities offered in the United States to qualified institutional buyers in reliance on Rule 144A will be evidenced by one or more restricted global certificates and Securities offered outside the United States in reliance on Regulation S will be evidenced by one or more unrestricted global certificates. The Securities have been accepted for clearance through Euroclear, Clearstream, Luxembourg and DTC and any other clearing system that may be agreed between the Company, the Fiscal Agent and the relevant Dealer. The Identification number of the Securities: the International Securities Identification Number (ISIN), the Common Code, the Committee on the Uniform Security Identification Procedure (CUSIP) number and (where applicable) the identification number for any other relevant clearing system for each Series of Securities will be specified in the relevant Final Terms. ***Issue specific summary:*** Series Number: [●] Tranche Number: [●] Aggregate Nominal Amount: [●] Series: [●] Tranche: [●]

		Form of Securities:	Registered Securities
			[Regulation S Global Securities (USD/EUR [●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]] [Rule 144A Global Securities (USD [●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]]
		ISIN:	[●]
		Common Code:	[●]
		CUSIP:	[●]
		Any clearing system(s) other than Euroclear, Luxembourg and Clearstream and the relevant identification number(s):	Not applicable]/[*give name(s) and number(s) [and address(es)]*]
C.2	**Currencies of the Securities**	Subject to compliance with all relevant laws, regulations and directives, Securities may be issued in Euros or U.S. dollars or in any currency agreed between the Company and the relevant Dealer(s). ***Issue specific summary:*** The currency of the Securities is:	[●]
C.5	**Description of any restrictions on the free transferability of the Securities**	The offer and sale of Securities will be subject to selling restrictions in various jurisdictions, in particular in the United States, Canada, the United Kingdom, France, Japan, Hong Kong and Singapore, and to the Public Offer Selling Restriction under the Prospectus Directive (in respect of Securities having a Denomination of less than EUR100,000 or its equivalent in any other currency at the date of issue of the Securities). The Company is Category 1 for the purposes of Regulation S under the Securities Act.	
C.8	**Description of rights attached to the Securities**	**Issue price** The Securities may be issued at their nominal amount or at a discount or premium to their nominal amount. ***Issue specific summary:*** [●] per cent. of the Aggregate Nominal Value [plus accrued interest from [insert date] (if applicable)] **Specified Denomination(s)** The Securities will be issued in such denominations as may be specified in the	

		relevant Final Terms save that (i) the minimum denomination of each Security listed and admitted to trading on a Regulated Market, or offered to the public, in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive, will be Euro 1,000 (or, if the Securities are denominated in a currency other than euro, the equivalent amount in such currency at the issue date) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body), (ii) unless otherwise permitted by then current laws and regulations, Securities (including Securities denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies) and (iii) in the case of any Securities to be sold in the United States to QIBs, the minimum specified denomination shall be U.S. $100,000. ***Issue specific summary:*** Specified Denomination(s): [●] **Ranking of the Securities** The Securities constitute direct, unconditional and privileged obligations of the Company and rank and will rank *pari passu* and without any preference among themselves and equally and rateably with all other present or future securities and other resources raised by the Company benefiting from the *privilège* created by Article L.513-11 of the French *Code monétaire et financier*. **The *Privilège*** The Holders benefit from the *privilège* (priority right of payment) created by Article L.513-11 of the French *Code monétaire et financier*. **Negative pledge** None. **Events of default, including cross default** None. **Withholding tax** All payments of principal and interest in respect of the Securities shall be made free and clear of French withholding taxes unless required by applicable law or regulation. In the event of such withholding, the Company shall not, nor shall it be required to, pay any additional amount in respect of any such withholding. There will be no grossing up provision and, accordingly, no early redemption whatsoever for tax reasons. All payments in respect of the Securities will be made subject to any withholding or deduction required pursuant to FATCA. **Governing law** The governing law shall be English law for the Securities and French law for the *Privilège*. **Status of the Securities** The Securities (*Obligations Foncières*) are issued under Articles L.513-2 to L. 513-27 of the French *Code monétaire et financier*. Holders of Securities benefit from a *privilège* (priority right of payment) over all the assets and revenues of the

		Company. **Prescription** Claims against the Company for payment in respect of the Securities shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) of the Relevant Date.
C.9	**Interest, maturity and redemption provisions, yield and representation of the holders of Securities**	***Interest rates and interest periods*** The length of the interest periods for the Securities and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Securities may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Securities 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 Securities** Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms. ***Issue specific summary:*** [Applicable][Not Applicable] [**[●]** per cent. *per annum* Fixed Rate] **Floating Rate Securities** Floating Rate Securities will bear interest determined separately for each Series as follows: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., or (ii) by reference to LIBOR or EURIBOR in each case as adjusted for any applicable margin. ***Issue specific summary:*** [Applicable**]**/[Not Applicable] [[EURIBOR/LIBOR] +/- **[●]** per cent. Floating Rate] **Zero Coupon Securities** Zero Coupon Securities may be issued at their nominal amount or at a discount and will not bear interest. ***Issue specific summary:*** [Applicable**]**/[Not Applicable] **Maturities** Subject to compliance with all relevant laws, regulations and directives, any maturity from one month from the date of the original issue. ***Issue specific summary:*** [Specify date or (for Floating Rate Securities) Interest Payment Date falling in or nearest to the relevant month and year]

		Redemption The Final Terms will specify the basis for calculating the redemption amounts payable. ***Issue specific summary:*** [Subject to any purchase and cancellation or early redemption, the Securities will be redeemed on the Maturity Date at [●] per cent. of their nominal amount.] **Optional Redemption** The Final Terms issued in respect of each issue of Securities will state whether such Securities may be redeemed prior to their stated maturity at the option of the Company and or the Holders (in each case, either in whole or in part) and if so, the terms applicable to such redemption. ***Issue specific summary:*** Call Option: [Applicable**]**/[Not Applicable] Put Option: [Applicable**]**/[Not Applicable] **Yield** The yield in respect of each issue of Fixed Rate Securities will be calculated on the Issue Date on the basis of the Issue Price: ***Issue specific summary:*** Yield: **[●]** per cent. per annum **Representative of Holders** Not applicable. There is no representative of Holders. **Meetings of Holders** The terms of the Securities contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Holders that did not attend and vote at the relevant meeting and Holders that voted in a manner contrary to the majority.
C.10	**Derivative component in interest payments**	See C9 for the Interest, maturity and redemption provisions, yield and representative of the Holders. Not Applicable. The Securities issued under the Program do not contain any derivative component.
C.11	**Listing and admission to trading**	A Series of Securities may or may not be listed and admitted to trading on a Regulated Market or other stock exchange. ***Issue specific summary:*** [[Application has been made]/[Application is expected to be made] by the Company (or on its behalf) for the Securities to be listed and admitted to trading on [●]] with effect from [●]]/[Not applicable].
C.21	**Negotiation Market(s)**	A Series of Securities may or may not be listed and admitted to trading on a Regulated Market or other stock exchange.

		Issue specific summary: [The Securities will be listed and admitted to trading on [●].]/[Not applicable.]

Section D –Risk Factors		
D.2	**Key information on the key risks that are specific to the Company**	Prospective investors should consider, among other factors, the risk factors relating to the Company and its operation that may affect the Company's ability to fulfill its obligations under the Securities issued under the Program. These risk factors include the following: • The Company is exposed to a risk of default in its portfolio of assets used as cover for the issuance of Securities under the Program. • The Company is exposed to a risk of credit concentration in its portfolio of assets used as cover for the issuance of Securities under the Program. • The Company is exposed to the risk of default of public sector counterparties (including sovereigns, public authorities and public entities). • The Company is exposed to the risk of prepayment and renegotiation of mortgage loans in its portfolio. • The credit rating of the *obligations foncières* issued by the Company may be affected by the credit rating of Crédit Foncier as part of the BPCE Group and the credit rating of the French State. • The Company is exposed to the credit risk of a number of derivatives counterparties as part of its hedging operations. • The Company is exposed to residual interest rate risk on its portfolio of assets used as cover for the issuance of Securities under the Program. • The Company is exposed to the risk of a liquidity shortfall resulting from the maturity mismatch between the amortization schedule of its assets and the maturities of its *obligations foncières* and other privileged debt benefiting from the *Privilège*. • The Company is dependent on its parent company for its operations. • The Company is exposed to the risk of failure or malfunction of the operational risk management systems put in place by Crédit Foncier de France. • The Company has not prepared IFRS or US GAAP financial statements and there may be substantial differences between the financial position and operating results of the Company under French GAAP, on the one hand, and IFRS and US GAAP, on the other hand. • The operations of the Company are subject to legal risks arising from

		changes in law and regulations. • Investors may be affected by the implementation of Basel III Risk-Weighted Asset Framework. • Investors may be affected by the EU Resolution and Recovery Directive. • The Company may be adversely affected by a potential decision of the United Kingdom to withdraw from the European Union.
D.3	**Key information on the key risks that are specific to the Securities**	There are certain factors that may affect the Company's ability to fulfil its obligations under the Securities issued under the Program, including: <u>General risks relating to the Securities</u>: • Investors must make an independent review and obtain professional advice before investing in the Securities issued under the Program. • There are restrictions on the purchase and sale of the Securities issued under the Program. • The credit rating of the Securities issued under the Program may not reflect all risks. • An active trading market for Securities issued under the Program may not develop. • The trading market for Securities issued under the Program may be volatile and may be adversely impacted by various events. • Holders of Securities issued under the Program may not declare the Securities immediately due and payable under any circumstances, including a default in the payment by the Company of any interest or principal due in respect of the Securities. • Prospective investors in the Securities will not benefit from the investor protections afforded by the Investment Company Act of 1940, as amended. • A judgment rendered by a US court in connection with the Securities issued under the Program may not be enforceable in France. • Securities issued under the Program do not benefit from financial or other covenants from the Company. • The terms of the Securities issued under the Program may be modified without the consent of all holders of Securities. • Holders of Securities issued under the Program may be affected by changes in law. • Holders of Securities issued under the Program may be affected by potential conflicts of interest. • Holders of Securities issued under the Program may be affected by a potential option of the Company to redeem the Securities prior to their stated maturity.

		• The Company is not subject to any gross-up obligation in respect of any withholding tax that could be levied on interest paid on Securities issued under the Program. • Transactions involving the Securities could be subject to a future European financial transactions tax. • Investors may be subject to tax on the securities. <u>Risks relating to a particular issue of Securities</u>: • Uncertainty relating to the administration of and potential phasing out of "benchmarks" may adversely affect the value of and return on the Securities. • Securities issued under the Program may not be a suitable investment for all investors. • Actual yield on Securities issued under the Program may be reduced from the stated yield as a result of transaction costs. • The effective yield on the Securities issued under the Program may be diminished by the tax impact of an investment in the Securities. • The value of Fixed Rate Securities may be adversely affected by changes in market interest rates. • Short term changes in interest rates may lead to volatility in the market value of Floating Rate Securities. • Investors will not be able to calculate in advance their rate of return on Floating Rate Securities issued under the Program. • Zero Coupon Securities issued under the Program are subject to higher price fluctuations than non-discounted debt securities. • Foreign currency Securities issued under the Program expose investors to foreign-exchange risks as well as to risks related to the Company. • Exchange rate risks and exchange controls may adversely affect the return on the Securities issued under the Program.

Section E - Offer		
E.2b	**Reasons for the offer and use of proceeds**	The net proceeds of the issue of each Tranche of Securities will be used, unless otherwise indicated, by the Company for its general corporate purposes. ***Issue specific summary*** [The net proceeds of the issue of the Securities will be used by the Company for its general corporate purposes./*specify other*]
E.3	**Terms and conditions of the offer**	Securities may be offered to the public in a Member State of the EEA specified in the applicable Final Terms. There are certain restrictions regarding the purchase, offer, sale and delivery of the Securities, or possession or distribution of the Base Prospectus, any other

		offering material or any Final Terms. Other than as set out in section A.2 above, neither the Company nor any of the Dealers has authorised the making of any Non-exempt Offer by any person in any circumstances and such person is not permitted to use the Base Prospectus in connection with its offer of any Securities. Any such offers are not made on behalf of the Company or by any of the Dealers or Authorised Offerors and none of the Company or any of the Dealers or Authorised Offerors has any responsibility or liability for the actions of any person making such offers. ***Issue specific summary*** [Not applicable. The Securities are not offered to the public.] / [The Securities are offered to the public in: [●]]

Offer Price:	[Issue Price][Specify]
Conditions to which the offer is subject:	[Not Applicable/Give details]
Description of the application process:	[Not Applicable/Give details]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/Give detail]
Details of the minimum and/or maximum amount of application:	[Not Applicable/Give details]
Details of the method and time limits for paying up and delivering the Securities:	[Not Applicable/Give details]
Manner in and date on which results of the offer are to be made public:	[Not Applicable/Give details]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/Give details]
Whether tranche(s) have been reserved for certain countries:	[Not Applicable/Give details]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin	[Not Applicable/Give details]

		before notification is made:	
		Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable/Give details]
		Consent of the Company to use the Base Prospectus during the Offer Period:	**[**Not Applicable/Applicable with respect to any Authorised Officer specified below**]**
		Authorised Offeror(s) in the various countries where the offer takes place:	**[**Not Applicable / Name(s) and address(es) of the financial intermediary(ies) appointed by the Company to act as Authorised Offeror(s)/ Any financial intermediary which satisfies the conditions set out below in item "Conditions attached to the consent of the Company to use the Base Prospectus"**]**
		Conditions attached to the consent of the Company to use the Base Prospectus:	**[**Not Applicable / Where the Company has given a general consent to any financial intermediary to use the Base Prospectus, specify any additional conditions to or any condition replacing those set out on Page 48 of the Base Prospectus or indicate "See conditions set out in the Base Prospectus". Where Authorised Offeror(s) have been designated herein, specify any condition**]**
E.4	**Interests of natural and legal persons involved in the issue of the Securities**	The relevant Final Terms will specify any interest of natural and legal persons involved in the issue of the Securities. ***Issue specific summary:*** [So far as the Company is aware, no person involved in the offer of the Securities has an interest material to the offer.] / [The Dealers will be paid an aggregate commission equal to [●] per cent. of the nominal amount of the Securities. So far as the Company is aware, no other person involved in the issue of the Securities has an interest material to the offer (*Amend as appropriate if there are other interests*).]	
E.7	**Estimated expenses charged to investor by the Company or the offeror**	The relevant Final Terms will specify as the case may be the estimated expenses applicable to any Tranche of Securities. ***Issue specific summary:*** [Not applicable / The estimated expenses charged to the investor(s) amount to [●].]	

RESUME EN FRANÇAIS DU PROGRAMME
(FRENCH SUMMARY OF THE PROGRAM)

Les résumés sont composés des informations appelées « Eléments », dont la communication est requise par l'Annexe XXII du Règlement (EC) No 809/2004 en date du 29 avril 2004, tel que modifié par le Règlement Délégué (EU) No 486/2012 de la Commission en date du 30 mars 2012 et le Règlement Délégué (EU) No 862/2012 de la Commission en date du 4 juin 2012.

*Ces Eléments sont numérotés dans les sections A à E (A.1 – E.7). Ce résumé contient tous les Eléments devant être inclus dans un résumé pour ce type de valeurs mobilières et pour la Compagnie de Financement Foncier (La « **Société** »). La numérotation des Eléments peut ne pas se suivre en raison du fait que certains Eléments n'ont pas à être inclus.*

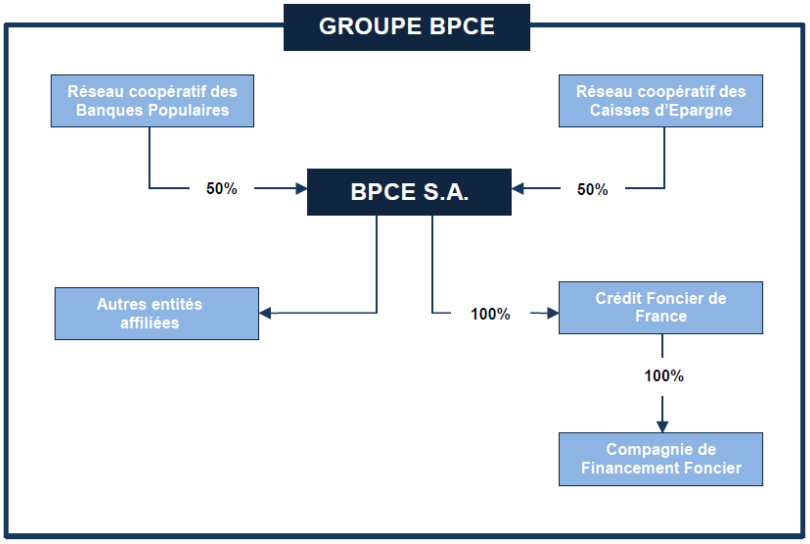
Bien qu'un Elément doive être inclus dans le résumé du fait du type de valeur mobilière et de la Société, il se peut qu'aucune information pertinente ne puisse être donnée sur cet Elément. Dans ce cas, une brève description de l'Elément est incluse dans le résumé suivi de la mention « Sans objet ».

*Ce résumé est fourni dans le cadre d'une émission par la Société de Titres ayant une valeur nominale unitaire inférieure à 100.000 euros qui sont offerts au public ou admis à la cotation sur un Marché Règlementé d'un Etat de l'Espace Economique Européen (l'« **EEE** »). Le résumé spécifique à l'émission de ce type de Titres sera annexé aux Conditions Définitives concernées et comprendra (i) les informations ci-dessous contenues dans le résumé du Prospectus de Base et (ii) les informations contenues dans les rubriques « résumé spécifique à chaque émission » figurant ci-dessous et qui seront complétées au moment de chaque émission.*

Section A – Introduction et avertissements		
A.1	**Avertissement général concernant le résumé**	Ce résumé doit être lu comme une introduction au présent Prospectus de Base. Toute décision d'investir dans les Titres doit être fondée sur un examen exhaustif du Prospectus de Base par les investisseurs, y compris les documents qui y sont incorporés par référence et tout supplément qui pourrait être publié à l'avenir. Lorsqu'une action concernant l'information contenue dans le présent Prospectus de Base est intentée devant un tribunal, le plaignant peut, selon la législation nationale de l'État Membre de l'EEE, avoir à supporter les frais de traduction de ce Prospectus de Base avant le début de la procédure judiciaire. Seule peut être engagée la responsabilité civile des personnes qui ont présenté le résumé ou la traduction de ce dernier, mais seulement si le contenu du résumé est trompeur, inexact ou contradictoire par rapport aux autres parties du Prospectus de Base ou s'il ne fournit pas, lu en combinaison avec les autres parties du Prospectus de Base, les informations clés permettant d'aider les investisseurs lorsqu'ils envisagent d'investir dans les Titres.
A.2	**Informations relatives au consentement de la Société concernant l'utilisation du Prospectus de Base**	Dans le cadre de toute offre de Titres dans un Etat Membre de l'EEE indiqué dans les Conditions Definitives applicables (les « **Pays de l'Offre Publique** ») qui ne bénéficie pas de l'exemption à l'obligation de publication d'un prospectus en vertu de la Directive Prospectus, telle que modifiée, (une « **Offre Non-Exemptée** »), la Société consent à l'utilisation de ce Prospectus de Base et des Conditions Définitives applicables dans le cadre d'une Offre Non-Exemptée de tout Titre durant la période d'offre indiquée dans les Conditions Définitives concernées (la « **Période d'Offre** ») et dans les Pays de l'Offre Publique indiqué(s) dans les Conditions Définitives concernées (i) par chaque intermédiaire financier désigné dans ces Conditions Définitives ou (ii) si cela est indiqué dans les Conditions Définitives concernées, tout intermédiaire financier (chacun, un « **Etablissement Autorisé** »)

		Le consentement mentionné ci-dessus s'applique à des Périodes d'Offre (le cas échéant) se terminant au plus tard à l'issue d'une période de 12 mois à compter de la date d'approbation du Prospectus de Base par une autorité compétente de l'EEE. **Les Modalités des Titres de l'Offre Non-Exemptée devront être communiquées aux investisseurs par l'Etablissement Autorisé au moment de l'Offre Non-Exemptée. Ni la Société, ni aucun des Agents Placeurs ou tout autre Etablissement Autorisé ne sont responsables pour cette information.** ***Résumé spécifique à chaque émission:*** [Dans le cadre de l' offre de Titres en [●] (le[s] « **Pays de l'Offre Publique** ») qui ne bénéficie pas de l'exemption à l'obligation de publication d'un prospectus en vertu de la Directive Prospectus, telle que modifiée, (une « **Offre Non-Exemptée** »), la Société consent à l'utilisation du Prospectus dans le cadre d'une Offre Non-Exemptée de tout Titre de [●] à [●] (la « **Période d'Offre** ») et dans le[s] Pays de l'Offre Publique par [●] / [tout intermédiaire financier] (l'[/les] « **Établissement[s] Autorisé[s]** »). [L'[/Les] Etablissement[s] autorisé[s] doit[/doivent] remplir les conditions suivantes: [●].] **Les Modalités de l'Offre Non-Exemptée devront être communiquées aux Investisseurs par l'Établissement Autorisé au moment de l'Offre Non-Exemptée. Ni l'Émetteur ni aucun des Agents Placeurs ou tout autre Établissement Autorisé ne sont responsables de cette information.**]/[Sans objet]

Section B – Émetteur		
B.1	**Raison sociale et nom commercial de la Société**	Compagnie de Financement Foncier (« **Compagnie de Financement Foncier** », l' « **Emetteur**» ou la « **Société** »).
B.2	**Siège social et forme juridique de la Société, la législation qui régit l'activité et le pays d'origine de la Société**	Compagnie de Financement Foncier est une société anonyme de droit français. Compagnie de Financement Foncier a été agréée en qualité de *société financière* par l'Autorité de Contrôle Prudentiel et de Résolution (anciennement Autorité de Contrôle Prudentiel et, auparavant, Comité des Etablissements de Crédit et des Entreprises d'Investissements français) le 23 juillet 1999. Le Comité des Etablissements de Crédit et des Entreprises d'Investissements français a aussi agréé Compagnie de Financement Foncier en qualité de société de crédit foncier sur le fondement de la Loi du 25 juin 1999 Relative à l'Epargne et à la Sécurité Financière. Le siège social de Compagnie de Financement Foncier est situé au 19, rue des Capucines, 75001 Paris (France) et Compagnie de Financement Foncier est immatriculée au Registre du Commerce et des Sociétés de Paris sous le numéro de référence 421 263 047 RCS Paris.
B.4b	**Description de toutes les tendances connues ayant des répercussions sur la Société et ses secteurs d'activité**	Sans objet. Les perspectives de la Société n'ont pas été affectées depuis la date de publication de ses derniers états financiers audités.

B.5	**Description du Groupe de la Société et de la position de la Société au sein du Groupe**	Compagnie de Financement Foncier est une filiale indirecte de BPCE S.A., qui détient 100% de Crédit Foncier de France (maison mère de Compagnie de Financement Foncier). BPCE S.A. est l'organe central du Groupe BPCE, un groupe bancaire coopératif qui, avec 15 Banques Populaires et 16 Caisses d'Epargne, constitue l'un des principaux groupes bancaires français. L'organigramme suivant décrit la position de Compagnie de Financement Foncier au sein du Groupe BPCE: 
B.9	**Prévision ou estimation du bénéfice**	Sans objet. Compagnie de Financement Foncier ne communique pas de prévisions ni d'estimations de bénéfice.
B.10	**Réserves contenues dans le rapport des Commissaires aux comptes**	Sans objet. Les rapports d'audit sur les comptes individuels de Compagnie de Financement Foncier pour les exercices clos le 31 décembre 2016, le 31 décembre 2015 et le 31 décembre 2014 et le rapport d'examen limité des commissaires aux comptes sur les comptes semestriels condensés pas audités pour la période de six mois close le 30 juin 2017 ne contiennent aucune réserve.
B.12	**Informations financières sélectionnées**	Aucune détérioration significative n'a eu de répercussion sur les perspectives de Compagnie de Financement Foncier depuis le 31 décembre 2016. Aucun changement significatif de la situation financière et commerciale de Compagnie de Financement Foncier n'est survenu depuis le 30 juin 2017.
		Les tableaux ci-dessous font état des chiffres clés concernant le compte de résultat et le bilan de Compagnie de Financement Foncier pour l'exercice clos au 31 décembre 2016, au 31 décembre 2015 et au 31 décembre 2014: (A) Les tableaux ci-dessous font état de l'information financière historique synthétique relative à Compagnie de Financement Foncier, telle qu'extraite des états financiers préparés par Compagnie de Financement Foncier dans le respect des principes comptables communément acceptés en France:

	Exercice clos au 31 décembre 2016	Exercice clos au 31 décembre 2015	Exercice clos au 31 décembre 2014
	(milliers €)		
Actif			
Caisse et banques centrales	2 400 000	5 360 083	1 200 069
Effets publics et valeurs assimilées	3 455 424	3 606 541	3 175 674
Prêts et créances sur les établissements de crédit	20 827 904	21 092 317	20 790 892
Opérations avec la clientèle	42 237 163	43 026 282	44 963 602
Obligations et autres titres à revenu fixe	12 724 987	11 246 613	13 604 518
Participations et autres titres détenus à long terme	0	4	0
Immobilisations incorporelles			
Autres	8 175	59 306	92 195
Comptes de régularisation	2 694 997	3 187 163	4 122 040
Total de l'actif	**84 348 650**	**87 578 310**	**87 948 990**
Passif			
Dettes envers les établissements de crédit	8 778 050	9 852 497	5 034 721
Opérations avec la clientèle	0	408	19 967
Dettes représentées par un titre	67 573 795	69 123 576	71 288 157
Autres passifs	2 261 259	2 981 454	3 610 586
Comptes de régularisation	2 514 616	2 370 553	2 693 545
Provisions	20 435	16 129	26 334
Dette subordonnée	0	0	3 450 258
Fonds pour risques bancaires généraux	20 000	20 000	20 000
Capitaux propres hors FRBG	**3 180 495**	**3 213 693**	**1 805 423**
– Capital souscrit, primes d'émission, réserves, provisions réglementées et subventions d'investissement, report à nouveau	3 086 819	3 081 206	1 721 095
– Résultat net de l'exercice	93 676	132 486	84 328
Total du passif	**84 348 650**	**87 578 310**	**87 948 990**

	Exercice clos au 31 décembre 2016	Exercice clos au 31 décembre 2015	Exercice clos au 31 décembre 2014
	(milliers €)		
Intérêts et produits assimilés	2 850 600	3 128 590	3 446 672
Intérêts et charges assimilées	-2 571 615	-2 872 698	-3 119 359
Commissions produits	82 972	109 711	45 555
Commissions charges	-2 047	-2 195	-4 225
Gains ou pertes sur opérations des portefeuilles de négociation	-456	213	-10 341
Autres produits d'exploitation bancaire	7	77	1 307
Autres charges d'exploitation bancaire	-4	-51	-57
Produit net bancaire	**359 457**	**363 646**	**359 551**
Frais généraux	- 127 689	- 123 155	-105 366
Dépréciations, amortissements et provisions sur les immobilisations corporelles et incorporelles			
Résultat brut d'exploitation	**231 768**	**240 491**	**254 185**
Coût du risque*	-27 078	-14 753	-127 816
Résultat d'exploitation	**204 690**	**225 738**	**126 369**
Gains ou pertes sur actifs immobilisés	-48	-4 032	1 362
Résultat courant avant impôt	**204 642**	**221 706**	**127 731**
Résultat exceptionnel			
Impôt sur les bénéfices	-110 965	-89 220	-43 403
Dotations/reprises de FRBG et provisions réglementées			
Résultat net	**93 676**	**132 486**	**84 328**
*Coût de risque neutralisé de l'impact sur les titres HETA en 2014 et 2015:	-27 078	-26 954	-23 816

(B) La composition des actifs et des passifs de Compagnie de Financement Foncier au 31 décembre 2016, au 31 décembre 2015 et au 31 décembre 2014 est résumée par catégorie d'actifs dans le tableau qui suit:

Actif	**Exercice clos au 31 décembre 2016**		**Exercice clos au 31 décembre 2015**		**Exercice clos au 31 décembre 2014**	
	Million (€)	**% bilan**	**Million (€)**	**% bilan**	**Million (€)**	**% bilan**
Actifs hypothéqués	**39 377**	**46,7%**	**37 953**	**43,3%**	**40 390**	**45,9%**
Prêts garantis par le FGAS	16 941	20,1%	16 594	18,9%	15 818	18,0%
Autres prêts hypothécaires	12 381	14,7%	13 754	15,7%	16 329	18,6%
Autres prêts avec garantie immobilière	2 729	3,2%	1 850	2,1%	920	1,0%
Billets hypothécaires	7 325	8,7%	5 755	6,6%	7 323	8,3%
Actifs du Secteur Public	**34 719**	**41,2%**	**39 304**	**44,9%**	**36 399**	**41,4%**
Prêts du secteur public	10 623	12,6%	12 000	13,7%	13 110	14,9%
Autres prêts publics	12 840	15,2%	12 846	14,7%	12 632	14,4%
Titres d'entités publiques	8 856	10,5%	9 098	10,4%	9 457	10,8%
Dépôt à la Banque de France	2 400	2.8%	5,360	6.1%	1,200	1.4%
Autres actifs	**3 409**	**4,0%**	**3 246**	**3,7%**	**4 214**	**4,8%**
Valeurs de remplacement	**6 844**	**8,1%**	**7 075**	**8,1%**	**6 946**	**7,9%**
Total de l'actif	**84 349**	**100.0%**	**87 578**	**100.0%**	**87 949**	**100.0%**

Passif	**Exercice clos au 31 décembre 2016**		**Exercice clos au 31 décembre 2015**		**Exercice clos au 31 décembre 2014**	
	Million (€)	**% bilan**	**Million (€)**	**% bilan**	**Million (€)**	**% bilan**
Ressources privilégiées	**66 803**	**79,2%**	**68 034**	**77,7%**	**70 579**	**80,3%**
Obligations Foncières	67 423	80,0%	68 972	78,8%	71 135	80,9%
Écart de change sur obligations foncières	-827	-1.0%	-1 173	-1.3%	-804	-0.9%
Autres ressources privilégiées	208	0,2%	235	0,3%	248	0,3%
Écart de change lié à la	**1 587**	**1,9%**	**1 459**	**1,7%**	**1 012**	**1,2%**

couverture des éléments de bilan*							
Ressources non-privilégiées	**15 959**	**18,9%**	**18 085**	**20,7%**	**16 357**	**18,6%**
Dettes chirographaires	10 521	12,5%	12 589	14,4%	10 810	12,3%
Dettes subordonnées et assimilées	2 217	2,6%	2 246	2,6%	3 696	4,2%
Capitaux propres, provisions et fonds pour risques bancaires généraux	3 221	3,8%	3 250	3,7%	1 852	2,1%
Total du passif	**84 349**	**100,0%**	**87 578**	**100,0%**	**87 949**	**100,0%**

** En 2013 et 2014, la Compagnie de Financement Foncier a revu le traitement des swaps pour la détermination de son ratio de couverture réglementaire. Pour ce calcul, les éléments du passif et les éléments de l'actif sont depuis 2013 retenus à leur coût historique, soit après prise en compte de leur couverture en change conclue dès l'origine, et les ICNE (intérêts courus non échus) sur swaps sont à présent calculés après compensation pour une même contrepartie. Ces modifications qui ne concernent que les éléments du ratio prudentiel ont nécessité des ajustements dans la présentation du passif ci-dessus et la création de la rubrique « Écart lié à la couverture des éléments de bilan ».*

(C) Le tableau qui suit contient certains indicateurs de performance de Compagnie de Financement Foncier au 31 décembre 2016, au 31 décembre 2015 et au 31 décembre 2014:

	2016	**2015**	**2014**
Résultat net	€93,7 million	€132,5 million	€84,3 million
Ratio de surdimensionnement	117,6%	122,1%	120,0%
Quotité moyenne des créances hypothécaires	74,1%	74,9%	73,6%

Les tableaux ci-dessous font état de l'information financière semestrielle de la Compagnie de Financement Foncier au 30 juin 2017, au 30 juin 2016 et au 30 juin 2015, préparée dans le respect des normes professionnelles comptables françaises. L'information financière semestrielle de Compagnie de Financement Foncier n'a fait l'objet que d'une revue limitée par les commissaires aux comptes.

Actif	Au 30 juin 2017	Au 30 juin 2016	Au 30 juin 2015
	(milliers €)		
Caisse et banques centrales	1 019 958	1 100 043	1 973 463
Effets publics et valeurs assimilées	3 450 718	3 594 319	2 743 137
Prêts et créances sur les établissements de crédit	30 819 683	20 628 543	20 200 626
- A vue	*470 623*	*188 843*	*252 101*
- A terme	*30 349 060*	*20 439 700*	*19 948 526*
Opérations avec la clientèle	36 975 136	44 028 035	44 001 293
- Autres concours à la clientèle	*36 975 136*	*44 028 035*	*44 001 293*
Obligations et autres titres à revenu fixe	5 594 557	11 784 975	13 477 675
Participations et autres titres détenus à long terme*		4	
Immobilisations incorporelles et corporelles			
Autres actifs	43 512	7 452	64 868
Comptes de régularisation	2 390 425	2 842 551	3 773 198
Total de l'actif	**80 293 990**	**83 985 922**	**86 234 260**

**Certificats d'associés au titre de la « garantie des dépôts »*

Passif	Au 30 juin 2017	Au 30 juin 2016	Au 30 juin 2015
	(milliers €)		
Banques centrales			
Dettes envers les établissements de crédit	6 603 509	8 223 975	4 994 212
- A vue	*375*	*2 396*	
- A terme	*6 603 134*	*8 221 579*	*4 994 212*
Opérations avec la clientèle		2	2 891
- A vue		*2*	*2 891*
Dettes représentées par un titre	66 542 546	67 119 863	70 346 706
- Titres du marché interbancaire et titres de créances négociables	*150 575*	*150 466*	*150 504*
- Emprunts obligataires (obligations foncières)	*66 301 971*	*66 969 398*	*70 196 202*
Autres passifs	1 811 634	2 865 394	3 046 083
Comptes de régularisation	2 278 986	2 572 602	2 536 909
Provisions	21 315	18 353	15 110
Dettes subordonnées			3 466 492
Fonds pour risques bancaires généraux	20 000	20 000	20 000
Capitaux propres hors FRBG	**3 106 000**	**3 165 733**	**1 805 857**
- *Capital souscrit*	*2 537 460*	*2 537 460*	*1 187 460*
- *Primes d'émission*	*343 002*	*343 002*	*343 002*
- *Réserves*	*119 152*	*114 468*	*107 843*

		- *Provisions réglementées et subventions d'investissement*			
		- *Report à nouveau*	*87 313*	*91 889*	*92 901*
		- *Résultat en instance d'affectation*			
		- *Résultat de la période*	*19 073*	*78 914*	*74 650*
		Total du passif	**80 293 990**	**83 985 922**	**86 234 260**

Compte de résultat	**Du 1er janvier 2017 au 30 juin 2017**	**Du 1er janvier 2016 au 30 juin 2016**	**Du 1er janvier 2015 au 30 juin 2015**
	(milliers €)		
Intérêts et produits assimilés	1 231 590	1 424 177	1 637 370
Intérêts et charges assimilées	-1 202 916	- 1 267 392	-1 491 185
Marge nette d'intérêts	**28 674**	**156 785**	**146 185**
Commissions produits	66 651	33 177	39 833
Commissions charges	-884	- 1 026	-1 139
Gains ou pertes sur opérations des portefeuilles de négociation	-22	- 301	398
Autres produits d'exploitation bancaire	90	2	27
Autres charges d'exploitation bancaire	-1 059	- 1	-64
Produit net bancaire	**93 450**	**188 635**	**185 239**
Frais de personnel	-28	- 17	-91
Impôts et taxes	-10 713	- 11 409	-9 572
Services extérieurs et autres charges	-54 087	- 48 364	-45 736
Amortissements			
Total frais généraux	*-64 828*	*- 59 790*	*-55 399*
Résultat brut d'exploitation	**28 622**	**128 845**	**129 841**
Coût du risque	-3 641	4 418*	3 680*
Résultat d'exploitation	**24 982**	**124 427**	**133 521**
Gains ou pertes sur actifs immobilisés	7 319	- 48	-15 722
Résultat courant avant impôt	**32 301**	**124 378**	**117 799**
Résultat exceptionnel			
Impôt sur les bénéfices	-13 228	- 45 465	-43 149
Résultat net	**19 073**	**78 914**	**74 650**

** Coût du risque neutralisé de l'impact sur les titres HETA*

B.13	**Evénement récent propre à la Société et présentant un**	Sans objet. Compagnie de Financement Foncier n'a enregistré aucun évènement récent qui impacterait de manière significative l'évaluation de sa solvabilité.

	intérêt significatif pour l'évaluation de sa solvabilité	
B.14	**Degré de dépendance de la Société à l'égard d'autres entités du Groupe**	Compagnie de Financement Foncier est entièrement dépendante des ressources qui lui sont allouées par Crédit Foncier pour la gestion quotidienne son activité. La Loi du 25 juin 1999 Relative à l'Epargne et à la Sécurité Financière exige en effet que les actifs et passifs d'une Société de Crédit Foncier (telle que Compagnie de Financement Foncier) soient gérés par une institution de crédit grâce à des contrats de prestation de service et de gestion. Par conséquent, Crédit Foncier gère tous les actifs et passifs de Compagnie de Financement Foncier conformément à des contrats de prestation de service et de gestion. Ces contrats ont trait notamment à la gestion et au recouvrement des prêts, à la gestion administrative et comptable, au contrôle interne et à la conformité, aux services liés aux outils informatiques, à la mise à disposition de personnel, à la rémunération pour ces services ainsi qu'aux prestations bancaires. En outre, Crédit Foncier surveille et contrôle les risques liés au crédit, aux contreparties, aux marchés, à la gestion, aux taux de change, aux taux d'intérêts, à la liquidité ou au règlement au niveau de Compagnie de Financement Foncier. Bien que Compagnie de Financement Foncier ait un conseil d'administration et dispose de ses propres locaux, Compagnie de Financement Foncier a choisi de ne pas employer de personnel salarié. Seize conventions ont été conclues entre Compagnie de Financement Foncier et Crédit Foncier, à savoir : • Une convention-cadre fixant les principes généraux concernant l'acquisition par Compagnie de Financement Foncier d'Actifs Eligibles auprès de Crédit Foncier ainsi que la fourniture par ce dernier de ressources humaines, de technologies de l'information et d'autres ressources à Compagnie de Financement Foncier. • Une convention de cession de prêts prévoyant les conditions de transfert des prêts éligibles à Compagnie de Financement Foncier et au titre de laquelle Compagnie de Financement Foncier s'engage à ne pas concurrencer Crédit Foncier. • Une convention de gestion et de recouvrement de créances, au titre de laquelle Compagnie de Financement Foncier confie à Crédit Foncier la gestion et le recouvrement de tous les prêts acquis ou originés par Compagnie de Financement Foncier, ainsi que de tous les actifs de Compagnie de Financement Foncier. • Une convention de prestation de services financiers, au titre de laquelle Crédit Foncier s'engage à fournir à Compagnie de Financement Foncier des services tels que l'acquisition ou l'origination d'actifs, ainsi que la gestion administrative et comptable des opérations financières. • Une convention de gestion actif/passif, prévoyant la gestion par Crédit Foncier des obligations afférentes à l'actif, au passif et à l'hors-bilan de Compagnie de Financement Foncier. • Une convention de gestion administrative et comptable, couvrant les services relatifs à la comptabilité, à la gestion financière, fiscale et juridique et aux assurances, fournis par Crédit Foncier à Compagnie de Financement Foncier. • Une convention de prestation de services en matière de contrôle interne et de conformité, au titre de laquelle Crédit Foncier met à disposition de Compagnie de Financement Foncier le dispositif nécessaire à la mise en conformité et au respect

		des exigences et des contrôles. • Une convention relative à l'installation des outils informatiques tels que, notamment, *Bloomberg* et *Tradix*. • Une convention relative aux ressources humaines, au titre de laquelle Crédit Foncier met son personnel à disposition de Compagnie de Financement Foncier et lui affecte des employés. • Une convention relative à la rémunération des prestations de services prévoyant que des services seront fournis à Compagnie de Financement Foncier par Crédit Foncier moyennant une rémunération. • Une convention relative à la prestation de service de banque de règlement concernant les flux financiers liés aux prêts, qu'il s'agisse du montant en principal, des intérêts ou bien de créances connexes. • Une convention de garantie concernant les prêts à taux révisable, au titre de laquelle Crédit Foncier indemnise Compagnie de Financement Foncier des conséquences financières négatives des mesures prises par Crédit Foncier pour protéger ses clients des variations de taux. • Une convention de garantie et d'indemnisation par laquelle Crédit Foncier supporte les risques liés à certains actifs transférés à Compagnie de Financement Foncier (risque de taux d'intérêt, risque de remboursement anticipé et risque de renégociation des prêts). • Une convention d'agent payeur. • Une convention de compte courant d'associé. • Une convention de cession de prêts hypothécaires. Deux conventions ont également été conclues entre Compagnie de Financement Foncier, Crédit Foncier et une tierce partie : • Une convention de gestion et de recouvrement des prêts subventionnés par l'Etat Français. • le renouvellement de la convention d'apporteur d'affaires (avec BPCE, les Caisses d'Epargne et le Crédit Foncier).
B.15	**Principales activités de la Société**	La seule activité que Compagnie de Financement Foncier est en droit de conduire est l'attribution de concours immobiliers et le financement du secteur public en France ainsi que dans plusieurs autres pays développés. Compagnie de Financement Foncier finance son activité principalement par l'émission d'obligations foncières et d'autres formes d'obligations privilégiées bénéficiant de la priorité légale de paiement prévue par l'article L.513-11 du Code monétaire et financier. Dans le cadre de la réglementation française, Compagnie de Financement Foncier peut seulement consentir ou acquérir des prêts hypothécaires (incluant les prêts souscrits pour acquérir des immeubles et sécurisés par une hypothèque), proposer des financements à des entités du secteur public (via des prêts au secteur public ou la souscription d'obligations du secteur public, et/ou l'acquisition de titres de créance sécurisés par des prêts hypothécaires ou d'obligations du secteur public). Compagnie de Financement Foncier est également autorisée à investir dans certains instruments financiers très liquides, certains dépôts et certains prêts. En revanche, Compagnie de Financement Foncier ne peut pas détenir de participations capitalistiques ni

		toute autre forme d'intérêt en capital.
B.16	**Entité(s) ou personne(s) détenant ou contrôlant directement ou indirectement la Société**	Crédit Foncier détient la quasi-totalité des actions de Compagnie de Financement Foncier. Conformément aux statuts de Compagnie de Financement Foncier, chaque membre du Conseil d'administration doit détenir au moins une action pendant la durée de son mandat.
B.17	**Notation assignée à la Société ou à ses titres d'emprunt**	Le Programme bénéficie de la notation financière AAA par Standard & Poor's Ratings Services, une division de McGraw Hill Companies, Inc. ("**Standard & Poor's**" ou "**S&P**"), Aaa par Moody's Investors Service, Inc. ("**Moody's**") et AAA par Scope Ratings AG ("**Scope Ratings**"). Les Titres émis dans le cadre du Programme devraient être notés AAA par Standard & Poor's, Aaa par Moody's et AAA par Scope Ratings. S&P, Moody's et Scope Ratings sont des agences de notation établies dans l'Union Européenne et enregistrées conformément au Règlement (CE) No. 1060/2009 relatif aux agences de notation (le "**Règlement CRA**"), tel que modifié par le Règlement (UE) No. 513/2011, et qui apparaissent dans la liste des agences de notation enregistrées publiée par l'Autorité Européenne des Marchés Financiers (*European Securities and Market Authority*) sur son site Internet. Les Titres émis dans le cadre du Programme peuvent ne pas être notés ou avoir une notation différente de la notation de la Société dans certaines circonstances. Une notation n'est pas une recommandation d'achat, de vente ni de détention de titres et peut faire l'objet d'une suspension, d'une modification ou d'un retrait à tout moment de la part de l'agence de notation ayant attribué cette notation. ***Résumé spécifique à chaque émission:*** Notation de crédit: [Sans objet/Les Titres qui seront émis [ont été/sont] notés: **[**S & P: **[•]][**Moody's: **[•]] [**Scope Ratings: [•]**]**]

Section C – Valeurs mobilières		
C1	**Nature et catégorie des Titres**	Jusqu'à 10.000.000.000 dollars (ou la contre-valeur de ce montant dans toute autre devise, calculée à la date d'émission) représentant le montant nominal total des Titres en circulation à tout moment dans le cadre du Programme d'US Medium Term Securities (le « **Programme** »). Les Titres (*Obligations Foncières*) seront émis dans le cadre d'émissions syndiquées ou non syndiquées. Les Titres seront émis par souche (chacune une « **Souche** »), à une même date ou à des dates d'émission différentes, et présenteront des modalités identiques (à l'exception du premier paiement d'intérêts, de la date d'émission, du prix d'émission et du montant nominal), les Titres de chaque Souche devant être fongibles entre eux. Chaque Souche peut être émise par tranches (chacune une « **Tranche** ») à une même date d'émission ou à des dates d'émission différentes. Les modalités spécifiques de chaque Tranche (qui seront complétées si nécessaire par des modalités supplémentaires et seront identiques aux modalités des autres Tranches de la même Souche, à l'exception de la date d'émission, du prix d'émission, du premier paiement d'intérêts et du montant nominal de la Tranche) figureront dans des conditions définitives complétant le présent Prospectus de Base (les « **Conditions Définitives**»). Les Titres seront émis au nominatif uniquement et seront certifiés par des certificats nominatifs. Les Titres offerts aux Etats-Unis à des investisseurs institutionnels qualifiés en vertu de la Règle 144A seront matérialisés par un ou plusieurs *restricted global certficate* et les Titres offerts hors des Etats Unis en vertu de la Règlementation S seront matérialisés par un ou plusieurs *unrestricted global certificate*. Les Titres ont été admis aux opérations d'Euroclear, Clearstream, Luxembourg et DTC et tout autre système de compensation qui est convenu entre la Société, l'Agent Financier et l'Agent Placeur concerné. Le numéro d'Identification des Titres: le Code ISIN, le Code Commun, le numéro CUSIP et (si applicable) le numéro d'identification de tout autre système de compensation pour chaque Souche de Titres seront indiqués dans les Conditions Définitives applicables. *Résumé spécifique à chaque émission:* Souche N°: [●] Tranche N°: [●] Montant nominal total: [●] Souche: [●] Tranche: [●] Forme des Titres: Titres au nominatif:

			[Réglementation S *Global Securities* (USD/EUR [●] valeur nominale) inscrits sous le nom d'un représentant pour le compte de [DTC/un depositaire commun pour le compte d'Euroclear et Clearstream, Luxembourg/un conservateur commun pour le compte d'Euroclear et Clearstream, Luxembourg (c'est à dire, conservé sous NSS)]] [Règle 144A *Global Securities* (USD [●] valeur nominale) inscrits sous le nom d'un représentant pour le compte de [DTC/ un depositaire commun pour le compte d'Euroclear et Clearstream, Luxembourg/un conservateur commun pour le compte d'Euroclear et Clearstream, Luxembourg (c'est à dire, conservé sous NSS)]]
		Code ISIN:	[●]
		Code Commun:	[●]
		Numéro CUSIP:	[●]
		Tout système(s) de compensation autre que Euroclear Luxembourg et Clearstream et le(s) numéro(s) d'identification concernés:	[Sans objet]/[*insérer nom(s)et numéro(s) [et addresse(s]*]
C.2	**Devises des Titres**	Sous réserve du respect de toutes lois, réglementations et directives applicables, les Titres peuvent être émis en Euros ou dollar Américain ou dans toute devise convenue entre la Société et le(s) Agent(s) Placeur(s) concernés. ***Résumé spécifique à chaque émission:*** La devise des Titres est: **[●]**	
C.5	**Description de toute restriction imposée à la libre négociabilité des Titres**	L'offre et la vente de Titres sera soumise aux restrictions de vente applicables dans diverses juridictions, en particulier aux Etats-Unis, au Canada, au Royaume-Uni, en France, au Japon, à Hong Kong et Singapour, et à la Restriction d'Offre Non-Exemptée en vertu de la Directive Prospectus (pour les Titres ayant une Valeur Nominale unitaire de moins de 100.000 euros ou son équivalent dans toute autre devise à la date d'émission des Titres.) La Société appartient à la Catégorie 1 dans le cadre de la Réglementation S du *Securities Act.*	
C.8	**Description des droits attachés aux Titres**	**Prix d'émission** Les Titres peuvent être émis à leur valeur nominale ou avec une décote ou une prime par rapport à leur valeur nominale. ***Résumé spécifique à chaque émission:*** [●] % du Montant Nominal Total [majoré des intérêts courus à compter de [insérer la date] (si applicable)]. **Valeur Nominale unitaire**	

		La valeur nominale unitaire des Titres émis sera déterminée dans les Conditions Définitives concernées, étant entendu (i) que la valeur nominale unitaire minimum de chaque Titre admis à la négociation sur un Marché Réglementé, ou offert au public, dans un Etat de l'EEE, dans des circonstances qui requièrent la publication d'un Prospectus conformément à la Directive Prospectus sera de 1.000 € (ou, si les Titres sont libellés dans une devise autre que l'euro, la contre-valeur de cette somme dans cette autre devise à la date d'émission) ou à un autre montant plus élevé qui pourra être autorisé ou exigé le cas échéant par la banque centrale concernée (ou tout autre organisme équivalent), (ii) sauf disposition contraire dans les lois et règlements en vigueur, les Titres (incluant les Titres libellés en livre sterling) ayant une date d'échéance inférieure à un an et au regard desquels le produit de l'émission doit être reçu par l'émetteur au Royaume-Uni ou ceux dont l'émission constituerait une infraction de l'article 19 du FSMA auront une valeur nominale unitaire minimum de 100.000£ (ou son équivalent dans d'autres devises) et (iii) dans le cas de vente de Titres aux Etats-Unis à des QIBs, la valeur nominale unitaire minimum devra être 100.000 dollars. ***Résumé spécifique à chaque émission:*** Valeur nominale unitaire: [●] **Rang des Titres** Les Titres constituent des obligations directes, inconditionnelles et prioritaires de la Société et viennent et viendront au même rang et sans aucune préférence entre eux ainsi qu'au même rang avec la même notation que tout autre titre et autre ressource invoqués par la Société qui bénéficie du privilège crée par l'article L.513-11 du Code monétaire et financier. **Privilège** Les Porteurs bénéficient du privilège (droit de paiement prioritaire) en vertu de l'article L.513-11 du Code monétaire et financier. **Maintien de l'emprunt à son rang** Sans objet. **Cas de défaut et défaut croisé** Sans objet. **Fiscalité** Tous paiements de principal et d'intérêts se rapportant aux Titres devront être fait sans retenue à la source française à moins que cette retenue à la source ne soit imposée par la loi ou règlementation applicable. Si une telle retenue devait être effectuée, la Société ne paiera, ni ne pourra être obligée a payer, aucune somme au titre d'une telle retenue à la source. Il n'y aura pas lieu à majoration, et par conséquent, à remboursement anticipé pour raison fiscale quel qu'elle soit. Tous paiements liés aux Titres seront effectués sous réserve de toute retenue à la source ou déduction exigée en vertu de FATCA. **Droit applicable** Les Titres sont régis par le droit anglais et le Privilège par le droit français. **Nature des Titres** Les Titres (*Obligations Foncières*) sont émis en vertu des articles L.513-2 à L. 513-27 du Code monétaire et financier. Les Porteurs de Titres bénéficient du privilège (droit de paiement prioritaire) sur tous les autres actifs et revenus de la Société.

		Prescription Les plaintes contre la Société pour paiement en vertu des Titres seront prescrites et non recevables à moins d'être déposées dans les 10 ans (dans le cas d'un paiement du principal) ou cinq ans (dans le cas d'un paiement d'intérêt) de la Date Concernée.
C.9	**Intérêts, échéance et modalités de remboursement, rendement et représentation des porteurs des Titres**	***Périodes d'intérêt et taux d'intérêts*** La durée des périodes d'intérêts des Titres et le taux d'intérêt applicable ou sa méthode de calcul pourront être constants ou varier au cours du temps pour chaque Souche. Les Titres pourront avoir un taux d'intérêt maximum, un taux d'intérêt minimum, ou les deux. L'utilisation des périodes d'intérêts courus permet de prévoir des taux d'intérêts différents des Titres pour la même période d'intérêts. Ces informations seront prévues dans les Conditions Définitives concernées. **Titres à Taux Fixes** Les intérêts fixes seront payables à terme échu à la date ou aux dates de chaque année prévues par les Conditions Définitives. ***Résumé spécifique à chaque émission:*** [Applicable][Sans objet] [Taux Fixe de [●]% par an] **Titres à Taux Variables** Les Titres à Taux Variable porteront intérêt déterminé de façon différente pour chaque Souche, comme suit: (i) sur la même base que le taux variable applicable à une opération d'échange de taux d'intérêt notionnel dans la Devise Prévue concernée, conformément à un contrat incluant les Définitions ISDA 2006 telles que publiées par la International Swaps and Derivatives Association, Inc. ; ou (ii) par référence au LIBOR ou EURIBOR dans chaque cas adaptés à la marge applicable. ***Résumé spécifique à chaque émission:*** [Applicable /[Sans objet] [[EURIBOR/LIBOR +/- [●]% Taux Variable] **Titres à Coupon Zéro** Les Titres à Coupon Zéro peuvent être émis à leur valeur nominale ou à escompte et ne porteront pas intérêt. ***Résumé spécifique à chaque émission:*** [Applicable /[Sans objet] **Echéances** Sous réserve du respect de toutes lois, réglementations et directives applicables, toute échéance d'un mois minimum à compter de la date d'émission initiale. ***Résumé spécifique à chaque émission:*** [Préciser date ou (dans le cas de Titres à Taux Variable) Date de Paiement d'Intérêt tombant le ou le plus proche du mois et de l'année concernés] **Remboursement** Les Conditions Définitives applicables définiront la base de calcul des montants de

		remboursements dus. ***Résumé spécifique à chaque émission:*** [Sous réserve de tout achat puis annulation ou remboursement anticipé, les Titres seront remboursés à la Date d'Echéance à [●] % de leur valeur nominale.] **Option de remboursement** Les Conditions Définitives préparées à l'occasion de chaque émission de Titres indiqueront si ceux-ci peuvent être remboursés avant la date d'échéance prévue au gré de la Société et/ou des Porteurs (en totalité ou en partie) et, si tel est le cas, les modalités applicables à ce remboursement. ***Résumé spécifique à chaque émission:*** Option de remboursement au gré de la Société: [Applicable /[Sans objet] Option de remboursement au gré des Porteurs des Titres: [Applicable /[Sans objet] **Rendement** Le rendement relatif à chaque émission de Titres à Taux Fixe sera calculé à la Date d'Emission sur la base du Prix d'Emission. ***Résumé spécifique à chaque émission:*** Rendement: [●]% par an **Représentant des Porteurs** Sans objet. Il n'y a pas de représentant des Porteurs. **Assemblées des Porteurs** Les modalités des Titres contiennent des stipulations relatives à la convocation des Porteurs aux assemblées pour qu'ils envisagent les problèmes qui peuvent affecter leurs intérêts en général. Ces stipulations permettent à une majorité définie de lier tous les Porteurs y compris les Porteurs qui n'ont pas assisté à l'assemblée concernée ou qui n'ont pas pris part au vote ainsi que les porteurs qui ont voté dans le sens contraire à la majorité.
C.10	**Paiement des intérêts liés à un (des) instrument(s) dérivé(s)**	Se référer à l'Elément C9 pour les modalités relatives à l'Intérêt, l'échéance, le remboursement, le rendement et le représentant des Porteurs. Sans objet. Les Titres émis dans le cadre du Programme ne contiennent aucun composant dérivé.
C.11	**Cotation et admission à la négociation**	Une Souche de Titres peut ou peut ne pas être cotée et admise à la négociation sur un Marché Règlementé ou toute autre bourse. ***Résumé spécifique à chaque émission:*** [[Une demande a été faite]/[Une demande doit être faite] par la Société (ou pour son compte) en vue de l'admission des Titres aux négociations sur [●] à compter de [●]] / [Sans objet]
C.21	**Marché(s) de Négociation**	Une Souche de Titres peut ou peut ne pas être cotée ou admise à la négociation sur un Marché Règlementé ou toute autre bourse. ***Résumé spécifique à chaque émission:*** [Les Titres seront cotés et admis à la négociation sur [●].]/[Sans objet.]

Section D – Facteurs de Risque		
D.2	**Informations clés sur les principaux risques propres à la Société ou à son exploitation et son activité**	Les investisseurs potentiels doivent considérer, entre autres, les facteurs de risque relatifs à Compagnie de Financement Foncier et à son exploitation et qui peuvent altérer la capacité de Compagnie de Financement Foncier à remplir ses obligations relatives aux Titres émis dans le cadre du Programme. Ces facteurs de risque incluent les suivants: • Compagnie de Financement Foncier est exposée à un risque de défaut relatif au portefeuille d'actifs utilisé en couverture pour l'émission des Titres dans le cadre du Programme. • Compagnie de Financement Foncier est exposée à un risque de concentration de crédits relatif au portefeuille d'actifs utilisé en couverture pour l'émission des Titres dans le cadre du Programme. • Compagnie de Financement Foncier est exposée au risque de défaut de ses contreparties dans le secteur public international (notamment les souverains, les autorités et entités publiques). • Compagnie de Financement Foncier est exposée au risque de remboursement anticipé et renégociation de son portefeuille de prêts hypothécaires. • La notation de crédit des obligations foncières de la Société pourrait être impacté par la notation de crédit de Crédit Foncier ou du Groupe BPCE ainsi que celle de l'Etat français. • Compagnie de Financement Foncier est exposée au risque de crédit d'un certain nombre de contreparties d'instruments dérivés dans le cadre de ses opérations de couverture. • Compagnie de Financement Foncier est exposée à un risque résiduel de taux d'intérêt au niveau de son portefeuille d'actifs utilisé en couverture pour l'émission des Titres dans le cadre du Programme. • Compagnie de Financement Foncier est exposée au risque de manque de liquidité résultant de l'écart de maturité entre le tableau d'amortissement de ses actifs et les maturités de ses obligations foncières et autres obligations privilégiées bénéficiant du privilège. • Compagnie de Financement Foncier est dépendante de Crédit Foncier de France pour l'exercice opérationnel de son activité. • Compagnie de Financement Foncier est exposée au risque de disfonctionnement des systèmes de gestion du risque opérationnel mis en place par Crédit Foncier de France. • Compagnie de Financement Foncier n'a pas fourni d'états financiers préparés selon IFRS ou US GAAP et il peut y avoir des différences substantielles entre la

		position financière et le résultat opérationnel de la Compagnie de Financement Foncier calculé selon les normes GAAP françaises, d'une part, et IFRS et US GAAP, d'autre part. • Les opérations de la Société sont assujettis aux risques juridiques liés à des changements législatifs. • Les investisseurs pourraient être impactés par la transposition des Règles de Pondération des Actifs en fonction du Risque issues Bâle III. • Les investisseurs pourraient être impactés par la Directive sur le redressement et la résolution des crises bancaires. • Compagnie de Financement Foncier pourrait être impactée négativement par une décision potentielle du Royaume-Uni de se retirer de l'Union Européenne.
D.3	**Informations clés sur les principaux risques propres aux Titres**	Certains facteurs pourraient affecter la capacité de la Société à remplir ses obligations dans le cadre du Programme, notamment: Risques généraux relatifs aux Titres: • Les investisseurs doivent effectuer une revue indépendante et recueillir le conseil d'un professionnel avant d'investir dans les Titres émis dans le cadre du Programme. • Des restrictions existent relatives à l'achat et la vente des Titres émis dans le cadre du Programme. • Les notations des Titres émis dans le cadre du Programme peuvent ne pas refléter tous les risques. • Un marché de négociations actif pour les Titres émis dans le cadre du Programme peut ne pas se développer. • Le marché des Titres émis dans le cadre du Programme peut s'avérer volatile et être impacté significativement par de nombreux événements. • Les Porteurs de Titres émis dans le cadre du Programme peuvent ne pas déclarer les Tites immédiatement dus et payable selon les circonstances, notamment un défaut de paiement par la Société de tout intérêt ou principal du en vertu des Titres. • Les investisseurs potentiels ne bénéficieront pas des protections des investisseurs apportées par *l'Investment Company Act* de 1940, tel que modifié. • Un jugement rendu par une cour Américaine concernant les Titres émis dans le cadre du Programme peut ne pas être opposable en France. • Les Titres émis dans le cadre du Programme peuvent ne pas bénéficier des engagements financiers ou autres pris par la Société (*covenants*). • Les modalités des Titres émis dans le cadre du Programme pourraient être modifiés sans le consentement de tous les porteurs de Titres. • Les Porteurs de Titres émis dans le cadre du Programme pourraient être affectés par des changements de loi. • Les Porteurs de Titres émis dans le cadre du Programme pourraient être affectés

		par un conflit d'intérêt potentiel. • Les Porteurs de Titres émis dans le cadre du Programme pourraient être affectés par une option potentielle de remboursement des Titres par la Société avant leur date d'échéance prévue. • La Société n'est pas soumise à une obligation de majoration en vertu d'une retenue à la source qui aurait pu être effectuée sur les Titres émis dans le cadre du Programme. • Les opérations portant sur les Titres pourraient être assujetties à une future taxe européenne sur les transactions financières. • Les Porteurs de Titres pourraient être assujettis à une imposition sur les Titres. <u>Risques liés à la structure d'une émission particulière de Titres</u>: • L'incertitude concernant l'administration et la possible supprimation progressivement des « benchmarks » peut avoir un effet négatif sur la valeur et le rendement des Titres. • Les Titres émis dans le cadre du Programme peuvent ne pas constituer un investissement approprié pour tous les investisseurs. • Le rendement réel des Titres émis dans le cadre du Programme peut être réduit par rapport au rendement annoncé à cause des frais de transaction. • Le rendement effectif des Titres émis dans le cadre du Programme peut être diminué par l'impact fiscal d'un investissement dans les Titres. • La valeur des Titres à Taux Fixe peut être détériorée par des changements des taux d'intérêts de marché. • Des changements à court termes des taux d'intérêts peuvent conduire à une volatilité de la valeur de marché des Titres à Taux Variable. • Les investisseurs ne seront pas capables de calculer par avance leur taux de rendement sur les Titres à Taux Variables émis dans le cadre du Programme. • Les Titres à Coupon Zéro émis dans le cadre du Programme sont soumis à des variations de prix plus importantes que d'autres titres ne faisant pas l'objet de décote. • Les Titres en devise étrangère émis dans le cadre du Programme exposent les investisseurs à des risques de change ainsi qu'à des risques liés à la Société. • Les risques de taux de change et les contrôles de change peuvent impacter de manière significative le rendement des Titres émis dans le cadre du Programme.

Section E – Offre		
E.2b	**Raisons de l'offre et utilisation du produit de**	Le produit net de l'émission de chaque Tranche de Titres sera utilisé, sous réserve d'indication contraire, par la Société pour ses besoins généraux. ***Résumé spécifique à chaque émission:***

	l'offre	[Le produit net de l'émission des Titres sera utilisé par la Société pour ses besoins généraux / *préciser autre*].
E.3	**Modalités de l'offre**	Les Titres peuvent être offerts au public dans un Etat Membre de l'EEE indiqué dans les Conditions Definitives applicables. Il existe certaines restrictions liées à l'achat, l'offre, la vente et la livraison des Titres, ou la possession ou distribution du Prospectus de Base, de tout autre documentation d'offre ou toutes Conditions Définitives. A l'exception des stipulations de la section A.2 ci-dessus, ni la Société ni aucun des Agents Placeurs n'a autorisé une personne à faire une Offre Non-Exemptée en aucune circonstance et aucune personne n'est autorisée à utiliser le Prospectus dans le cadre de ses offres de Titres. Ces offres ne sont pas faites au nom de la Société ni par aucun des Agents Placeurs ou des Etablissements Autorisés et ni la Société ni aucun des Agents Placeurs ou des Etablissements Autorisés n'est responsable des actes de toute personne procédant à ces offres. ***Résumé spécifique à chaque émission:*** [Sans objet. Les Titres ne sont pas offerts au public.]/ [Les Titres sont offerts au public : [●]] Prix de l'Offre: [Prix d'Emission][Préciser] Conditions auxquelles l'Offre est soumise: [Sans objet/à détailler] Description de la procédure de souscription: [Sans objet/à détailler] Description de la possibilité de réduire les souscriptions et des modalités de remboursement du montant excédentaire payé par les souscripteurs: [Sans objet/à détailler] Détails concernant le montant minimum ou maximum de souscription: [Sans objet/à détailler] Détails concernant la méthode et les délais de règlement et de livraison des Titres: [Sans objet/à détailler] Modalités et date de publication des résultats de l'offre: [Sans objet/à détailler] Procédure d'exercice de tout droit préférentiel de souscription, la négociabilité des droits de souscription et le traitement réservé aux droits de souscription non exercé: [Sans objet/à détailler] Mention indiquant si une ou plusieurs Tranche(s) on été réservées pour certains pays: [Sans objet/à détailler] Procédure de notification aux souscripteurs du montant qui leur a été attribué et mention indiquant si la négociation peut commencer avant la notification: [Sans objet/à détailler] Montant de tout frais et taxes spécifiquement facturés au souscripteur ou à l'acheteur: [Sans objet/à détailler]

		Consentement de la Société à l'utilisation du Prospectus de Base pendant la Période d'Offre:	[Sans objet/Applicable s'agissant d'un Etablissement Autorisé indiqué ci-dessous]
		Etablissement(s) Autorisé(s) dans les différents pays où l'offre est effectuée:	[Sans objet/ Nom(s) et adresse(s) du ou des intermédiaire(s) financier(s) désignés par la Société pour intervenir en qualité d' Etablissement(s) Autorisé(s)]/Tout intermédiaire financier qui satisfait aux conditions indiquées ci-dessous dans la clause relative aux « Conditions relatives au consentement de la Société à l'utilisation du Prospectus de Base »]
		Conditions relatives au consentement de la Société à l'utilisation du Prospectus de Base:	[Sans objet/Lorsque la Société a donné un consentement général aux intermédiaires financiers pour l'utilisation du Prospectus de Base, spécifier les conditions supplémentaires ou toute condition remplaçant celles prévues en page 48 du Prospectus de Base ou indiquer « voir les conditions prévues dans le Prospectus de Base ». Lorsque le ou les Etablissement(s) Autorisé(s) ont été désignés, préciser les conditions]].
E.4	**Intérêts des personnes morales et physiques impliquées dans l'émission des Titres**	Les Conditions Définitives concernées préciseront les intérêts des personnes morales ou physiques impliquées dans l'émission des Titres. ***Résumé spécifique à chaque émission:*** [En l'état actuel des informations dont dispose la Société, aucune des personnes impliquées dans l'émission des Titres n'a un intérêt personnel à l'émission] / [les Agents Placeurs percevront une commission totale de **[●]**% de la valeur nominale des Titres. En l'état actuel des informations dont dispose la Société, aucune des personnes impliquées dans l'émission des Titres n'a un intérêt personnel à l'émission (*Modifier si nécessaire s'il existe d'autres intérêts*).]	
E.7	**Estimation des dépenses mises à la charge de l'investisseur par la Société ou l'offreur**	Les Conditions Définitives concernées préciseront le cas échéant l'estimation des dépenses imputables à chaque Tranche de Titres. ***Résumé spécifique à chaque émission:*** [Sans objet / l'estimation des dépenses imputables a(ux) investisseur(s) s'élève à [●].]	

CONDITIONS ATTACHED TO THE CONSENT OF THE COMPANY TO USE THE BASE PROSPECTUS

In the context of any offer of Securities from time to time in a Member State of the European Economic Area (the "**EEA**") specified in the applicable Final Terms (the "**Public Offer Jurisdictions**") that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended, (a "**Non-exempt Offer**"), the Company consents to the use of this Base Prospectus as so supplemented and the relevant Final Terms (together, the "**Prospectus**") in connection with a Non-exempt Offer of any Securities during the offer period specified in the relevant Final Terms (the "**Offer Period**") and in the Public Offer Jurisdiction(s) by:

(1) subject to conditions set out in the relevant Final Terms, any financial intermediary designated in such Final Terms; or

(2) if so specified in the relevant Final Terms, any financial intermediary which satisfies the following conditions: (a) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**"), from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Securities by any person and disclosure to any potential investor; (b) complies with the restrictions set out under "*Plan of Distribution*" in this Base Prospectus which would apply as if it were a Dealer; (c) ensures that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Securities is fully and clearly disclosed to investors or potential investors; (d) holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Securities under the Rules; (e) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer(s) and the Company or directly to the appropriate authorities with jurisdiction over the Company and/or the relevant Dealer(s) in order to enable the Company and/or the relevant Dealer(s) to comply with anti-money laundering, anti-bribery and "know your client" rules applying to the Company and/or the relevant Dealer(s); (f) does not, directly or indirectly, cause the Company or the relevant Dealer(s) to breach any Rule or any requirement to obtain or make any filing, authorisation or consent in any jurisdiction; and (g) satisfies any further conditions specified in the relevant Final Terms (in each case any such financial intermediary being an "**Authorised Offeror**").

For the avoidance of doubt, none of the Dealers or the Company shall have any obligation to ensure that an Authorised Offeror complies with applicable laws and regulations and shall therefore have no liability in this respect.

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

The consent referred to above relates to Offer Periods (if any) ending no later than the date falling 12 months from the date of the approval of the Base Prospectus by the relevant competent authority of a Member State of the EEA.

In the event the relevant Final Terms designate Authorised Offeror(s) to whom the Company has given its consent to use the Prospectus during an Offer Period, the Company may also give consent to additional financial intermediary(ies) (in such case, also an "**Authorised Offeror**") after the date of the relevant Final Terms and, if it does so, it will publish on its website (*www.foncier.fr*) any new information in relation to such Authorised Offerors who are unknown at the time of the approval of the Prospectus or the filing of the relevant Final Terms.

If the Final Terms specify that any Authorised Offeror may use the Prospectus during the Offer Period, any such Authorised Offeror is required, for the duration of the Offer Period, to publish on its

website that it is using the Prospectus for the relevant Non-exempt Offer with the consent of the Company and in accordance with the conditions attached thereto.

Other than as set out above, neither the Company nor any of the Dealers has authorised the making of any Non-exempt Offer by any person in any circumstances and such person is not permitted to use the Prospectus in connection with its offer of any Securities. Any such offers are not made on behalf of the Company or by any of the Dealers or Authorised Offerors and none of the Company or any of the Dealers or Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

Any Authorised Offeror who wishes to use the Prospectus in connection with a Non-exempt Offer is required, for the duration of the relevant Offer Period, to publish on its website that it is using the Prospectus for such Non-exempt Offer in accordance with the consent of the Company and the conditions attached thereto.

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

RISK FACTORS

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

Factors which the Company believes may be material for the purpose of assessing the market risks associated with Securities issued under the Program are also described below.

The Company believes that the factors described below represent the principal risks inherent in investing in the Securities issued under the Program, but the Company may be unable to pay interest, principal or other amounts on or in connection with any Securities for other reasons and the Company does not represent that the statements below regarding the risks of holding any Securities are exhaustive. Prospective investors should also read all the information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein) and reach their own views in light of their financial circumstances and investment objectives prior to making any investment decision.

Words and expressions defined under the "Terms and Conditions of the Securities" section shall have the same meanings in this section.

Risk Factors relating to the Company

The Company is exposed to a risk of default in its portfolio of assets used as cover for the issuance of Securities under the Program

The assets of the Company are restricted to specific categories of assets narrowly defined by the Savings and Financial Security Act of 1999 (*Loi du 25 juin 1999 relative à l'Epargne et à la Sécurité Financière*, now codified into the French *Code monétaire et financier*). These assets include mortgage loans (which include loans incurred to acquire real estate and secured by a mortgage or, in certain limited circumstances, other high-quality credit support) or loans secured through a remittance, a transfer or a pledge of receivables benefiting from the French statutory financial guarantee regime since the entry into force of the Transparency, Anti-Corruption and Modernisation of the Economy Act of 2016 (*Loi du 9 décembre 2016 relative à la Transparence, à la Lutte contre la Corruption et à la Modernisation de la Vie Economique* or "*Loi Sapin II*"), exposures to public sector entities (which include the granting of loans to public sector entities or the acquisition of public sector obligations) and liquid replacement securities. Although the Company uses filters (such as asset categorization and internal rating tools) in the selection of its assets and refrains from buying certain categories of assets (such as commercial real estate exposures and real estate securitization tranches) in order to ensure an appropriate control of the credit risk of its portfolio, it is exposed to the risk of default of the assets in its portfolio. In particular, while stress tests conducted by the Company on its portfolio of mortgage loans have confirmed the resilience of the Company, some default scenarios (including a combination of a high default rate, a fall in real estate prices, and/or a fall in prepayment rates) may affect the ability of the Company to comply with the terms of the Securities issued under the Program. The Company is exposed to the risk of losses if sovereign states or other credit counterparties become insolvent or are no longer able to fulfill their obligations to the Company. In particular, the Company holds sovereign obligations issued by certain of the countries that have been significantly affected by the Eurozone crisis (such as Italy) and a worsening of sovereign credit in the Eurozone may trigger a decline in the quality of the assets of the Company in the affected countries.

The Company is exposed to a risk of credit concentration in its portfolio of assets used as cover for the issuance of the Securities under the Program

The asset-liability management policy of the Company requires that the Company diversify its exposure to various assets in order to minimize the concentration of credit risk in its portfolio. As of December 31, 2016, the mortgage loans securing the Securities of the Company are predominantly residential housing loans (although these are, as a result, highly granular) and, due to the Company's on-going reduction to international exposures, the mortgage assets of the Company are predominantly and increasingly located in France. Therefore, issues adversely affecting the French residential real estate sector could have an adverse effect on the portfolio of mortgage assets of the Company. In addition, the public sector assets of the Company are highly, and increasingly, concentrated in France (the exposure of the Company to public sector assets located in France represented EUR25.0 billion or 29.6% of the total assets of the Company as of December 31,

2016). While direct exposure to sovereign states outside France in the portfolio of public sector assets of the Company is relatively small, it is concentrated (in Italy and Poland). There is a risk that, as a result of a change in market conditions, the uncertain economic environment in certain European countries, credit deterioration or default by one or more public sector entities, or for other reasons, existing or future asset concentration levels may affect the ability of the Company to comply with the terms of the Securities issued under the Program.

The Company is exposed to the risk of default of public sector counterparties (including sovereigns, public authorities and public entities)

Although the Company started reducing its direct exposure to public sector entities located outside France in 2011, the Company is still exposed to international public sector counterparties meeting the eligibility requirements of the French Monetary and Financial Code (including sovereigns, public authorities (municipalities, regions, provinces, cantons, etc.) and public entities). The exposure of the Company to public sector entities located outside France represented EUR9.7 billion or 11.5% of the total assets of the Company as of December 31, 2016 and was mainly concentrated in the European Union (Italy, Belgium, Spain and Poland in particular), Switzerland, North America (United States and Canada), and Japan. As a result, a default by these international public sector counterparties may have a direct impact on the Company.

The solvency of public sector counterparties inside and outside of France remains, in many cases, dependent on the success of structural economic reforms and overall economic growth (in particular in countries that have benefited from international bailout programs). The success of these structural economic reforms will have an impact on the exposure of the Company to public sector authorities located in these countries. In other countries, the Company may also be affected by the general impact of political instability on refinancing conditions (in Italy for example).

The Company is exposed to the risk of prepayment and renegotiation of mortgage loans in its portfolio

The Company is exposed to the risk of prepayment and renegotiation of mortgage loans by individual bank customers. This is because, in a low interest rate environment, individual bank customers have an incentive to prepay or renegotiate their mortgage loans at more favorable rates (in addition, in some jurisdictions, like France, where the Company holds most of its residential mortgages, early repayment penalties are limited by law). The prepayment rate was 13.1% on the overall portfolio of the Company as of December 31, 2016, as compared to 14.8% as of December 31, 2015. As a result, the Company is exposed to decreasing future cash-flows from interest payments as compared to the payments it expected to receive until the maturity of the corresponding mortgage loans if they had not been prepaid or renegotiated. A continued higher than expected repayment rate would increase the maturity mismatch and require the Company to seek additional assets for the pool, which it cannot be certain it will locate.

The credit rating of the obligations foncières issued by the Company may be affected by the credit rating of Crédit Foncier as part of the BPCE Group and the credit rating of the French State

In the methodology used by rating agencies, the credit rating of the *obligations foncières* issued by the Company is closely linked to the credit rating attributed to Crédit Foncier as part of the BPCE Group. Rating agencies consider that the rating of the *obligations foncières* issued by the Company is closely linked to the credit rating of the French State as a result not only of the Company being part of the BPCE Group but also the high proportion of French public sector assets included in the cover pool. Therefore, a downgrade in the credit rating of the French State may have an adverse impact on the rating of the *obligations foncières* issued by the Company, including the Securities. A downgrade in the credit rating of the French State may also adversely impact the value of outstanding *obligations foncières* issued by the Company, the ability of the Company to issue new *obligations foncières* and increase the cost of borrowing of the Company.

The Company is exposed to the credit risk of a number of derivatives counterparties as part of its hedging operations

The Company routinely enters into interest and currency hedging operations with a number of derivative counterparties to limit its exposure to interest rate variations and currency fluctuations. As part of this process, the Company has entered into derivatives framework agreements with a number of banking counterparties and as such is exposed to the risk of default of its derivatives counterparties, the effect of defaulted derivatives on its hedging position and resultant non-hedged exposure. The Company also may, in some cases, be requested to post collateral to its derivatives counterparties.

The Company is exposed to residual interest rate risk on its portfolio of assets used as cover for the issuance of Securities issued under the Program

The asset-liability management rules of the Company require it to continuously minimize exposure to interest rate risk via the use of derivatives in the form of interest rate swaps. As a result, the Company routinely enters into micro hedges in order to hedge idiosyncratic interest rate exposure resulting from a particular asset or a specific transaction. The Company also routinely enters into macro hedges in order to hedge a particular portfolio of assets and to manage overall balance sheet exposure (which is reviewed quarterly). In particular, all fixed-rate liabilities of the Company resulting from issuances of *obligations foncières* and other privileged debt are swapped into floating rate. However, the Company is exposed to residual interest rate risk as a result of unanticipated changes in the portfolio of assets used as cover for the issuance of *obligations foncières* and other privileged debt (due to, for example, the pre-payment or renegotiation of mortgage loans). See "*The Company is exposed to the risk of prepayment and renegotiation of mortgage loans in its portfolio*".

The Company is exposed to the risk of a liquidity shortfall resulting from the maturity mismatch between the amortization schedule of its assets and the maturities of its obligations foncières and other privileged debt benefiting from the Privilège

The maturity and amortization profile of the pool of assets of the Company does not match the repayment profile and the maturity schedule of the *obligations foncières* and the other privileged debt. This maturity mismatch between the assets of the Company and its *obligations foncières* and the other privileged debt benefiting from the *Privilège* requires the Company to have appropriate liquidity positions to cover its liability commitments as they become due to avoid any liquidity shortfall. Although the Company is permitted to invest in cash-like securities, instruments, deposits and loans that are sufficiently secure and liquid to fall in the permitted category of assets that can be held by a *Société de Crédit Foncier*, it is not required to do so, and these securities, instruments, deposits and loans cannot exceed 15% of the total outstanding principal amount of the privileged debt of the Company. In addition, while the asset-liability management rules of the Company impose that sufficient funds be available to meet the privileged debt commitment of the Company for at least 12 months in the event of difficulties accessing funding markets, there was still a maturity mismatch between the Eligible Assets (as defined below) and the privileged liabilities issued by the Company in 2016 due to unanticipated prepayments and renegotiations of residential mortgages and may widen in the future and therefore increase the need for liquidity funding by the Company. See "*The Company is exposed to the risk of prepayment and renegotiation of mortgage loans in its portfolio*" and "*Description of the Company – Asset Liability Management of the Company – Management of Balance Sheet Risk Exposure*". Accordingly, the Company may potentially face a liquidity shortfall that will affect its ability to comply with the terms of the Securities issued under the Program.

The Company is dependent on its parent company for its operations

As a result of its status as a *Société de Crédit Foncier*, the Company is dependent on the resources dedicated to it by its parent company, Crédit Foncier, for the day-to-day operation of its business and, in particular, the servicing of the mortgage loans. Crédit Foncier, in accordance with the terms of a number of service agreements entered into between the Company and Crédit Foncier (including agreements relating to loan servicing and recovery, administrative and accounting management, internal control and compliance, information technology and information security services, human resources, insurance, compensation for services and settlement bank services), monitors and controls risks relating to credit, counterparties, market, operations, exchange rates, interest rates, liquidity or settlement at the level of the Company. Accordingly, the Company is subject to the risk of non-performance by Crédit Foncier under the service agreements with the Company. In addition, while the Company is included in the contingency arrangements, business continuity plan and security policy put in place by Crédit Foncier, the Company remains subject to process failures or system malfunctions at the level of Crédit Foncier.

The Company is exposed to the risk of failure or malfunction of the operational risk management systems put in place by Crédit Foncier

Although Crédit Foncier has put in place risk control procedures intended to identify and map operational risks at the level of the Company, the control system of the Company is at the level of Crédit Foncier. Therefore, the operational implementation of the procedures relating to the Company are external to the Company and may not be always properly carried out. For a discussion of the operational implementation of the valuation and periodic review methods for real estate, see Appendix 1, "*Specific Controller's Certification on the Valuation and Periodic Review Methods of Real Estate at December 31, 2016.*"

The Company has not prepared IFRS or US GAAP financial statements and there may be substantial differences between the financial position and operating results of the Company under French GAAP, on the one hand, and IFRS and US GAAP, on the other hand

The Company prepares financial statements in accordance with French GAAP. Certain differences exist between French GAAP and both IFRS and US GAAP, and these differences may be material to an understanding of the financial information contained in this Base Prospectus. The Company has not determined the significant differences between French GAAP and IFRS, and French GAAP and US GAAP (as they apply to the Company) and has not reconciled its financial statements to IFRS or US GAAP in this Base Prospectus. The Company does not intend to reconcile future financial statements to IFRS or US GAAP. Because there may be significant differences between French GAAP and IFRS, and French GAAP and US GAAP, there may be substantial differences in the operating results, cash flows and financial position of the Company, including its debt levels, if the Company were to prepare its financial statements in accordance with IFRS or US GAAP instead of French GAAP. In making an investment decision, investors must rely upon their own examination of the Company, the terms of the Securities issued under the Program and the financial information incorporated in this Base Prospectus. Prospective investors should also consult their own professional advisors for an understanding of the differences among French GAAP, IFRS and US GAAP, and how those differences might affect the financial information contained herein.

The operations of the Company are subject to legal risks arising from changes in law and regulations

The business operations of the Company are governed by European and French laws and regulations. The Company is subject to extensive legal and regulatory obligations and falls under the direct supervision of the ACPR as its local regulator and the general supervisory authority of the European Central Bank under the Single Supervisory Mechanism since November 2014. Any changes to the laws and regulations currently applicable to the Company could adversely affect the business, financial condition, cash flows and results of operations of the Company.

Investors may be affected by the implementation of Basel III Risk-Weighted Asset Framework.

On December 16, 2010 and January 13, 2011, the Basel Committee on Banking Supervision (the "**Basel Committee**") published a revised capital adequacy framework ("**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.

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;
- the introduction of short-term and longer-term standards for funding liquidity (referred to as the "Liquidity Coverage Ratio" (for which the *obligations foncières* issued by the Company are currently considered level 1 high quality liquid assets) and the "Net Stable Funding Ratio"); and
- the strengthening of prudential requirements relating to counterparty risk.

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

The implementation of Basel III and the CRD IV has brought and will continue to bring about a number of substantial changes to the current capital requirements, prudential oversight and risk-management systems, including those of the Company. The direction and the magnitude of the impact of Basel III will

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

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

On November 23, 2016, the European Commission issued several legislative proposals proposing to amend a number of key EU banking directives and regulations, including the CRD IV and the CRR. The implementation of the current texts and the new proposals, and their application to the Company or the taking of action thereunder is currently uncertain. If these proposals are adopted in the current form, they could significantly impact the Company's funding operations and increase the Company's financing costs.

Investors may be affected by the EU Resolution and Recovery Directive

On May 6, 2014, the Council of the European Union adopted a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or the "**BRRD**"). The exact scope of the BRRD and its impact on the Company is currently not fully established. Therefore, the implementation of the BRRD or the taking of any action against the Company under the BRRD (as further described below) could materially affect the value of the *obligations foncières* issued by the Company.

The stated aim of the BRRD is to provide resolution authorities with common tools and powers to intervene sufficiently early and quickly in respect of an unsound or failing credit institution (such as, potentially, the Company) so as to ensure the continuity of critical financial and economic functions, while minimizing the impact of a failure of the institution on the economy and the financial system as a whole. The BRRD provides three categories of tools to resolution authorities: (i) anticipatory measures to minimize the risks of potential credit issues (preparation and prevention), (ii) early intervention to minimize a deteriorating credit situation at an early stage so as to avoid insolvency, and (iii) if insolvency of a firm presents a concern as regards the general public interest, various means to reorganise or wind down the institution in an orderly fashion while preserving critical functions and limiting exposure to losses.

In addition, the BRRD and the Regulation 806/2014/EU of the European Parliament and the Council which was passed on July 15, 2014 and has been fully applicable since January 1, 2016 establishing a Single Resolution Mechanism currently contemplates four resolution tools which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest:

(i) sale of business enabling resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms;

(ii) interposition of a bridge institution enabling resolution authorities to transfer all or part of the business of the firm to a "*bridge institution*" (an entity created for this purpose that is wholly or partially in public control);

(iii) separation of assets enabling resolution authorities to transfer impaired or defaulted assets to one or more publicly owned vehicles for these assets to be managed with a view to maximizing their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and

(iv) bail-in procedures giving resolution authorities the power to write down (including to zero) certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims into equity (including amendment of the terms and conditions of the *obligations foncières* such as a variation of the maturity) (the "**bail-in tool**") (the *obligations foncières* issued by the Company are explicitly excluded from the bail-in tool to the extent that liabilities of the issuer exceed the value of the cover pool against which they are secured).

The BRRD also provides that in certain exceptional circumstances, where the bail-in tool is applied, resolution authorities may exclude or partially exclude certain liabilities from the application of the write down or conversion powers where: (a) it is not possible to bail-in those liability within a reasonable time; (b) the exclusion is strictly necessary and proportionate to achieve the continuity of critical functions and core business lines in a manner that maintains the ability of the institution under resolution to continue its key operations, services and transactions; (c) the exclusion is strictly necessary and proportionate to avoid giving rise to widespread contagion, in particular as regards eligible deposits held by natural persons and micro, small and medium sized enterprises, which would severely disrupt the functioning of financial markets, including of financial market infrastructures, in a manner that could cause a serious disturbance to the economy of a Member State or of the Union; or (d) the application of the bail-in tool to those liabilities would cause a destruction in value such that the losses borne by other creditors would be higher than if those liabilities were excluded from bail-in.

The BRRD also provides the relevant resolution authority with broader powers to implement other resolution measures which may include modifications to the terms of the debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), the replacement or substitution of the institution as obligor in respect of debt instruments and discontinuing the listing and admission to trading of financial instruments.

It should be noted that the relevant resolution authority's resolution powers have been superseded by the Single Resolution Board (the "**SRB**") since January 1, 2016, and that this authority acts in close cooperation with the relevant resolution authority.

The BRRD also provides that a Member State may intervene as last resort (by providing extraordinary public financial support through additional financial stabilization tools) once all resolution tools have been exhausted. This intervention would consist of public equity support and temporary public ownership tools. Any such extraordinary financial support would need to be provided in accordance with the EU state aid framework.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

The BRRD has been formally transposed into French law by an order dated August 20, 2015 (*Ordonnance no. 2015-1024 portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*, the "**Order**"). The Order supplements and amends the provisions of the French banking law dated July 26, 2013 regarding the separation and the regulation of banking activities (*Loi de séparation et de régulation des activités bancaires*) which had already given various resolution powers to the resolution board of the ACPR. In addition, Decree no. 2015-1160 dated September 17, 2015 and three orders dated September 11, 2015 implementing various provisions of the Order relating to the planning of recovery and resolution have been published on September 20, 2015 to further implement the BRRD in France. The Order was ratified and clarified by Law No. 2016-1691 dated 9 December 2016 which also incorporated provisions clarifying the implementation of the BRRD under French law.

The powers set out in the BRRD as implemented in France impact how credit institutions, including the Company, are managed as well as, in certain circumstances, the rights of creditors. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of Securityholders, the price or value of their investment in *obligations foncières* issued by the Company and/or the ability of the Company to satisfy its obligations under any Securities issued under the Program.

On November 23, 2016, the European Commission issued several legislative proposals proposing to amend a number of key EU banking directives and regulations, including the BRRD. The implementation of the current texts and the new proposals, and their application to the Company or the taking of action thereunder is currently uncertain. If these proposals are adopted in the current form, they could significantly impact the Company's funding operations and increase the Company's financing costs.

The Company may be adversely affected by a potential decision of the United Kingdom to withdraw from the European Union.

The United Kingdom held a referendum on June 23, 2016 in which a majority voted to exit the European Union ("Brexit") and the British government activated Article 50 of the Lisbon Treaty on March 29,

2017 in order to officially launch the process of withdrawing from the European Union. The process to withdraw is unprecedented in European Union history and is expected to last for at least two years in order to negotiate, draft and approve a withdrawal agreement in accordance with Article 50 of the Treaty on European Union. The effects of Brexit will depend on any agreements the United Kingdom makes to retain access to European Union markets either during a transitional period or more permanently. Brexit could adversely affect European or worldwide economic or market conditions and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the Euro. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which European Union laws to replace or replicate. Certain public figures in other European Union member states have called for referenda in their respective countries relating to a departure from the European Union, raising concerns about a contagion effect whereby multiple member states seek to depart from the European Union and the Eurozone, damaging European political and economic institutions. Any of these effects of Brexit, and others which cannot be anticipated, could adversely affect the business, financial condition, cash flows and results of operations of the Company, and could negatively impact the value of any Securities issued under the Program.

Risks Factors relating to Securities issued under the Program generally

Investors must make an independent review and obtain professional advice before investing in the Securities issued under the Program

Each prospective investor in the Securities issued under the Program must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of Securities 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 Securities. A prospective investor may not rely on the Company or the Dealers or any of their affiliates in connection with its determination as to the legality of its acquisition of Securities issued under the Program or as to the other matters referred to above.

There are restrictions on the purchase and sale of the Securities issued under the Program

Neither the Company, the Arranger, the Dealers nor any of their affiliates have or assume responsibility for the lawfulness of the acquisition of Securities issued under the Program by a prospective investor, whether under the laws of the jurisdiction of their incorporation or the jurisdiction in which they operate (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to them. See "*Plan of Distribution*." Neither the Securities nor beneficial interests therein have been registered under the Securities Act, any state securities laws or the laws of any other jurisdiction. Absent such registration, the Securities issued under the Program and beneficial interests therein may be offered or sold only in transactions that are not subject to, or that are exempt from, the registration requirements of the Securities Act and applicable state securities laws.

The credit rating of the Securities issued under the Program may not reflect all risks

The credit ratings assigned to the Securities 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 Securities issued under the Program. 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. In addition, credit rating agencies may change their methodologies for rating securities with features similar to the Securities in the future. If the rating agencies were to change their practices for rating such securities in the future and/or the ratings of the Securities were to be subsequently lowered, revised, suspended or withdrawn, this may have a negative impact on the trading price of the *obligations foncières* issued by the Company, including the Securities.

An active trading market for Securities issued under the Program may not develop

There can be no assurance that an active trading market for the Securities issued under the Program will develop (even where the Securities are listed), or, if one does develop, that it will be maintained. If an active trading market for the Securities does not develop, or is not maintained, the market or trading price and liquidity of the Securities may be adversely affected. The Dealers are not obligated, however, to make a market in the Securities and, were they to do so, may continue or discontinue any market making at any time at their sole discretion. In addition, the Company is entitled to buy the Securities (as described in Condition 6(f)) and the Company may issue further Securities (as described in Condition 12). Such transactions by the Company

may favorably or adversely affect the price development of Securities issued under the Program. If additional and competing products are introduced in the markets, this may adversely affect the value of the Securities issued under the Program.

The trading market for Securities issued under the Program may be volatile and may be adversely impacted by various events

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

Holders of Securities issued under the Program may not declare the Securities immediately due and payable under any circumstances, including a default in the payment by the Company of any interest or principal due in respect of the Securities

Securities issued under the Program may not be declared immediately due and payable under any circumstances, including a default in the payment by the Company of any principal or interest due in respect of the Securities. Certain events that are customarily considered events of default under debt instruments giving rise to an absolute or qualified right on the part of the registered holder to declare such debt instrument immediately due and payable, such as the issuer filing for bankruptcy, cross-defaults or insolvency proceedings, will not give rise to the right on the part of the holders of Securities issued under the Program to declare the Securities immediately due and payable. Pursuant to the terms of the French *Code monétaire et financier*, all cash flows generated by the assets of the Company and by derivatives transactions together with deposits made by the Company with other credit institutions, are allocated as a matter of absolute priority to servicing *obligations foncières* or other preferred liabilities of the Company as they fall due. See "*Description of the Company – Legal Regime Applicable to the Company – Statutory Priority in Right of Payment (the Privilège).*"

Prospective investors in the Securities will not benefit from the investor protections afforded by the Investment Company Act of 1940, as amended

On August 13, 2009, the SEC granted the Company an exemption from all the provisions of the Investment Company Act of 1940, as amended (the "**Act**") in connection with the offer and sale of its privileged debt securities, including the Securities issued under the Program, in the United States. Although the exemption was granted by the SEC on the basis that it was appropriate and in the public interest, prospective investors should be aware that they will not benefit from the protections of the Act.

A judgment rendered by a US court in connection with the Securities issued under the Program may not be enforceable in France

The United States and France are not party to a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards rendered in civil and commercial matters). Accordingly, investors in the Securities issued under the Program should be aware that a judgment rendered by a U.S. federal or state court based on civil liability, whether or not predicated solely upon U.S. federal or state securities laws, enforceable in the United States, would not directly be recognized or enforceable in France. However, a party in whose favor such judgment is rendered could initiate enforcement proceedings in France before the relevant civil court (*Tribunal de Grande Instance*). See "*Enforceability of Judgments in France*."

Securities issued under the Program do not benefit from financial or other covenants from the Company

The Securities issued under the Program do not contain any negative pledge, financial or other covenants. See "*Terms and Conditions of the Securities.*"

The terms of the Securities may be modified without the consent of all holders of Securities

The Terms and Conditions of the Securities contain provisions for calling meetings of the holders of the Securities to consider matters affecting their interest generally. These provisions permit defined majorities to bind all holders of the Securities including holders who did not attend any vote at the relevant meeting and

holders who voted in a manner contrary to the majority. See "*Terms and Conditions of the Securities – Meetings of Securityholders and Modifications.*"

Holders of Securities issued under the Program may be affected by changes in law

The Terms and Conditions of the Securities issued under the Program are governed by English law and the terms applicable to the *Privilège* are governed by French law. No assurance can be given as to the impact of any possible judicial decision or change in English or French law or the official application or interpretation of English or French law after the date of this Base Prospectus.

Holders of Securities issued under the Program may be affected by potential conflicts of interest

Holders of the Securities issued under the Program are exposed to the risk of potential conflicts of interest with the Calculation Agent in respect of certain discretionary determinations or calculations that the Calculation Agent may make pursuant to the Terms and Conditions of the Securities and that may have an impact on the amounts payable in connection with the Securities. In particular, whilst the Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities, from time to time, be engaged in transactions involving an index or related derivatives which may affect amounts to be received by holders of the Securities during the term and on the maturity of the Securities or the market price, liquidity or value of the Securities and which could be deemed to be adverse to the interests of the holders of the Securities.

Holders of Securities issued under the Program may be affected by a potential option of the Company to redeem the Securities prior to their stated maturity

The Final Terms issued in respect of each tranche of Securities will state whether such Securities may be redeemed prior to their stated maturity at the option of the Company (either in whole or in part) and the terms applicable to such redemption. Therefore, if the Final Terms of a given tranche of Securities so provide, the Company may be able to elect to redeem the Securities early in instances where prevailing interest rates are low. There is a risk that investors may not be able to reinvest the redemption proceeds of the Securities in equivalent securities if the then prevailing rates are lower. Prospective investors should consider reinvestment risks in light of other available investment options.

The Company is not subject to any gross-up obligation in respect of any withholding tax that could be levied on interest paid on Securities issued under the Program

Subject to certain conditions (see "– *Taxation*" immediately below), interest and other payments made outside the Republic of France with respect to the Securities will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* on the basis of the interpretative guidance provided by the Administrative Guidelines (as defined below – see "*Taxation*"). However, if any payments in respect of the Securities were to be subject to deduction or withholding in respect of any taxes or duties, the Company will not pay, and will not be required to pay, any additional amounts. Therefore, the corresponding risk will be borne by the holders of the Securities issued under the Program.

*Transactions involving the Securities could be subject to a future European financial transactions tax ("**FTT**")*

On February 14, 2013, the European Commission published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (together save for Estonia, the "Participating Member States"). Following the ECOFIN Council meeting of 8 December 8 2015, Estonia officially announced its withdrawal from the negotiations and, on March 16, 2016, completed the formalities required to leave the enhanced cooperation on FTT.

The proposed FTT has a very broad scope and could, if introduced in its current form, apply to certain dealings in the Securities (including secondary market transactions) in certain circumstances. However, under current proposals, the FTT shall not apply to, inter alia, primary market transactions, referred to in Article 5(c) of Regulation (EC) No 1287/2006, and thus, the issuance and subscription of the Securities should be exempt.

Under current proposals, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Securities where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad

range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State. It would call for the Participating Member States to impose a tax of at least 0.1% on all such transactions, generally determined by reference to the amount of consideration paid. The mechanism by which the tax would be applied and collected is not yet known.

Certain aspects of the proposal are controversial and, while the proposal initially identified the date of introduction of the FTT across the Participating Member States as being January 1, 2014, this anticipated introduction date has been extended on several occasions due to disagreements among the Participating Member States regarding a number of key issues concerning the scope and application of the FTT.

On October 10, 2016, the European Commission had been tasked with drafting the legislation to be submitted to the Participating Member States in view of reaching a political agreement on the FTT by the end of 2016. However, no agreement had been found between the Participating Member States by that date so far. The Council of the European Union on Economic and Financial Affairs indicated on December 6, 2016 that the ten Participating Member States agreed to pursue the on-going work and discussions on the main features of the FTT during the first half of 2017. A written answer given by Pierre Moscovici in the European Parliament, speaking on behalf of the Commission on March 8, 2017, also confirmed that negotiations between Participating Member States on the Commission's proposal are continuing with a number of key areas still open for discussion.

The FTT proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. If the proposed directive or any similar tax were adopted, transactions in the Securities would be subject to higher costs, and the liquidity of the market for the Securities may be adversely affected. Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

Investors may be subject to tax on the Securities

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

Risk Factors relating to the structure of a particular issue of Securities issued under the Program

Uncertainty relating to the administration of and potential phasing out of "benchmarks" may adversely affect the value of and return on the Securities

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other interest rate or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory reform. Following the implementation of any such reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or their calculation method may be revised, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. For example, on July 27, 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions of outstanding Securities of any Series, which may require a General Meeting of the Securities of such Series, or result in other consequences, in respect of any Securities linked to such benchmark (including but not limited to Floating Rate Securities whose interest rates are linked to LIBOR). Any such consequence could have a material adverse effect on the value of and return on any such Securities.

Securities issued under the Program may not be a suitable investment for all investors

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

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Securities, the merits and risks of investing in the relevant Securities and the information contained or incorporated by reference in this Base Prospectus;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Securities and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including Securities with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which such potential investor's financial activities are principally denominated;

(iv) understand thoroughly the terms of the relevant Securities issued under the Program and be familiar with the behavior of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Securities are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Securities which are complex financial instruments unless it has the expertise (either alone or with the assistance of a financial advisor) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of such Securities and the impact this investment will have on the overall investment portfolio of the potential investor.

Actual yield on the Securities issued under the Program may be reduced from the stated yield as a result of transaction costs

When securities are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the securities. These incidental costs may significantly reduce or even cancel out the profit potential of Securities issued under the Program. For instance, credit institutions often charge their clients fixed minimum commissions or *pro-rata* commissions (linked to the

value of the order) in relation to transactions relating to securities. To the extent that additional (domestic or foreign) parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, holders of Securities must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of any such third-parties.

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

The effective yield on the Securities issued under the Program may be diminished by the tax impact of an investment in the Securities

Payments of interest on the Securities, or profits realized by a holder of Securities upon the sale or repayment of the Securities, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The tax impact on certain holders of Securities who do not reside in France is generally described under "*Taxation*" below; however, the tax impact on an individual holder of Securities may differ from the situation described for holders of Securities generally. The Company advises all investors to contact their own tax advisors for advice in relation to the tax impact of an investment in the Securities.

The value of Fixed Rate Securities may be adversely affected by changes in market interest rates

Investment in Securities 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 Securities.

Short term changes in interest rates may lead to volatility in the market value of Floating Rate Securities

Investment in Securities which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Securities but there will be a periodic adjustment (as specified in the Final Terms) of the reference rate (e.g., every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of Floating Rate Securities 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 Securities upon the next periodic adjustment of the relevant reference rate.

Investors will not be able to calculate in advance their rate of return on Floating Rate Securities issued under the Program

A key difference between Floating Rate Securities and Fixed Rate Securities is that interest rate payments on Floating Rate Securities cannot be precisely anticipated. Because interest rate payment on Floating Rate Securities will vary, investors are not in a position to determine a definite yield in relation to Floating Rate Securities at the time of purchase. Therefore, the return on investment on Floating Rate Securities cannot be precisely anticipated compared with the return on investments on Fixed Rate Securities. In addition, if the terms and conditions of Securities issued under the Program provide for frequent interest payment dates, investors are exposed to the risk of reinvestment (at lower interest rates) of the interest payment made by the Company in relation to Securities issued under the Program.

Zero Coupon Securities issued under the Program are subject to higher price fluctuations than non-discounted debt securities

Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Securities than on the prices of ordinary Securities because the discounted issue prices of Zero Coupon Securities are generally substantially below their par value. If market interest rates increase, holders of Zero Coupon Securities are exposed to greater price declines than holders of other securities with comparable maturity and credit rating. Investors should be aware that Zero Coupon Securities are a type of investment associated with a particularly high risk of price fluctuation.

Foreign currency Securities issued under the Program expose investors to foreign-exchange risks as well as to risks related to the Company

Investors in Securities issued under the Program and denominated in foreign currencies are exposed to the risk of fluctuation in exchange rates in addition to any other risk associated with the Securities and/or the Company.

Exchange rate risks and exchange controls may adversely affect the return on the Securities issued under the Program

The Company will pay principal and interest on the Securities issued under the Program 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 significantly change (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 (i) the Investor's Currency-equivalent yield on the Securities, (ii) the Investor's Currency-equivalent value of the principal payable on the Securities, and (iii) the Investor's Currency-equivalent market value of the Securities. In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect applicable exchange rates. As a result, investors may receive an amount of interest or principal that is less than expected, or no amount of interest or principal at all.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following documents, which have been made publicly available, , and shall be incorporated in, and form part of, this Base Prospectus (together, the "**Documents Incorporated by Reference**"):

(i) the sections referred to in the tables below included in the Actualisation du Document de Référence of the Company, published in French, which was filed with the AMF under registration number n D.17-0215-A01 on August 29, 2017, and its English translation available on the website of the AMF (www.amf-france.org) (the "**First 2017 Update to the Reference Document 2016**"); the First 2017 Update to the Reference Document 2016 includes the unaudited condensed interim financial statements as of and for the half year ended June 30, 2017;

(ii) the sections referred to in the tables below included in the 2016 *Document de Référence* of the Company, published in French, which was filed with the AMF under registration number n D.17-0215 on March 23, 2017, and its English translation available on the website of the AMF (*www.amf-france.org*) (the "**Reference Document 2016**"); the Reference Document 2016 includes the audited annual financial statements for the financial year ended December 31, 2016 and the related statutory auditors' report;

(iii) the sections referred to in the tables below included in the 2015 *Document de Référence* of the Company, published in French, which was filed with the AMF under registration number n D. 16-0278 on April 5, 2016, and its English translation available on the website of the AMF (*www.amf-france.org*) (the "**Reference Document 2015**"); the Reference Document 2015 includes the audited annual financial statements for the financial year ended December 31, 2015 and the related statutory auditors' report;

(iv) the sections referred to in the tables below included in the 2014 *Document de Référence* of the Company, published in French, which was filed with the AMF under registration number n D. 15-0329 on April 13, 2015, and its English translation available on the website of the AMF (*www.amf-france.org*) (the "**Reference Document 2014**"); the Reference Document 2014 includes the audited annual financial statements for the financial year ended December 31, 2014 and the related statutory auditors' report;

(v) the terms and conditions of the securities contained in the base prospectus of the Company dated June 30, 2010 (the "**2010 USMTS Conditions**").

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

Copies of documents incorporated by reference herein may be obtained without charge from (i) the registered office of the Company, (ii) the website of the AMF (*www.amf-france.org*), (iii) the website of the Company (*www.foncier.fr*) and/or (iv) the offices of each Paying Agent set out at the end of this Base Prospectus during normal business hours.

The information incorporated by reference in this Base Prospectus shall be read in conjunction with the following cross-reference tables:

	Reference Document 2014	**Reference Document 2015**	**Reference Document 2016**
RISK FACTORS			
Prominent disclosure of risk factors that may affect the company's ability to fulfil its obligations under the	Pages 34-37, 49-54, 132-173	Pages 48-50, 125-162	Pages 50-51, 133-176

securities to investors in a section headed "Risk Factors".			
INFORMATION ABOUT THE COMPANY			
The legal and commercial name of the Company	Pages 189, 197	Pages 179-182	Pages 196-198
TREND INFORMATION			
An information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year	Page 202	Page 191	Page 208
ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES			
An indication of the principal activities performed by the members of the administrative, management and supervisory bodies outside the Company where these are significant with respect to the Company	Pages 57-71, 187-188	Pages 51-68, 174, 177-178	Pages 61-77, 188, 193
Statement that there are no conflicts of interest	Pages 202	Page 191	Page 208
BOARD PRACTICES			
Details relating to the Company's audit committee	Pages 176 and 182	Pages 166 and173	Pages 180-181 and 187
A statement as to whether or not the Company complies with the corporate governance of its country of incorporation	Pages 202	Page 191	Page 208
FINANCIAL INFORMATION CONCERNING THE COMPANY'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES			
Historical Financial Information			
Audited historical financial information	Pages 73-122	Pages 70-113	Pages 80-123
Audit reports	Pages 123-124	Pages 114-115	Pages 124-125
Balance sheet	Page 73	Page 70	Page 80
Off-balance sheet	Page 74	Page 71	Page 81
Income statement	Page 75	Page 72	Page 82
Cash flow statement	Pages 120-121	Pages 111-112	Pages 121-122
Accounting policies and explanatory notes	Pages 76-122	Pages 73-113	Pages 83-123
Consolidated financial statements	Not Applicable	Not Applicable	Not Applicable

Auditing of historical annual financial information			
A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.	Pages 123-124, 154	Pages 114-115, 145-146	Pages 124-125, 155-156[1]
An indication of other information in the Base Prospectus which has been audited by the auditors	Pages 154-156, 174-183	Pages 145-148, 164-174	Pages 155-158, 178-189
Where financial data in the Base Prospectus is not extracted from the company's audited financial statements state the source of the data and state that the data is un-audited.	Not Applicable	Not Applicable	Not Applicable
	First 2017 Update to the Reference Document 2016		
Interim and Other Financial Information			
Management report	Pages 9-14		
Balance sheet	Page 15		
Off balance sheet	Page 16		
Income statement	Page 17		
Cash flow statement	Page 45		
Accounting policies and explanatory notes	Pages 18-44		
Statutory auditors' report	Pages 45-46		
Risk management report	Pages 48-73		
	Reference Document 2014	**Reference Document 2015**	**Reference Document 2016**
ADDITIONAL INFORMATION			
Memorandum and Articles of Association	Pages 196-201	Pages 186-191	Pages 203-208
The register and the entry number therein, if applicable, and a description of the issuer's objects and purposes and where they can be found in the memorandum and articles of association.	Pages 188-192	Pages 178-182	Pages 194-199

[1] NTD: The auditors have noted that the *rapport du contrôleur spécifique* is not an audit report and should be incorporated by reference in 14.2.1 below in a separate row. TBD.

Additional information	Reference Document 2014	Reference Document 2015	Reference Document 2016
Management Report (*Rapport de Gestion*)	Pages 42-173, 193, 202	Pages 43-69	Pages 45-79
Financial Statements (*Comptes Sociaux*)	Pages 73-122	Pages 70-113	Pages 80-123
Risk Management Report (*Rapport de Gestion des Risques*)	Pages 132-173	Pages 124-162	Pages 132-176

The 2010 USMTS Conditions below are incorporated by reference in this Base Prospectus only for the purpose of further issues of Securities to be assimilated (*assimilables*) and form a single series with Securities already issued pursuant to the 2010 USMTS Conditions.

2010 USMTS Conditions

Base prospectus dated June 30, 2010	Pages 39 to 58

SUPPLEMENT TO THE BASE PROSPECTUS

If, at any time, the Company shall be required to prepare a supplement to the Base Prospectus, the Company will prepare and make available an appropriate supplement to this Base Prospectus or a restated Base Prospectus, which, in respect of any subsequent issue of Securities to be listed and admitted to trading on a Regulated Market of a Member State of the EEA, shall constitute a supplement to the Base Prospectus for the purpose of the relevant provisions of the Prospectus Directive.

In accordance with Article 16.2 of the Prospectus Directive, where the Securities are offered to the public, investors who have already agreed to purchase or subscribe for Securities before any supplement is published have the right, exercisable within two (2) working days after the publication of the relevant supplement, to withdraw their acceptances provided that the new factor, mistake or inaccuracy referred to in Article 16.1 of the Prospectus Directive arose before the final closing of the offer to the public and the delivery of the Securities. That period may be extended by the Company or, if any, the relevant Authorised Offeror(s). The final date of the right of withdrawal will be stated in the supplement.

OVERVIEW OF THE PROGRAM

This overview must be read as an introduction to this Base Prospectus and any decision to invest in the Securities should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. This overview is a brief summary only and is qualified in its entirety by the remainder of this Base Prospectus. Words and expressions defined in "Terms and Conditions of the Securities" below shall have the same meaning where used in this overview.

Compagnie de Financement Foncier

Compagnie de Financement Foncier (the "**Company**") is a limited liability company organized under the laws of the Republic of France. The Company was incorporated on December 22, 1998 by its parent company, Crédit Foncier de France ("**Crédit Foncier**"), a French credit institution founded in 1852 with a long-term credit rating of A-, A2 and A by Standard & Poor's, Moody's and Fitch Ratings, respectively. The Company is an indirect subsidiary of BPCE S.A. ("**BPCE**"), which owns 100% of Crédit Foncier. BPCE (with a long-term credit rating of A, A2 and A by Standard & Poor's, Moody's and Fitch Ratings, respectively) is the central institution of the BPCE Group, a cooperative banking group composed of 16 *Caisses d'Epargne* and 15 *Banques Populaires* and constituting one of the largest banking groups in France (the "**BPCE Group**"). See "*Description of the Company – Information about the Company – Organizational Structure.*"

The French Credit Institutions and Investment Companies Committee (*Comité des Etablissements de Crédit et des Entreprises d'Investissements*), which merged into the French *Autorité de Contrôle Prudentiel* ("**ACP**") in March 2010, and currently known as the *Autorité de Contrôle Prudentiel et de Résolution* ("**ACPR**"), granted the Company a license as a "financial company" on July 23, 1999. A financial company is one of five types of credit institutions recognized and regulated under French banking law. The French Credit Institutions and Investment Companies Committee (before its merger into the ACP) also granted the Company a license as a *Société de Crédit Foncier*, pursuant to the provisions of the Savings and Financial Security Act of 1999 (*Loi du 25 juin 1999 Relative à l'Epargne et à la Sécurité Financière*, now codified into the French *Code monétaire et financier*, or "**SFSA Law**"). A *Société de Crédit Foncier* is a restricted category of financial company with a specific purpose related to the financing of the housing and public sectors in France (and a number of other developed countries) via the issuance of *obligations foncières* and other types of debt benefiting from the legal privilege created by Article L.513-11 of the French *Code monétaire et financier*. See "*Description of the Company – Information about the Company – History and Development.*"

Like other licensed credit institutions under the French regulatory framework, the Company is subject to extensive legal and regulatory obligations: it falls under the general supervisory authority of the European Central Bank under the Single Supervisory Mechanism (SSM) since November 2014 and also falls under the direct supervision of the ACPR as its local national regulator. As a result of its status as a *Société de Crédit Foncier*, the Company must appoint an independent specific controller (the "**Specific Controller**"), who monitors the compliance of the Company with laws and regulations specifically applicable to *Sociétés de Crédit Foncier*. See "*Description of the Company – Supervision and Regulation of the Company – Specific Monitoring by a Specific Controller.*"

Obligations Foncières

Under the SFSA Law, which has been codified in Articles L.513-2 to L.513-27 of the French *Code monétaire et financier*, only a credit institution licensed and regulated in France as a *Société de Crédit Foncier* (such as the Company) may issue *obligations foncières* and other privileged debt benefiting from a priority in right of payment (the "***Privilège***") on all assets and cash flows of the issuer. See "*Description of the Company – Legal Regime Applicable to the Company – Sociétés de Crédit Foncier.*"

Pursuant to the SFSA Law, no creditors of a *Société de Crédit Foncier*, and therefore of the Company, except for the holders of its *obligations foncières* and other debt benefiting from the *Privilège*, can claim cash flows generated by its asset portfolio until the obligations of the *Société de Crédit Foncier* in respect of its *obligations foncières* and other privileged debt are discharged in full. The SFSA Law also creates important exceptions to the otherwise applicable French insolvency regime. Under French insolvency laws, subject to certain conditions, contracts entered into, or payments made, by a company during the months preceding the opening of judicial reorganization or liquidation proceedings against it can be challenged. The SFSA Law provides that these rules do not apply to *Sociétés de Crédit Foncier*, including the Company. Accordingly, in the event of an insolvency of the Company, payments to holders of *obligations foncières* and other types of

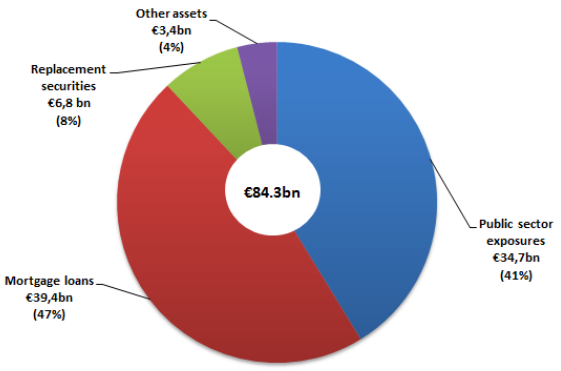
privileged debt as well as the acquisition of assets by the Company cannot be challenged under these provisions. See "*Description of the Company – Legal Regime Applicable to the Company – Statutory Priority in Right of Payment (the Privilège).*"

Eligible Asset Pool

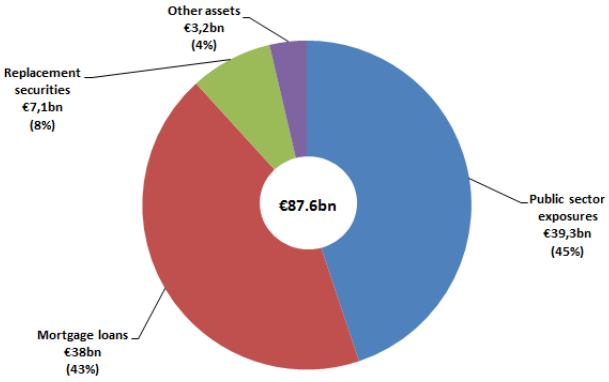
The sole permitted business of a *Société de Crédit Foncier*, and therefore of the Company, is to provide financing to the housing and public sectors in France and to a limited number of other developed countries. The Company finances its business principally by the issuance of *obligations foncières* and other debt benefiting from the *Privilège*. Under the French regulatory framework, the Company may only acquire categories of assets defined by law. In particular, the Company may (i) make or acquire mortgage loans (which include loans incurred to acquire real property and secured by a mortgage or, in certain limited circumstances, other high-quality credit support), (ii) extend financing secured by the remittance, the transfer or the pledge of receiveables benefiting from the French statutory financial guarantee regime, (iii) extend financing to public sector entities by making public sector loans or acquiring public sector obligations, and (iv) acquire debt securities backed by mortgage loans or public sector obligations. The Company is also permitted to invest in certain highly liquid cash-like securities. See "*Description of the Company – Legal Regime Applicable to the Company – Eligible Assets*."

The breakdown of the asset categories held by the Company as of December 31, 2016 and December 31, 2015 was as follows:

Breakdown Total Balance Sheet of the Company at December 31, 2016

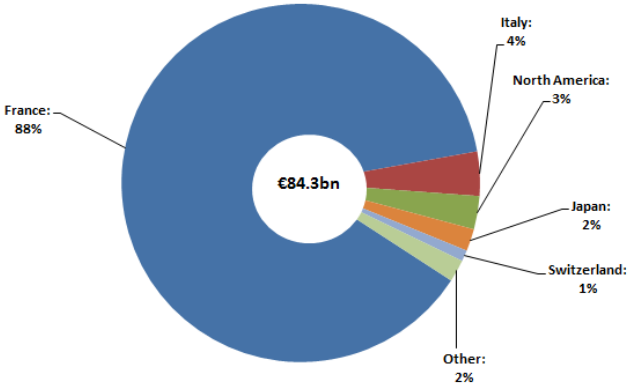


Breakdown Total Balance Sheet of the Company at December 31, 2015

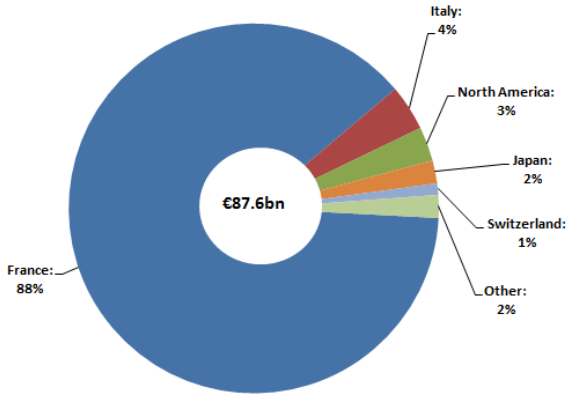


The geographic distribution of the assets held by the Company as of December 31, 2016 and December 31, 2015 was as follows:

Geographic Distribution of Assets of the Company at December 31, 2016



Geographic Distribution of Assets of the Company at December 31, 2015



In addition, Decree no. 2014-526 of May 23, 2014, codified into the French *Code monétaire et financier*, provides for all *Sociétés de Crédit Foncier*, including the Company, to maintain a volume of weighted assets that exceeds their privileged debt pursuant to the calculation of an over-collateralization ratio that must at all times be at least equal to 105%. Under French rules, the weight given to assets for purposes of the calculation of the over-collateralization ratio varies depending on the quality of the assets on the balance sheet to facilitate the proper weighting of assets that carry the higher risk. See "*Description of the Company – Asset Liability Management of the Company – Over-Collateralization Ratio*."

The Program

Company:	Compagnie de Financement Foncier, a *société anonyme* incorporated under French law, duly licensed in France as a *société de crédit foncier*.
Description of the Program:	US Medium Term Securities Program for the continuous offering of Securities (as described herein) (the "**Program**"). Under the Program, the Company may, from time to time, issue *obligations foncières* (the "***Obligations Foncières***" or the "**Securities**") benefiting from the *Privilège* created pursuant to Article L.513-11 of the French *Code monétaire et financier*. See *"Description of the Company – Legal Regime Applicable to the Company – Statutory Priority in Right of Payment (the Privilège)."*
Program Limit:	Up to USD10,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Securities outstanding at any one time.
Arranger:	Citigroup Global Markets Inc.
Dealers:	Barclays Capital Inc., BNP Paribas, Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman Sachs & Co. LLC, HSBC Securities (USA) Inc., J.P. Morgan Securities plc, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC, Natixis, Nomura International plc, RBC Capital Markets, LLC, RBS Securities Inc. (marketing name "NatWest Markets"), Société Générale, UBS Securities LLC. The Company may from time to time terminate the appointment of any dealer under the Program or appoint additional dealers either in respect of one or more Tranches (as defined below) or in respect of the whole Program. References in this Base Prospectus to "**Permanent Dealers**" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Program (and whose appointment has not been terminated) and references to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Registrar, Transfer Agent and Luxembourg Listing Agent:	Deutsche Bank Luxembourg S.A.
Fiscal Agent, Principal Paying Agent and Calculation Agent:	Deutsche Bank AG, London Branch.
US Registrar, Transfer Agent and Paying Agent:	Deutsche Bank Trust Company Americas.

Method of Issue:	The Securities will be issued on a syndicated or non-syndicated basis. The Securities will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Securities of each Series being intended to be interchangeable with all other Securities of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the "**Final Terms**").
Issue Price:	Securities may be issued at their nominal amount or at a discount or premium to their nominal amount.
Form of Securities:	The Securities will be issued in registered form only. Each Tranche of Securities will be represented by Certificates, one Certificate being issued in respect of each Securityholder's entire holding of Registered Securities of one Series. Certificates representing Securities that are registered in the name of a nominee for one or more clearing systems are referred to as "**Global Certificates**." Securities sold in an "offshore transaction" within the meaning of Regulation S under the US Securities Act of 1933, as amended (the "**Securities Act**") will initially be represented by an Unrestricted Global Certificate. Securities sold in the United States to "qualified institutional buyers" (each, a "**QIB**") within the meaning of Rule 144A under the Securities Act will initially be represented by a Restricted Global Certificate.
Clearing Systems:	Euroclear, Clearstream, Luxembourg and DTC for Registered Securities and, in relation to any Tranche, such other clearing system as may be agreed between the Company, the Fiscal Agent and the relevant Dealer.
Initial Delivery of Securities:	On or before the issue date for each Tranche, if the relevant Global Certificate is held under the new safekeeping structure ("**NSS**"), the Global Certificate will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Certificate is not held under the NSS, the Global Certificate may be deposited with a Common Depositary for Euroclear and Clearstream, Luxembourg. Global Certificates may also be deposited 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 Company, the Fiscal Agent and the relevant Dealer. Securities that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Securities may be issued in Euros or U.S. dollars or in any currency agreed between the Company and the relevant Dealers.
Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity from one month from the date of original

issue.

Denomination: Securities will be in such denominations as may be specified in the relevant Final Terms and in integral multiples thereof, save that (i) the minimum denomination of each Security shall be EUR1,000 (or the equivalent amount in any other currency at the issue date), (ii) unless otherwise permitted by the current laws and regulations, Securities (including those denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of FSMA will have a minimum denomination of £100,000 (or equivalent in other currencies) and (iii) in the case of any Securities to be sold in the United States to QIBs, the minimum specified denomination shall be U.S.$100,000.

Fixed Rate Securities: Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

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

(i) 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. ("**ISDA**"); or

(ii) by reference to LIBOR or EURIBOR, as adjusted for any applicable margin.

Interest periods will be specified in the relevant Final Terms.

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

Interest Periods and Interest Rates: The length of the interest periods for the Securities and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Securities may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Securities to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

Redemption: The relevant Final Terms will specify the redemption amounts payable. Unless permitted by then current laws and regulations, Securities which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Company in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

Optional Redemption: The Final Terms issued in respect of each issue of Securities will state whether such Securities may be redeemed prior to their stated maturity at the option of the Company (either in whole or in part) and/or the holders of Securities, and if so, the terms applicable to such redemption.

Status of Securities:	The Securities will constitute direct, unconditional, and, as provided below, privileged obligations of the Company, as described in "*Terms and Conditions of the Securities – Status.*" The Securities are issued pursuant to Articles L.513-2 to L.513-27 of the French *Code monétaire et financier*. Holders of Securities issued by the Company benefit from a *Privilège* (priority right of payment) over all the assets and revenues of the Company. See *"Terms and Conditions of the Securities – The Privilège.*"
Negative Pledge:	None.
Events of Default (including Cross-Default):	None.
Ratings:	The Program is rated AAA by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, Inc. ("**Standard & Poor's**"), Aaa by Moody's Investors Service, Inc. ("**Moody's**") and AAA by Scope Ratings AG ("**Scope Ratings**"). Securities issued under the Program will be rated. It is expected that the Securities issued under the Program will be rated AAA by Standard & Poor's, Aaa by Moody's and AAA by Scope Ratings. For Moody's, Securities issued under the Program are deemed to have the same rating as the Program. Investors are invited to check on a regular basis the rating assigned to the Program which is publicly disclosed via Moody's rating desk or on *www.moodys.com*. The credit ratings included in, or referred to, in this Base Prospectus will be treated for the purposes of Regulation (EC) No. 1060/2009 on credit rating agencies (the "**CRA Regulation**") as amended by Regulation (EU) No. 513/2011, as having been issued by Standard & Poor's, Moody's and Scope Ratings, which are established in the European Union, and registered under the CRA Regulation. Where a Tranche of Securities is to be rated, such rating will be specified in the relevant Final Terms. The relevant Final Terms will specify whether or not such credit ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency without notice.
Early Redemption and Purchase of Securities:	Except as provided in "– *Optional Redemption*" above, Securities will not be redeemable at the option of the Company prior to maturity according to the Terms and Conditions of the Securities. Securities may at any time be purchased by the Company, and may (or shall, only to the extent required by French law) subsequently be cancelled, in accordance with the Terms and Conditions of the Securities. See "*Terms and Conditions of the Securities – Redemption, Purchase and Options.*"
Withholding Tax:	All payments of principal and interest in respect of the Securities will be made free and clear of French withholding taxes unless required by applicable law or regulation. In the event of any such withholding, the Company shall not, nor shall it be required to, pay any additional amount in respect of any such withholding.

	There will be no grossing up provision and accordingly no early redemption whatsoever for tax reasons (whether Company call, Securityholder put or automatic). See also "*Terms and Conditions of the Securities – Taxation*." All Payments in respect of the Securities will be made subject to any withholding or deduction required pursuant to FATCA.
Governing Law:	The governing law shall be English law for the Securities and French law for the *Privilège*.
Redenomination, Renominalization and/or Consolidation:	Securities denominated in a currency of a country that subsequently participates in the third stage of European Economic and Monetary Union may be subject to redenomination, renominalization and/or consolidation with other Securities then denominated in euro. See "*Terms and Conditions of the Securities - Form, Denomination, Title and Remuneration*" and " - *Further Issues and Consolidation.*"
Selling Restrictions:	The offer and sale of Securities will be subject to selling restrictions in various jurisdictions, in particular in the United States, Canada, the United Kingdom, France, Japan, Hong Kong and Singapore, and to the Public Offer Selling Restriction under the Prospectus Directive (in respect of Securities having a Denomination of less than EUR100,000 or its equivalent in any other currency at the date of issue of the Securities). See "*Plan of Distribution.*" The Company is Category 1 for the purposes of Regulation S under the Securities Act.
Transfer Restrictions:	There are restrictions on the transfer of Securities sold pursuant to Regulation S under the Securities Act and on the transfer of Registered Securities sold pursuant to Rule 144A under the Securities Act. See "*Transfer Restrictions.*"
Risk Factors:	Investing in the Securities involves substantial risks. Please see the section entitled "*Risk Factors*" of this Base Prospectus for a description of certain of the risks that potential investors should carefully consider before investing in the Securities.

TERMS AND CONDITIONS OF THE SECURITIES

The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Securities in definitive form (if any) issued in exchange for the Global Certificate(s) representing each Series. For a description of certain terms and conditions specifically applicable to the Global Securities, see "Summary of Provisions relating to the Securities while in Global Form" and "Clearing and Settlement." 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 (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on the Certificates relating to such Securities. All capitalized terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the definitive Certificates. References in the Conditions to "Securities" are to the Securities of one Series only, not to all Securities that may be issued under the Program.

The Securities are issued pursuant to an amended and restated agency agreement (as amended or supplemented as at the Issue Date, the "**Agency Agreement**") dated December 7, 2017 between the Company, Deutsche Bank AG, London Branch as principal paying agent, Deutsche Bank Trust Company Americas as US registrar, paying agent and transfer agent, Deutsche Bank Luxembourg S.A. as registrar and transfer agent and the other agents named in it and with the benefit of an amended and restated deed of covenant (as amended and supplemented as at the Issue Date, the "**Deed of Covenant**") dated July 12, 2016 executed by the Company in relation to the Securities. The fiscal agent, the paying agents, the registrars, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Registrars**", the "**Transfer Agents**" and the "**Calculation Agent(s)**". The Holders (as defined below) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

For the purpose of these terms and conditions, "**Regulated Market**" means any regulated market situated in a Member State of the European Economic Area ("**EEA**") as defined in Directive 2004/39/EC of the European Parliament and of the Council dated 21 April 2004 on markets in financial instruments.

As used in these terms and conditions (the "**Conditions**"), "**Tranche**" means Securities which are identical in all respects.

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

1 Form and Denomination, Certificates, Title and Redenomination

(a) **Form and Denomination:** The Securities are issued in registered form only, and will be represented by registered certificates, in the Specified Denomination(s) shown in the relevant Final Terms.

This Security is a Fixed Rate Security, a Floating Rate Security or a Zero Coupon Security depending upon the Interest and Redemption/Payment Basis shown in the relevant Final Terms.

(b) **Certificates:** Securities are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(b), each Certificate shall represent the entire holding of Securities by the same Holder (as defined below).

(c) **Title:** Title to the Securities shall pass by registration in the relevant register that the Company shall procure to be kept by each Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction, or as required by law, the holder of any Security 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, trust or an interest in it, any writing on the Certificate representing it or its theft or loss, and no person shall be liable for so treating the holder.

In these Conditions, "**Holder**" or "**holder of any Security**" or "**Securityholder**" (in relation to a Security) means the person in whose name a Security is registered. Capitalized terms shall

have the meanings given to them in the Final Terms, the absence of any such meaning indicating that such term is not applicable to the Securities.

(d) **Redenomination:**

(i) The Company may (if so specified in the relevant Final Terms), on any Interest Payment Date, without the consent of the holder of any Security, by giving at least 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 Securities are denominated has become a participating Member State in the third stage (or any further stage) of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community (the "**EC**", as amended from time to time (the "**Treaty**")) or events have occurred which have substantially the same effects (in either case, "**EMU**"), redenominate all, but not some only, of the Securities of any Series into Euro and adjust the aggregate nominal amount and the Specified Denomination(s) set out in the relevant Final Terms accordingly, as described below. The date on which such redenomination becomes effective shall be referred to in these Conditions as the "**Redenomination Date**."

(ii) The redenomination of the Securities pursuant to Condition 1(d)(i) shall be made by converting the nominal amount of each Security from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to applicable regulations of the Treaty and rounding the resulting figure to the nearest EUR0.01 (with EUR0.005 being rounded upwards). If the Company so elects, the figure resulting from conversion of the nominal amount of each Security using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the Securities so determined shall be notified to Holders of Securities in accordance with Condition 13. Any balance remaining from the redenomination with a denomination higher than EUR0.01 shall be paid by way of cash adjustment rounded to the nearest EUR0.01 (with EUR0.005 being rounded upwards). Such cash adjustment will be payable in Euros on the Redenomination Date in the manner notified to holders of Securities by the Company.

(iii) Upon redenomination of the Securities, any reference in the relevant Final Terms to the relevant national currency shall be construed as a reference to Euro.

(iv) The Company may, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 12 without the consent of the holder of any Security, make any changes or additions to these Conditions or Condition 12 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial center of the country of the Specified Currency, interest accrual basis or benchmark), taking into account the market practice in respect of redenominated Euromarket debt obligations and which it believes are not prejudicial to the interests of such holders of Securities. Any such changes or additions shall, in the absence of manifest error, be binding on the holders of Securities and shall be notified to holders of Securities in accordance with Condition 13 as soon as practicable thereafter.

(v) Neither the Company nor any Paying Agent shall be liable to the holder of any Security or any other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith.

2 Transfers of Securities

(a) **Transfer of Registered Securities:** One or more Securities may be transferred upon the surrender (at the specified office of the relevant Registrar or any Transfer Agent) of the Certificate representing such Securities to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the

Company), duly completed and executed and any other evidence as the relevant Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Securities and entries on the relevant Register will be made subject to the detailed regulations concerning transfers of Securities scheduled to the Agency Agreement. The regulations may be changed by the Company, with the prior written approval of the Registrar and the Holders. A copy of the current regulations will be made available by the Registrar to any Holders upon request.

(b) **Exercise of Options or Partial Redemption in Respect of Securities:** In the case of an exercise of the Company's or Holder's option in respect of, or a partial redemption of, a holding of Securities represented by a single Certificate, a new Certificate shall be issued to the Holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the relevant Registrar or any Transfer Agent. In the case of a transfer of Securities to a person who is already a holder of Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(c) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(a) or (b) shall be available for delivery within three (3) business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the relevant Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the relevant Registrar (as the case may be).

(d) **Transfer Free of Charge:** Transfers of Securities and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Company, the Registrars or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the relevant Registrar or the relevant Transfer Agent may require).

(e) **Closed Periods:** No Holders may require the transfer of a Security to be registered (i) during the period of 15 days ending on the due date for redemption of that Security (ii) during the period of 15 days before any date on which Securities may be called for redemption by the Company at its option pursuant to Condition 6(d), (iii) after any such Security has been called for redemption, or (iv) during the period of seven (7) days ending on (and including) any Record Date.

3 Status

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

4 The *Privilège*

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

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

It should be noted that *obligations foncières* (including Securities issued under the Program) issued by the Company are not the only obligations of the Company that benefit from the *Privilège*. Other resources (such as loans) and derivative transactions for hedging *obligations foncières* (including Securities issued under the Program) and such other resources may also benefit from the *Privilège*.

(c) Article L.513-11 of the French *Code monétaire et financier* provides that, notwithstanding any legislative provisions to the contrary and in particular those contained in the French *Code de Commerce* (relating to conciliation (*conciliation*), preservation (*sauvegarde*), judicial reorganization (*redressement judiciaire*) and judicial liquidation (*liquidation judiciaire*)), the amounts due from time to time under *obligations foncières* and any other resources benefiting from the *Privilège*, are to be 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. Accordingly, until all creditors benefiting from the *Privilège* have been fully paid, no other creditor of the Company may exercise any right over the assets and rights of the Company.

5 Interest and other Calculations

(a) **Interest on Fixed Rate Securities:** Each Fixed Rate Security bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate *per annum* (expressed as a percentage) equal to the Rate of Interest, such interest being payable annually, semi-annually, quarterly, monthly or as otherwise specified in the relevant Final Terms in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f).

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

(b) **Interest on Floating Rate Securities:**

(i) *Interest Payment Dates:* Each Floating Rate Security bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate *per annum* (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f). 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.

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

(A) ISDA Determination for Floating Rate Securities

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

(x) the Floating Rate Option is as specified in the relevant Final Terms;

(y) the Designated Maturity is a period specified in the relevant Final Terms; and

(z) the relevant Reset Date is the first day of that Interest Accrual Period.

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

(B) Screen Rate Determination for Floating Rate Securities

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

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of

LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

(y) if the Relevant Screen Page is not available or, if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, an independent investment bank, commercial bank or stockbroker appointed by the Issuer (the "**Reference Bank Agent**") shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Reference Bank Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Reference Bank Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Reference Bank Agent; and

(z) if paragraph (y) above applies and the Reference Bank Agent determines that fewer than two (2) Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Reference Bank Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Reference Bank Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Company suitable for such purpose) informs the Reference Bank Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in

accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) Linear Interpolation

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

For the purposes of this sub-paragraph (C), "**Applicable Maturity**" means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate and (b) in relation to ISDA Determination, the Designated Maturity.

(c) **Zero Coupon Securities:** Where a Security the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Security. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Security shall be a rate *per annum* (expressed as a percentage) equal to the Amortization Yield (as described in Condition 6(b)(i)).

(d) **Accrual of Interest:** Interest shall cease to accrue on each Security on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 9).

(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 the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin subject always to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

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

(f) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Security for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the relevant Final Terms, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Security for such Interest Accrual Period shall equal such Interest Amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(g) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount to be notified to the Fiscal Agent, the Company, each of the Paying Agents, the Securityholders, any other Calculation Agent appointed in respect of the Securities that is to make a further calculation upon receipt of such information and, if the Securities are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(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. If the Securities become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Securities shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(h) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means:

(i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial center for such currency; and/or

(ii) in the case of euro, a day on which the TARGET system is operating (a "**TARGET Business Day**"); and/or

(iii) in the case of a currency and/or one or more business centers specified in the relevant Final Terms (the "**Business Centers**"), 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 Center(s) or, if no currency is indicated, generally in each of the Business Centers.

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

(i) if "**Actual/Actual**" or "**Actual/Actual - ISDA**" is specified in the relevant Final Terms, the actual number of days in the **Calculation** Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

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

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

(iv) 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:

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

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

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30;

(vi) if "**30E/360 (ISDA)**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30;

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

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

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

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

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

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date, and

"**Determination Date**" means the date(s) specified as such in the relevant Final Terms or, if none is so specified, the Interest Payment Date(s).

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

"**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:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Securities shall mean the Fixed Coupon Amount or Broken Amount specified in the relevant Final Terms as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

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

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

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

"**Interest Period**" means the period beginning on 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.

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

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

"**Reference Rate**" means the rate specified as such in the relevant Final Terms.

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

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

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

(i) **Calculation Agent:** The Company shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Security is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Securities, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Company shall appoint a leading bank or financial institution 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 London 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.

6 Redemption, Purchase and Options

(a) **Final Redemption:**

Unless previously redeemed, purchased and cancelled as provided below, each Security shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount).

(b) **Early Redemption:**

(i) Zero Coupon Securities:

(A) The Early Redemption Amount payable in respect of any Zero Coupon Security, the Early Redemption Amount of which is not linked to a formula, upon redemption of such Security pursuant to Condition 6(d) or 6(e), if so specified in the relevant Final Terms, shall be the Amortized Face Amount (calculated as provided below) of such Security.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortized Face Amount of any such Security shall be the scheduled Final Redemption Amount of such Security on the Maturity Date discounted at a rate *per annum* (expressed as a percentage) equal to the Amortization Yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortized Face Amount equal to the issue price of the Securities if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Security upon its redemption pursuant to Condition 6(d) or 6(e), if so specified in the relevant Final Terms, is not paid when due, the Early Redemption Amount due and payable in respect of such Security shall be the Amortized Face Amount of such Security as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Security becomes due and payable were the Relevant Date. The calculation of the Amortized Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date (as defined in Condition 9), unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Securities on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

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

(ii) Other Securities: The Early Redemption Amount payable in respect of any Security (other than Securities described in (i) above) upon redemption of such Securities pursuant to Condition 6(d) or 6(e) shall be the Final Redemption Amount.

(c) **No Redemption for Taxation Reasons:** If French law should require that payments of principal, interest or other amounts in respect of any Security be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, such Securities may not be redeemed early.

(d) **Redemption at the Option of the Company:** If Call Option is specified in the relevant Final Terms, the Company may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Securityholders (or such other notice period as may be specified in the relevant Final Terms) redeem, all or, if so provided, some, of the Securities on any Optional Redemption Date. Any such redemption of Securities shall be at their Optional Redemption Amount (which shall be the Early Redemption Amount) together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Securities of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms.

All Securities 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, the notice to Securityholders shall also specify the nominal amount of Securities drawn and the holder(s) of such Securities, to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(e) **Redemption at the Option of Securityholders:** If Put Option is specified in the relevant Final Terms, the Company shall, at the option of the holder of any such Securities, upon the holder of such Security giving not less than 15 nor more than 30 days' notice to the Company (or such other notice period as may be specified in the relevant Final Terms) redeem such Security on the Optional Redemption Date(s) at its Optional Redemption Amount (which shall

be the Early Redemption Amount) together with interest accrued to the date fixed for redemption.

To exercise such option the holder of Security must deposit the Certificate representing such Security(ies) with the relevant Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the relevant Registrar or any Transfer Agent (as applicable) within the notice period. No Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Company.

(f) **Purchases:** The Company may at any time purchase Securities in the open market or otherwise at any price. All Securities so purchased by the Company may be held and resold in accordance with Articles L.213-0-1 of the French *Code monétaire et financier*.

(g) **Cancellation:** All Securities purchased by or on behalf of the Company may (or, if so required by French law, must) be surrendered for cancellation, by surrendering the Certificate representing such Securities to the relevant Registrar and, if so surrendered, shall, together with all Securities redeemed by the Company, be cancelled forthwith. Any Securities so surrendered for cancellation may not be reissued or resold and the obligations of the Company in respect of any such Securities shall be discharged.

(h) **Subscription and Use as Collateral:** Notwithstanding this Condition 6, the Company may, pursuant to Article L.513-26 of the French *Code monétaire et financier*, subscribe to its own Securities for the sole purpose of using them as collateral in connection with refinancing operations with the *Banque de France* and only to the extent that the liquidity requirements of the Company cannot be otherwise met.

7 Payments

(a) **Payments and Record Date:**

(i) Payments of principal in respect of Securities shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest on Securities shall be paid to the person shown on the relevant Register at the close of business on the fifteenth (15^{th}) day before the due date for payment thereof or, in case of Securities to be cleared through The Depository Trust Company ("**DTC**"), on the fifteenth DTC business day before the due date for payment thereof (the "**Record Date**"). For the purpose of this Condition 7(a)(ii), "**DTC business day**" means any day on which DTC is open for business. Payments of interest on each Security shall be made in the currency in which such payments are due by cheque drawn on a Bank and mailed to the holder (or to the first-named of joint holders) of such Security at its address appearing in the relevant Register. Upon application by the holder of Security to the specified office of the relevant Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank. "**Bank**" means a bank in the principal financial center of the country of the currency concerned or, in the case of euro, in a city in which banks have access to the TARGET System.

(iii) If specified in the relevant Final Terms, Securities will be issued in the form of one or more Global Certificates and may be registered in the name of, or in the name of a nominee for, DTC. Payments of principal and interest in respect of Securities denominated in U.S. dollars will be made in accordance with Conditions 7(a)(i) and 7(a)(ii) above. Payments of principal and interest in respect of Securities registered in the name of, or in the name of a nominee for, DTC and denominated in a Specified Currency other than U.S. dollars will be made or procured to be made by the Fiscal Agent in the Specified Currency in accordance with the following provisions. The amounts in such Specified Currency payable by the Fiscal Agent or its agent to DTC with respect to Securities held by DTC or its nominee will be received from the

Company by the Fiscal Agent who will make payments in such Specified Currency by wire transfer of same-day funds to the designated bank account in such Specified Currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of interest payments, on or prior to the third (3rd) DTC business day after the Record Date for the relevant payment of interest and, in the case of payments of principal, at least twelve (12) DTC business days prior to the relevant payment date, to receive that payment in such Specified Currency. The Fiscal Agent, after the Exchange Agent has converted amounts in such Specified Currency into U.S. dollars, will cause the Exchange Agent to deliver or procure delivery of such U.S. dollar amount in same-day funds to DTC for payment through its settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such Specified Currency. The Agency Agreement sets out the manner in which such conversions are to be made.

(b) **Payments Subject to Fiscal Laws:** Save as provided in Condition 8, payments will be subject in all cases to any other applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Company or its respective Agents agree to be subject and the Company will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements..

(c) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Registrars, the Transfer Agents and the Calculation Agent initially appointed by the Company and their respective specified offices are listed below.

Registrar, Transfer Agent
Deutsche Bank Luxembourg S.A.
2, boulevard Konrad Adenauer
L-115 Luxembourg
Grand-Duchy of Luxembourg

US Registrar, Paying Agent and Transfer Agent
Deutsche Bank Trust Company Americas
60 Wall Street
New York, NY 10005
United States of America

Fiscal Agent and Principal Paying Agent
Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
EC2N 2DB London
United Kingdom

Paris Paying Agent
Crédit Foncier de France
4, Quai de Bercy
94224 Charenton Cedex
France

The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent(s) act solely as agents of the Company and do not assume any obligation or relationship of agency or trust for or with any Securityholders. The Company reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrars, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents; provided that the Company shall at all times maintain (i) a Fiscal Agent, (ii) two Registrars, (iii) a Transfer Agent, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities and (vi) such other agents as may be required by any other stock exchange on which the Securities may be listed, if any.

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

(d) **Non-Business Days:** If any date for payment in respect of any Security is not a business day, the holder shall not be entitled to payment until the next following business day (or such other date as may be specified in the relevant Final Terms) nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "**Financial Centers**" in the relevant Final Terms, and:

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

(ii) (in the case of a payment in euro) which is a TARGET Business Day.

8 Taxation

All payments of principal, interest or other amounts by or on behalf of the Company in respect of the Securities, 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 (i) by or within France or any authority therein or thereof having power to tax, or (ii) by any other authority having power to tax, in each case, unless such withholding or deduction is imposed pursuant to any law, regulation, directive or agreement. If any payment of principal, interest or other amounts in respect of any Security becomes subject to deduction or withholding in respect of any present or future taxes or duties whatsoever pursuant to any law, regulation, directive or agreement, the Company shall not pay, nor be required to pay, any additional amounts in respect of any such withholding or deduction.

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

9 Prescription

Claims against the Company for payment in respect of the Securities shall be prescribed and become void unless made within 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.

As used in these Conditions, "**Relevant Date**" in respect of any Security means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven (7) days after that on which notice is duly given to the Holders that, upon further presentation of the relative Certificate being made in accordance with the Conditions, such payment will be made; *provided that* payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Securities, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortized Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it, and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition.

10 Meeting of Securityholders and Modifications

(a) **Meetings of Securityholders:** The Agency Agreement contains provisions for convening meetings of Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Holders holding not less than 10% in nominal amount of the Securities for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two (2) or more persons holding or representing a clear majority in nominal amount of the Securities for the time being outstanding, or at any adjourned meeting two (2) or more persons being or representing Holders whatever the nominal amount of the Securities held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Securities or any date for payment of interest or Interest Amounts on the Securities, (ii) to reduce or cancel the nominal amount of any premium payable on redemption of, the Securities, (iii) to reduce the rate or rates of interest in respect of the Securities or to vary the method or basis of calculating the rate or rates or amount of

interest or the basis for calculating any Interest Amount in respect of the Securities, (iv) if a Minimum and/or a Maximum Rate of Interest or Redemption Amount applies to any Securities and is specified in the relevant Final Terms, to reduce any such Minimum and/or Maximum, (v) to change any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortized Face Amount, (vi) to change the currency or currencies of payment or denomination of the Securities, or (vii) to modify the provisions concerning the quorum required at any meeting of Holders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum shall be two (2) or more persons holding or representing not less than 75% or at any adjourned meeting not less than 25% in nominal amount of the Securities for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Holders (whether or not they were present at the meeting at which such resolution was passed).

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75% in nominal amount of the Securities outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Securityholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders. The effective date of such Written Resolution shall be the date on which the latest such document is signed.

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

(b) **Amendment of Agency Agreement:** The Company shall only permit any modification of, or any waiver or authorization of any breach or proposed breach of or any failure to comply with, the Agency Agreement without the consent of the Securityholders, if to do so could not reasonably be expected to be prejudicial to the interests of the Holders. The Agency Agreement will also be capable of amendment or waiver by the parties thereto, without the consent of Securityholders, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein.

For the avoidance of doubt, in this Condition 10, the term "outstanding" shall not include those Securities subscribed to or purchased by the Company pursuant to Articles L.513-26 and L.213-0-1 of the French *Code monétaire et financier*.

11 Replacement of Certificates

If a Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to all applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the relevant Registrar or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Company for this purpose and notice of whose designation is given to Holders in accordance with Condition 13, in each case on payment by the claimant of the fees and costs incurred in connection with such replacement and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Certificate is subsequently presented for payment, there shall be paid to the Company on demand the amount payable by the Company in respect of such Certificates) and otherwise as the Company may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12 Further Issues and Consolidation

The Company may from time to time without the consent of the Holders create and issue further securities having the same terms and conditions as the Securities (*assimilées* for French law purposes) so that, for the avoidance of doubt, references in these Conditions to "Issue Date" shall be to the first issue date of the Securities and so that the same shall be consolidated and form a single series with such Securities, and references in these Conditions to "Securities" shall be construed accordingly.

The Company may also from time to time without the consent of the holders of the Securities of any Series, consolidate the Securities with the Securities of one or more other Series issued by it; *provided that*, in respect of all periods subsequent to such consolidation, the Securities of all such other Series are denominated in

the same currency as such Securities (irrespective of the currency in which any Securities of such other series were originally issued) and otherwise have the same terms and conditions as such Securities. Notice of any such consolidation will be given to the Securityholders in accordance with Condition 13.

With effect from their consolidation, the Securities and the Securities of such other Series will (if listed prior to such consolidation) be listed on at least one European stock exchange on which either such Securities or the Securities of such other Series were listed immediately prior to consolidation.

The Company shall in dealing with the holders of such Securities following a consolidation pursuant to this Condition 12 have regard to the interests of the Holders and the holders of the Securities of such other Series, taken together as a class, and shall treat them alike.

13 Notices

Notices to the Holders of Securities will be valid if mailed to them at their respective addresses in the relevant Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices required to be given to the Holders of Securities pursuant to these Conditions shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the Financial Times). Should the Securities be listed and/or admitted to trading, so long as the Securities are listed and/or admitted to trading, notices required to be given to the holders of the Securities pursuant to the Conditions shall also be published (if such publication is required) in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Securities are listed/and or admitted to trading. If any such publication is not practicable, notice required to be given pursuant to these Conditions shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

14 Contracts (*Rights of Third Parties*) Act 1999

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

15 Hardship (*Imprévision*)

Article 1195 of the French Code civil shall not apply to these Conditions.

16 Governing Law and Jurisdiction

(a) **Governing Law:** The Securities, the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law except for Condition 4 which is governed by, and shall be construed in accordance with, French law.

(b) **Jurisdiction:** The Courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with any Securities and, accordingly, any legal action or proceedings arising out of or in connection with any Securities ("**Proceedings**") may be brought in such courts. The Company irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. The State and Federal courts presiding in the City and County of New York are also to have jurisdiction to settle any claim brought by Securityholders in connection with the offering by the Company of Securities in the United States ("**U.S. Proceedings**"). The Company irrevocably submits to the jurisdiction of such courts in the City and County of New York over U.S. Proceedings and waives any objection to U.S. Proceedings in such courts whether on the ground of venue or on the ground that the U.S. Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the holders of the Securities and shall not affect the right of any of them to take Proceedings in any court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) **Service of Process:** The Company irrevocably appoints Law Debenture Corporate Services Limited of Fifth Floor, 100 Wood Street, London EC2V 7EX, England as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. The Company also irrevocably appoints C T Corporation System of 111 Eighth Avenue, New York, New York 10011, U.S.A. as agent in New York to receive service of process in any U.S. Proceedings. If for any reason any such process agent ceases to be able to act as such or no longer has an address in London or, as the case may be, New York City, the Company irrevocably agrees to appoint a substitute process agent and shall immediately notify Securityholders of such appointment in accordance with Condition 13. Nothing shall affect the right to serve process in any manner permitted by law.

17 Method of Publication of the Final Terms

Copies of the Base Prospectus (including any document incorporated by reference), any supplement(s) to the Base Prospectus, as the case may be, and the Final Terms related to Securities offered to the public may be obtained from Compagnie de Financement Foncier 4, Quai de Bercy, 94224 Charenton Cedex, France, and, in respect of the Base Prospectus (including any document incorporated by reference) and the supplement(s) to the Base Prospectus, such documents will be available on the website of the Company (*www.foncier.fr*).

In addition, should the Securities be listed and admitted to trading on a Regulated Market, the Final Terms relating to those Securities will provide whether this Base Prospectus (including any document incorporated by reference), the supplement(s) to the Base Prospectus, as the case may be, and the relevant Final Terms will be published on the website of (x) such Regulated Market and/or (y) the competent authority of the Member State in the EEA where such Regulated Market is situated.

SUMMARY OF PROVISIONS RELATING TO THE SECURITIES WHILE IN GLOBAL FORM

The following information relates to the Securities in global form. Capitalized terms used but not defined herein have the meanings provided in the section entitled "*Terms and Conditions of the Securities*."

1 Form of Securities

All Securities will be in definitive registered form, without interest coupons attached.

Securities offered and sold outside the United States in reliance on Regulation S will be represented by interests in an Unrestricted Global Certificate, in definitive registered form, without interest coupons attached.

Unrestricted Global Certificates not held under NSS will be deposited on or about the Closing Date with and registered in the name of a nominee for, a common depositary (the "**Common Depositary**") for, and in respect of interests held through, Euroclear and Clearstream, Luxembourg. If the Unrestricted Global Certificates are stated in the applicable Final Terms to be held under the NSS, the Unrestricted Global Certificates will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear and Clearstream Luxembourg. Depositing the Unrestricted Global Certificates with the Common Safekeeper does not necessarily mean that the Securities will be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Beneficial interests in any Unrestricted Global Certificate may be held only through Euroclear or Clearstream, Luxembourg or their participants at any time.

Securities offered and sold in reliance on Rule 144A will be represented by interests in a Restricted Global Certificate, in definitive registered form, without interest coupons attached, which will be deposited on or about the Closing Date with a custodian (the "**Custodian**") for, and registered in the name of Cede & Co. as nominee for, DTC. Restricted Global Certificate (and any definitive Security Certificates which may be issued in exchange therefor) will be subject to certain restrictions on transfer contained in a legend appearing on the face of such Security as set forth under "*Transfer Restrictions*" below. Beneficial interests in any Restricted Global Certificate may be held only through DTC or its participants at any time.

Unrestricted Global Certificates will have an ISIN and a Common Code and Restricted Global Certificates will have an ISIN, a Common Code and a CUSIP number.

2 Exchange of Interests in Global Certificates for Definitive Security Certificates

Registration of title to Securities initially represented by a Restricted Global Certificate in a name other than DTC or a successor depositary or one of their respective nominees will not be permitted unless (a) such depositary notifies the Company that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Restricted Securities or ceases to be a "clearing agency" registered under the United States Securities Exchange Act of 1934, as amended or is at any time no longer eligible to act as such, and the Company is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of such depositary, (b) principal in respect of any Securities is not paid when due, or (c) if the Company would suffer a material disadvantage in respect of the Securities as a result of a change in the laws or regulations (taxation or otherwise) of France which would not be suffered were the Securities in definitive form, by the Company giving notice to the U.S. Registrar and the Holders of the Securities of its intention to exchange the Restricted Global Certificate for individual definitive security certificates (the "**Restricted Definitive Security Certificates**") on or after the Exchange Date (as defined below) specified in the notice.

Registration of title to Securities initially represented by an Unrestricted Global Certificate in a name other than the nominee of the Common Depositary or, as the case may be, the Common Safekeeper for Euroclear and Clearstream, Luxembourg will not be permitted unless (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holidays statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, (b) principal in respect of any Securities is not paid when due, or (c) if the Company would suffer a material disadvantage in respect of the Securities as a result of a change in the laws or regulations (taxation or otherwise) of France which would

not be suffered were the Securities in definitive form, by the Company giving notice to the Euro Registrar and the Holders of the Securities of its intention to exchange the Unrestricted Global Certificate for individual definitive security certificates (the "**Unrestricted Definitive Security Certificates**", and together with the Restricted Definitive Security Certificates, the "**Definitive Security Certificates**") on or after the Exchange Date (as defined below) specified in the notice.

"**Exchange Date**" means a day falling not later than 60 calendar days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the relevant Registrar or the relevant Paying Agent is located and, except in the case of an exchange pursuant to clause (a) in either paragraph above, in cities where the relevant Clearing System(s) are located.

If any of the events in the first or second paragraphs of this Section 2 occurs, the relevant Global Certificate shall be exchangeable in full for Definitive Security Certificates and the Company will, free of charge to the Holders of the relevant Securities (but against such indemnity as the relevant Registrar or any relevant Paying Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Security Certificates to be executed and delivered to the relevant Registrar for completion and dispatch to the relevant Holders of the relevant Securities. Definitive Security Certificates will only be available, in the case of Securities initially represented by an Unrestricted Global Certificate, in amounts specified in the applicable Final Terms and, in the case of Securities initially represented by a Restricted Global Certificate, in a minimum amount of U.S. $100,000. A person having an interest in a Restricted Global Certificate or an Unrestricted Global Certificate must provide the relevant Registrar with (a) a written order containing instructions and such other information as the Company and the relevant Registrar may require to complete, execute and deliver such Definitive Security Certificates and (b) in the case of the Restricted Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A to a QIB. Definitive Security Certificates issued in exchange for an interest in a Restricted Global Certificate shall bear the legend applicable to transfers pursuant to Rule 144A, as set out under "*Transfer Restrictions*."

The Registrars will not register the transfer of, or exchange of interests in, the Restricted Securities or the Unrestricted Securities for Definitive Security Certificates on the Clearing System Business Day before the due date for any payment of principal or interest in respect of the Securities.

"**Clearing System Business Day**" means (i) in respect of Securities held through Euroclear or Clearstream, Luxembourg, Monday to Friday inclusive, except December 25 and January 1, (ii) in respect of Securties held through DTC, a day when DTC is open for business and (iii) in respect of Securities held through any other clearing system, a day on which any such clearing system is open for business.

3 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, DTC or any other permitted clearing system ("**Alternative Clearing System**") as the holder of any Securities represented by a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg, DTC or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Company to the holder of the underlying Securities and in relation to all other rights arising under the Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, DTC or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Company in respect of payments due on the Securities for so long as the Securities are represented by such Global Certificate and such obligations of the Company will be discharged by payment to the holder of the underlying Securities, in respect of each amount so paid.

4 Amendment to Conditions

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

(a) **Payments:** If an Unrestricted Global Certificate is held under the NSS, the Company shall procure that details of each such payment shall be entered pro rata in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the

Securities recorded in the records of the relevant clearing system and represented by such Unrestricted Global Certificate will be reduced accordingly. Each payment so made will discharge the Company's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

(b) **Record Date:** Notwithstanding Condition 7(a), so long as the Securities are represented by the Global Certificates, payment in respect of a Global Certificate will be made to the person shown as the holder in the Register at the close of business in the place of the Registrar's specified office on the Clearing System Business Day before the relevant due date for payment. For the purpose of any payment made in respect of a Global Certificate, the relevant place of presentation shall be disregarded in the definition of business day set out in Condition 7(d).

(c) **Notices:** So long as any Unrestricted Global Certificate is held on behalf of Euroclear and Clearstream, Luxembourg or any other permitted alternative clearing system (such qualified successor, an "**Alternative Clearing System**"), notices to holders of Securities represented by a beneficial interest in such Unrestricted Global Certificate may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg or, as the case may be, the Alternative Clearing System; and so long as any Restricted Global Certificate is held on behalf of DTC or any Alternative Clearing System, notices to holders of Securities represented by a beneficial interest in such Restricted Global Certificate may be given by delivery of the relevant notice to DTC or the Alternative Clearing System.

(d) **Meetings:** The holder of any Global Certificate will (unless such Global Certificate represents only one Security) be treated as being two (2) persons for the purposes of any quorum requirements of a meeting of Holders of the relevant Securities and, at any such meeting, as having one vote in respect of each integral currency unit of the Specified Currency of the Securities comprising such Holder's holding, whether or not represented by a Global Certificate.

(e) **Purchase and Cancellation:** Cancellation of any Security represented by a Global Certificate that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of such Global Certificate and in the relevant Register.

(f) **Company's Option:** In the event that any option of the Company is exercised in respect of some but not all of the Securities of any Series, the rights of accountholders with a clearing system in respect of the Securities will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg, DTC or any other clearing system (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other Alternative Clearing System (as the case may be).

(g) **Securityholders' Options:** Any option of the Holders provided for in the Conditions of any Securities while such Securities are represented by a Global Certificate may be exercised by the holder of such Global Certificate giving notice to the Fiscal Agent within the time limits relating to the deposit of Securities with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, and stating the nominal amount of Securities in respect of which the option is exercised and at the same time, where the Global Certificate is held under the NSS, the Company shall procure that details of such exercise shall be entered pro rata in the records of the relevant clearing system and the nominal amount of the Securities recorded in those records will be reduced accordingly.

USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Securities will be used for the Company's general corporate purposes. In respect of any particular issue of a Tranche of Securities, any particular identified use of proceeds will be stated in the Final Terms.

DESCRIPTION OF THE COMPANY

Information about the Company

The Company is a limited liability company organized under the laws of the Republic of France. It is licensed as a specialized credit institution known as a "*financial company*," which is one of five types of credit institutions recognized and regulated under French banking law. The Company falls under the general supervisory authority of the European Central Bank under the Single Supervisory Mechanism (SSM) as the central prudential supervisor of financial institutions in the Eurozone since November 2014. It is also licensed by the French Prudential Supervisory Authority (currently known as the *Autorité de Contrôle Prudentiel et de Résolution* or "**ACPR**") as a *Société de Crédit Foncier*, which is a restricted category of financial company with a specific purpose and it remains under the supervision of the ACPR as its local national regulator. See "*– Legal Regime Applicable to the Company – Sociétés de Crédit Foncier*."

The sole permitted business of a *Société de Crédit Foncier*, and therefore of the Company, is to provide financing to the housing and public sectors in France and to a number of other developed countries. The Company finances its business principally by the issuance of *obligations foncières* and other forms of privileged debt benefiting from a legal priority in right of payment. Under the French regulatory framework, the Company may only make or acquire mortgage loans (which include loans incurred to acquire real property and secured by a mortgage or, in certain limited circumstances, other high-quality credit support) or loans secured through a remittance, a transfer or a pledge of receivables benefiting from the French statutory financial guarantee regime, extend financing to public sector entities by making public sector loans or acquiring public sector obligations, and/or acquire debt securities backed by mortgage loans or public sector obligations. The Company is also permitted to invest in certain highly liquid cash-like securities, instruments, deposits and loans. However, the Company may not hold equity participations or other forms of equity interest. See "*– Legal Regime Applicable to the Company – Eligible Assets*."

Holders of *obligations foncières* issued by the Company benefit from a legal priority in right of payment called the *Privilège* on all assets and cash flows of the Company. Pursuant to French law, no creditors of a *Société de Crédit Foncier*, and therefore of the Company, except for the holders of its *obligations foncières* and other privileged liabilities, can claim cash flows generated by its asset portfolio until the obligations of the Company in respect of its privileged liabilities are discharged in full. See "*– Legal Regime Applicable to the Company – Statutory Priority in Right of Payment (the Privilège).*"

History and Development

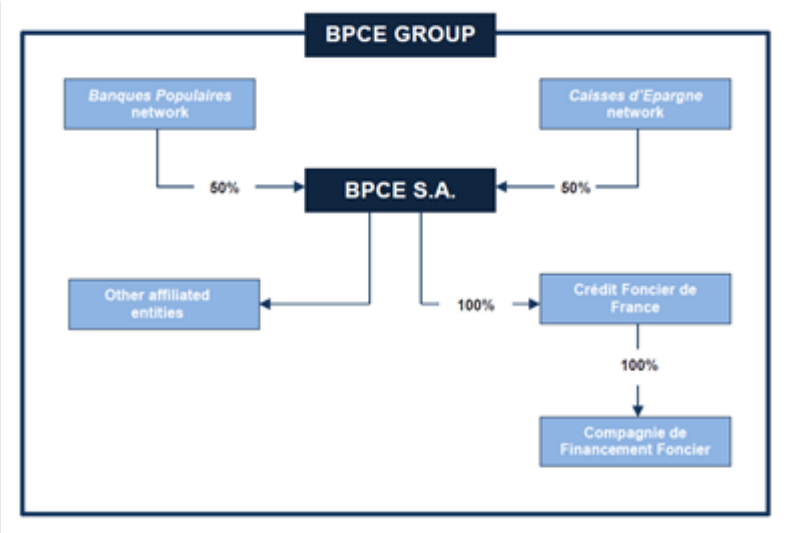
The Company was incorporated on December 22, 1998 for a period of 99 years by its parent company, Crédit Foncier, a French credit institution founded in 1852. Crédit Foncier is licensed and regulated under French law as a bank. See "*– Relationship of the Company with Crédit Foncier de France – Affiliation.*"

On July 23, 1999, the French Credit Institutions and Investment Companies Committee (which merged into the French Prudential Supervisory Authority in March 2010 (known as the ACPR since July 2013) granted the Company a license as a "financial company" and as a *Société de Crédit Foncier* pursuant to the provisions of the SFSA Law. Under the SFSA Law, which has been codified, in relevant part, in Articles L.513-2 to L.513-27 of the French *Code monétaire et financier*, only a credit institution licensed and regulated in France as a *Société de Crédit Foncier* may issue *obligations foncières* and other debt benefiting from the *Privilège*. On October 21, 1999, Crédit Foncier transferred all of its business relating to *obligations foncières* to the Company.

Since August 5, 2010, the Company has also been an indirect subsidiary of BPCE, which owns 100% of Crédit Foncier. On that date, CE Participations (the holding company of the *Caisses d'Epargne* network) and BP Participations (the holding company of the *Banques Populaires* network) merged into BPCE, the new central institution (*organe central*) of the BPCE Group. The BPCE Group was established in July 2009 as a result of the consolidation of the central institutions of the Caisses d'Epargne network (*Caisse Nationale des Caisses d'Epargne*) and the *Banques Populaires* network (*Banque Fédérale des Banques Populaires*). The BPCE Group is a cooperative banking group composed of 15 *Banques Populaires* and 16 *Caisses d'Epargne* and one of the largest banking groups in France. One important function performed by the Company within the BPCE Group is the financing of the housing and public sector credit activity via the ongoing purchase of assets (mainly real estate assets benefiting from a first-ranking mortgage) generated by Crédit Foncier and other entities within the BPCE Group. See "*– Information about the Company – Organizational Structure.*"

Organizational Structure

The following diagram illustrates the position of the Company within the BPCE Group:



Share Capital

As of December 31, 2016, the share capital of the Company, which is not listed on any exchange, consisted of 158,591,246 fully paid ordinary shares of EUR16 nominal value each (for a total capital of EUR2,537,459,936). Nearly all of the share capital of the Company is held by Crédit Foncier. As required by the by-laws of the Company, each member of the Board of Directors must own at least one share during his or her term of office.

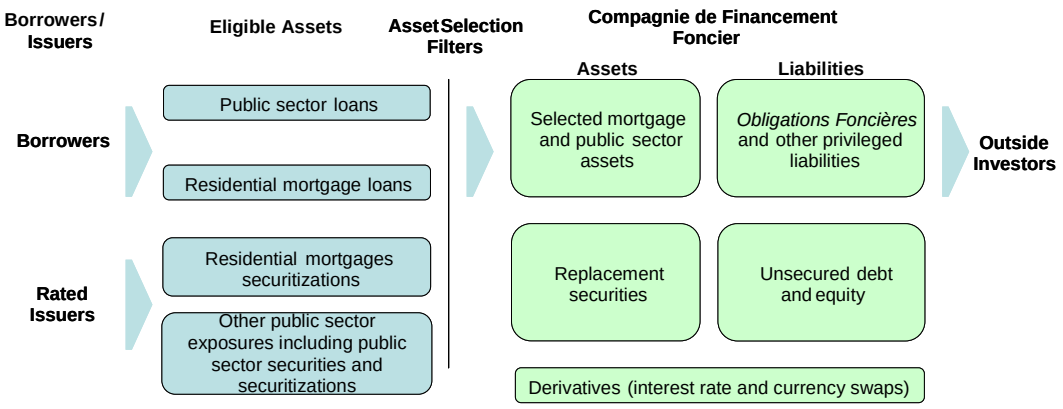
Registered Office

The registered office of the Company is located at 19, rue des Capucines, 75001 Paris (France) and is registered with the Trade and Companies Registry of Paris under reference number 421 263 047 RCS Paris.

Overview of the Business of the Company

Principal activities

The following diagram illustrates the principal activities of the Company:



Origination and Acquisition of Eligible Assets

The Company originates or acquires its assets in accordance with the criteria set out in the SFSA Law and the French *Code monétaire et financier* and with due diligence criteria focusing on the credit-worthiness of the underlying obligors. The Company benefits from the internal rating-based approach to the selection of assets developed by Crédit Foncier to comply with the standards set out in the Basel II and Basel III Accords for capital allocation, operational risk and credit risk and integrated at the level of the Company. In particular, this approach for the selection of assets allows the Company to assess the creditworthiness and concentration levels of various asset classes for a given type of counterparty. See "*– Relationship of the Company with Crédit Foncier de France*." The asset-liability management rules of the Company also impose the use of purchasing filters (based, in particular, on acquisition scores and minimum rating thresholds) in the selection by the Company of Eligible Assets. For example, the Company refrains from buying commercial real estate or real estate securitization tranches (both included in the category of assets eligible for purchase by the Company under the SFSA Law). See "*– Asset-Liability Management Rules of the Company – Management of Credit Risk Exposure – Eligible Assets Purchasing Filters.*"

The Company does not engage in any speculative trading activity. Mortgage and public sector assets, once acquired, are typically held until maturity. In addition to the acquisition of mortgage and public sector assets, the Company also invests, to a limited extent, in so-called "replacement securities" which consist of low risk, highly liquid cash-like assets. The assets of the Company are mostly located in France as well as, to some extent, in other continental European countries, in North America and Japan. See "*– Legal Regime Applicable to the Company – Eligible Assets.*" In fact, in 2016, the Company continued focusing its activities (as part of the 2012-2017 strategic development plan of Crédit Foncier as incorporated into the 2012-2017 "*Growing differently*" strategic development plan of BPCE) on the refinancing of mortgage loans originated in France (and, in particular, by Crédit Foncier and various other entities within the BPCE group) and the acquisition of French public sector assets (albeit to a more limited extent). The assets of the Company originated outside of France represented only 12.5% of the total assets of the Company in 2016 (as compared to 12% in 2015, 13% in 2014, 13% in 2013, 26% in 2012 and 32.1% in 2011) in line with the strategy of the Company relating to the reduction the acquisition of Eligible Assets located outside France.

The composition of the total assets of the Company as of December 31, 2016 and December 31, 2015 is summarized by asset category in the following chart:[*]

Assets	**Dec. 31, 2016**		**Dec. 31, 2015**	
	EUR million	**% balance sheet**	**EUR million**	**% balance sheet**
Mortgage Assets	**39,377**	**46.7%**	**37,953**	**43.3%**
Mortgage loans guaranteed by FGAS	16,941	20.1%	16,594	18.9%
Other mortgage loans	12,381	14.7%	13,754	15.7%
Other loans with real estate guarantee	2,729	3.2%	1,850	2.1%
Mortgage notes	7,325	8.7%	5,755	6.6%
Public Sector Assets	**34,719**	**41.2%**	**39,304**	**44.9%**
Public sector loans	10,623	12.6%	12,000	13.7%
Other public loans	12,840	15.2%	12,846	14.7%
Public entity securities	8,856	10.5%	9,098	10.4%
Deposits at Banque de France	2,400	2.8%	5,360	6.1%

[*] *The following financial information was prepared in accordance with French professional accounting standards, is audited and has been reviewed by the statutory auditors of the Company.*

Other Assets	**3,409**	**4.0%**	**3,246**	**3.7%**
Replacement Securities	**6,844**	**8.1%**	**7,075**	**8.1%**
Total Assets	**84,349**	**100.0%**	**87,578**	**100.0%**

Acquisition of Mortgage Assets. The mortgage assets of the Company consist of loans generated or acquired by the Company and primarily backed by real estate security interests. These are first-ranking mortgages or first-ranking lender's liens. Also included in the mortgage assets category are mortgage notes (*billets hypothécaires*) representing mortgage certificates issued by Crédit Foncier and pursuant to which the Company finances Crédit Foncier's issuance of real estate secured loans to individuals by subscribing to notes issued by Crédit Foncier. In the event of a default of Crédit Foncier on these mortgage notes, the Company would have direct and automatic recourse to the underlying real estate secured loans, in addition to whatever claims it would have against Crédit Foncier. Finally, also included in the mortgage assets category are secured loans guaranteed by the French government and referred to as "government-secured loans via FGAS." FGAS is the Guarantee Fund for Social Access Ownership Loans ("*Fonds de Garantie de l'Accession Sociale à la Propriété*") and refers to a program of housing loans made to low-income families and guaranteed by the French State. These loans were granted under various public schemes implemented by the French government in order to facilitate purchases of property by low-income individuals.

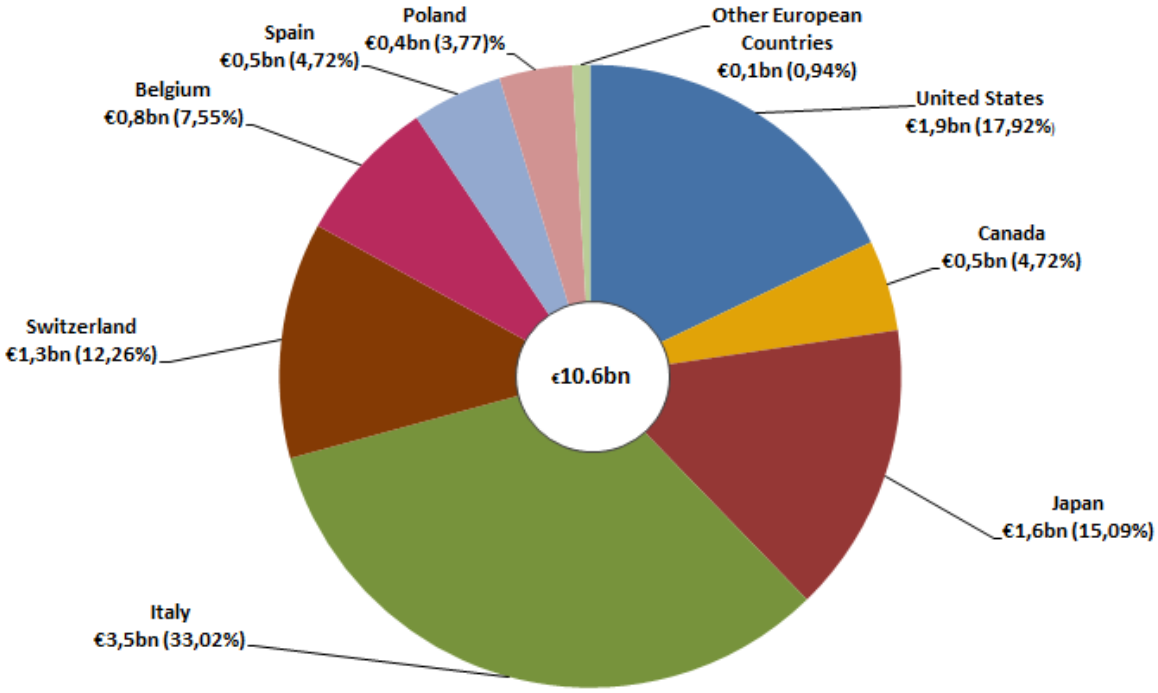
In 2016, in accordance with the 2012-2017 strategic development plan of Crédit Foncier, the Company continued to increase its holding of assets originated in France through the purchase of loans originated by Crédit Foncier for an amount of EUR6.7 billion (in line with the loans purchased from Crédit Foncier in 2015) plus EUR2.6 million in unfunded commitments (as compared to EUR318.8 million in 2015). While the mortgage assets of the Company have increased slightly in 2016 as a result of the purchase of loans from Crédit Foncier (at EUR39.4 billion as of December 31, 2016 compared to EUR38 billion as of December 31, 2015), the early prepayments of individual loans have remained high (a feature that has affected the banking sector as a whole in 2016 as a result of the low interest rate environment) at 13.1% of outstanding mortgage assets in 2016.

Acquisition of Public Sector Assets. The public sector assets of the Company consist of loans granted to, or other obligations of, public sector entities (*i.e.*, states, regions, municipalities, local government entities) that meet the eligibility criteria of the SFSA Law. The Company continued to decrease its exposure to public sector assets in 2016 both in France and abroad. The exposure of the Company to public sector assets stood at EUR34.7 billion as of December 31, 2016 as compared to EUR 39.3 billion at December 31, 2015.

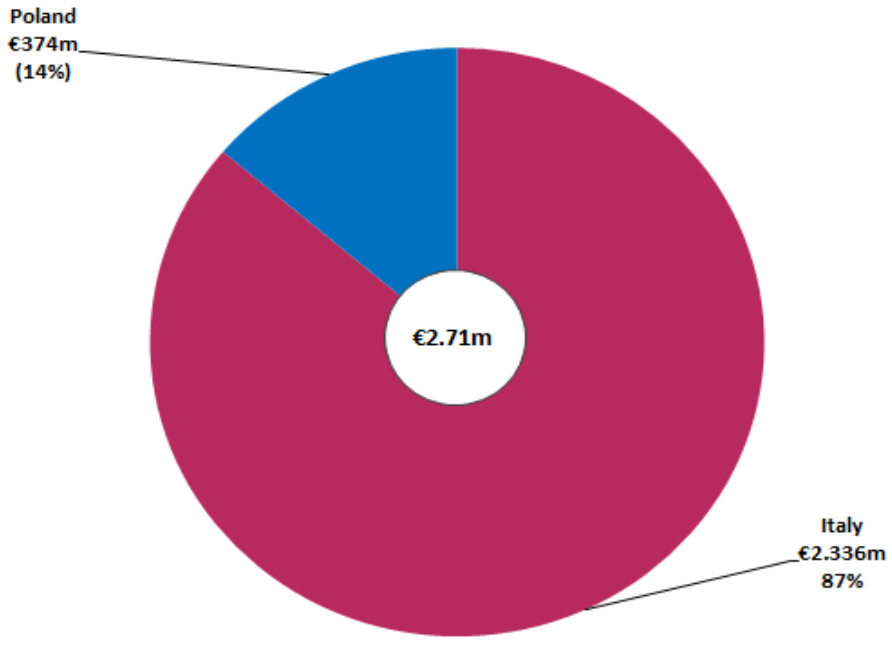
The Company initially started reducing its direct exposure to public sector entities located outside France in the third quarter of 2011 in light of growing international credit concerns. As a result, the international public exposure of the Company to public sector entities located outside France represented only EUR9.7 billion or 11.5% of the total assets of the Company as of December 31, 2016 (as compared to EUR10 billion or 11.4% of the total assets of the Company as of December 31, 2015 and EUR10.9 billion or 12.4% of the total assets of the Company as of December 31, 2014) with only four countries representing an exposure greater than EUR1 billion (Italy, the United States, Japan and Switzerland). In parallel, the exposure of the Company to public sector assets located in France started to also decrease in 2016 to represent EUR25 billion as of December 31, 2016 (from EUR29.3 billion as of December 31, 2015) essentially resulting from the repayment of existing loans and the limited level of new loan acquisitions.

The Company continued to manage the run-off of its international sovereign portfolio in 2016. The Company's overall direct exposure to sovereign states (excluding France) stood at EUR2.71 billion as of December 31, 2016 (only slightly below the foreign exposure of the Company to foreign sovereign states in 2015). The Company currently only holds direct exposure to Italy (EUR2.3 billion) and Poland (by EUR374 million). In parallel, the direct sovereign exposure of the Company to France also decreased to reach EUR4.1 billion as of December 31, 2016 (from EUR7.5 billion as of December 31, 2015).

As of December 31, 2016, the geographic distribution of the international public sector exposure of the Company was as follows:



Geographical Breakdown of International Sovereign Exposure of the Company as of December 31, 2016



Investment in Replacement Securities. The replacement securities consist of cash-like securities, instruments, deposits (including with the central banks located in the EU) and loans that are sufficiently secure and liquid to fall within the permitted categories of Eligible Assets of a *Société de Crédit Foncier* and cannot, by law, exceed 15% of the total outstanding principal amount of the privileged liabilities of the Company. Most of the replacement securities held by the Company are in the nature of short-term interbank loans (which are not assets eligible for refinancing by the European Central Bank). The amount of replacement securities decreased slightly in 2016 to reach EUR6.8 billion or 8.1% of the total assets of the Company as of December 31, 2016 (as

compared to EUR7.1 billion or 8.1% of the total assets as of December 31, 2015) and mainly included short-term guaranteed loans to BPCE.

Other Assets. The other assets of the Company include interest premiums due to the Company pursuant to derivatives arrangements, promissory notes and guaranteed loans and amount to EUR3.4 billion or 4% of the balance sheet of the Company as of December 31, 2016 (as compared to EUR3.2 billion or 3.7% of the balance sheet as of December 31, 2015).

Issuance of Obligations Foncières

Since its formation in 1999 through December 31, 2016, the Company has issued more than EUR160 billion in principal amount of *obligations foncières*, including EUR5.2 billion in 2016 excluding buy-backs and intragroup placements (down by EUR1.8 billion as compared to 2015). In 2016, 12% of the Company's total privileged funding was provided by investors in France and 33% by investors in Germany and Austria, 6% by investors in the United Kingdom, 11% by investors in Asia, 16% by investors in Scandinavia and 22% by investors in other countries. For the most part, the benchmark issues of the Company (benchmark issues being issues in a principal amount equal to or above EUR500 million) representing an overall volume of EUR4 billion in 2016 were purchased by central banks and public agencies, primarily due to the acceleration of the covered bonds purchasing programme by the European Central Bank. In 2016, 21% of the Company's privileged funding was provided by insurance companies, 22% by asset managers, 21% by banks, 35% by central banks and 1% by pension funds. The issues of *obligations foncières* of the Company have been rated in the highest possible category (AAA or equivalent), by each of Moody's and Standard and Poor's. As of December 31, 2016, the non-privileged debt of the Company represented 18.9% of its total liabilities (as compared to 20.7% as of December 31, 2015).

The composition of the total liabilities of the Company as of December 31, 2016 and December 31, 2015 is summarized by category in the following chart:*

Liabilities	**Dec. 31, 2016**		**Dec. 31, 2015**	
	EUR million	**% balance sheet**	**EUR million**	**% balance sheet**
Privileged Debt	**66,803**	**79.2%**	**68,034**	**77.7%**
Obligations Foncières	67,423	80.0%	68,972	78.8%
Foreign exchange delta on *obligations foncières*	-827	-1.0%	-1,173	-1.3%
Other Privileged Debt	208	0.2%	235	0.3%
FX delta relating to hedging of balance sheet items*	**1,587**	**1.9%**	**1,459**	**1.7%**
Non-Privileged Debt and Equity	**15,959**	**18.9%**	**18,085**	**20.7%**
Unsecured debt	10,521	12.5%	12,589	14.4%
Subordinated debt and related debt	2,217	2.6%	2,246	2.6%
Equity, provisions and fund for general banking risk	3,221	3.8%	3,250	3.7%
Total Liabilities and Equity	**84,349**	**100.0%**	**87,578**	**100.0%**

*In 2013 and 2014, Compagnie de Financement Foncier reviewed the treatment of swaps for the purposes of determining its regulatory coverage ratio. Since 2013, assets and liabilities have been recognised at historical cost for the purposes of this calculation, i.e. after taking into account their initial currency hedging, and accrued interest on swaps is now calculated after netting for each counterparty.These changes, which only

* *The following financial information was prepared in accordance with French professional accounting standards, is audited and has been reviewed by the statutory auditors of the Company.*

affect prudential ratio items, required adjustments in the above presentation of liabilities, and the creation of the item "Foreign exchange delta relating to hedging of balance sheet items".

Legal Regime Applicable to the Company

Sociétés de Crédit Foncier

French *obligations foncières* and the entities that issue them, including the Company, are governed by the SFSA Law. The SFSA Law (now codified into the French *Code monétaire et financier*) was adopted to reform the French covered bond market by creating a new legal category of licensed credit institution, the *Sociétés de Crédit Foncier*. By creating this new category of credit institution, the SFSA Law was intended to help develop the covered bond market in France by permitting the formation of new covered bond issuers without the need for authorizing legislation on a case-by-case basis.

In 1999, the French Credit Institutions and Investment Companies Committee (currently known as the ACPR) granted to the Company a license as a financial company and as a *Société de Crédit Foncier* pursuant to the provisions of the SFSA Law. See "*– Information about the Company – History and Development.*" Under the SFSA Law, only a credit institution licensed and regulated in France as a *Société de Crédit Foncier* may issue *obligations foncières* and other debt benefiting from the *Privilège*. See "*– Statutory Priority in Right of Payment (the Privilège).*"

Statutory Priority in Right of Payment (the Privilège)

Under the SFSA Law, the holders of *obligations foncières* and other privileged debt issued by a *Société de Crédit Foncier*, such as the Company, benefit from a priority in right of payment on all assets and cash flows of the issuer. The provisions of the French *Code monétaire et financier* relating to the *Privilège* provide that, in the event of a judicial reorganization or liquidation, no creditors of a *Société de Crédit Foncier* except for the holders of its *obligations foncières* and its other privileged debt can claim cash flows generated by its asset portfolio until the *Société de Crédit Foncier*'s obligations in respect of its *obligations foncières* and its other privileged debt are discharged in full. Accordingly, in the event of safeguard, restructuring, insolvency or conciliatory proceedings, all cash flows generated by the Eligible Assets and by derivatives transactions together with deposits made by the Company with other credit institutions, would be allocated as a matter of absolute priority to servicing *obligations foncières* or other privileged debt. This priority even extends to priority over the claims of the French State.

The SFSA Law also creates important exceptions to the otherwise applicable French insolvency regime. Under French insolvency laws, subject to certain conditions, contracts entered into, or payments made, by a company during the months preceding the opening of judicial reorganization or liquidation proceedings against it can be challenged. The SFSA Law provides that these rules do not apply to *Sociétés de Crédit Foncier*, including the Company. Accordingly, in the event of an insolvency of the Company, payments to holders of *obligations foncières* or other privileged debt as well as the acquisition by the Company of Eligible Assets before the start of the insolvency proceedings cannot be challenged under these provisions.

In the event of a judicial reorganization or liquidation of a *Société de Crédit Foncier*, the rights of the holders of *obligations foncières* and other privileged debt are not affected by the French insolvency proceedings. Instead, all claims benefiting from the *Privilège* and any 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 has occurred, no other creditors may take action against the assets of the *Société de Crédit Foncier*. In the event of a judicial reorganization or liquidation of a *Société de Crédit Foncier*, an independent controller appointed by the *Société de Crédit Foncier*'s board of directors with the approval of the ACPR is mandated to act on behalf of holders of privileged debt.

The SFSA Law also precludes the extension of insolvency proceedings of the parent company of a *Société de Crédit Foncier* to the *Société de Crédit Foncier* itself, thus making the Company a bankruptcy remote entity *vis-à-vis* Crédit Foncier. Pursuant to the terms of the SFSA Law, the Company may also immediately terminate without prejudice any contractual obligation with a servicing company that has entered into bankruptcy proceedings.

Eligible Assets

As a result of its status as a *Société de Crédit Foncier*, the sole permitted business of the Company is to generate or acquire eligible assets and finance these eligible assets by issuing *obligations foncières* benefiting from the *Privilège* (or other forms of privileged or non-privileged debt).

The Company may only make or acquire mortgage loans (which include loans incurred to acquire real estate property and secured by a mortgage or, in certain limited circumstances, other high-quality credit support) or loans secured through a remittance, a transfer or a pledge benefiting from the French statutory financial guarantee regime, extend financing to public sector entities by making public sector loans or acquiring public sector obligations, acquire debt securities backed by mortgage loans or public sector obligations and/or acquire replacement securities (assets falling within these permitted categories are referred to as "**Eligible Assets**"). The *Sociétés de Crédit Foncier* may not hold equity participations or other forms of equity interest.

Legal criteria applicable to mortgage loans. The mortgage loans comprise loans secured by a first-ranking mortgage. Other types of charges and security interests may also qualify under certain conditions, provided in particular that they are at least equivalent to a first-ranking mortgage, *e.g*., a guarantee given by a credit institution or an insurance company that is not a part of the same group as the Company or loans secured through a remittance, a transfer or a pledge of receivables benefiting from the French statutory financial guarantee regime. Additionally, the property must be located in France, the European Economic Area, a Member State of the European Community or in a State that has been granted the best credit rating given by a rating agency recognized by the ACPR. The SFSA Law limits the eligibility of mortgage loans acquired or generated by the Company for use as cover in future issuance benefiting from the *Privilège*. For loans with a first-ranking mortgage or equivalent real estate guarantee, up to 60% of the adjusted value of the underlying financed asset is eligible for use as cover in future issuances benefiting from the *Privilège*. Should the percentage between the outstanding principal and the adjusted value of the underlying financed asset (the "**loan-to-value ratio**") be higher than this eligible financing threshold, the excess of the loan-to-value ratio can be funded by other types of liabilities not benefiting from the *Privilège*. This eligible financing threshold for loan-to-value ratio can be raised to 80% for mortgage loans granted to individuals to finance the construction or the acquisition of a residential property, and a financing threshold for loan-to-value ratio of 100% is authorized for government guaranteed loans.

Legal criteria applicable to public sector assets. Other Eligible Assets that can be acquired by the Company include obligations of public sector entities such as (i) governments, central banks, public agencies or local authorities located in a Member State of the European Community, within the European Economic Area, in the United States, Switzerland, Japan, Canada, Australia or New Zealand (collectively, the "**Eligible States**"), (ii) governments or central banks not located in an Eligible State but which hold the best credit rating given by a rating agency recognized by the ACPR, (iii) the European Community, the International Monetary Fund, the Bank for International Settlements and certain Multilateral Development Banks listed by decree of the French Minister of Economy or other international organizations or Multilateral Development Banks holding the best credit rating given by a rating agency recognized by the ACPR, (iv) public agencies or local authorities not located in an Eligible State, if the credit exposure to these entities benefits from the same weighting for regulatory capital purposes as claims against states, central banks or credit institutions, and from the best credit rating given by a rating agency recognized by the ACPR, and (v) public agencies or local authorities holding the second best credit rating given by a rating agency recognized by the ACPR.

Legal criteria applicable to replacement securities. In addition to holding Eligible Assets, the Company is also permitted to invest in so-called "replacement securities" within the meaning of the SFSA Law. Pursuant to the SFSA Law, replacement securities are cash-like securities, instruments, deposits and loans that are sufficiently secure and liquid to fall within the permitted categories of assets eligible for holding by a *Société de Crédit Foncier*. Replacement securities cannot, by law, exceed 15% of the total outstanding principal amount of the Company's privileged liabilities and are mainly used to meet the Company's short-term liabilities.

Solvency Support from BPCE in the event of Insolvency

The French *Code Monétaire et Financier* provides that BPCE, as the central institution of the BPCE Group, must take all appropriate measures to ensure the liquidity and the solvency of the entities within the BPCE Group, including, therefore, the Company. As a result of this legal requirements, BPCE has implemented a financial guarantee fund for the benefit of the affiliated entities within the BPCE Group. See "*– Information about the Company – Organizational Structure.*"

Supervision and Regulation of the Company

General Supervision

Like other licensed credit institutions under the French regulatory framework, the Company is subject to extensive legal and regulatory obligations. The Company falls under the general supervisory authority of the European Central Bank as the central prudential supervisor of financial institutions in the Eurozone under the Single Supervisory Mechanism (implemented in November 2014 in response to the financial crisis). It is also directly monitored by the *Autorité de Contrôle Prudentiel et de Résolution* (or ACPR) the national supervisory and control authority of banking and insurance activities in France, integrated within the framework of the Banque de France. The ACPR is composed of the Governor of the Banque de France and various experts chosen for their expertise in banking and financial matters and is responsible for monitoring observance of the laws and regulations applicable to credit institutions as well as the soundness of their financial position.

The Company is subject to off-site monitoring and on-site inspections by the ACPR. Off-site monitoring by the ACPR consists in the examination by the ACPR of the Company's prudential and accounting records as well as regular contacts with the Company's senior management and statutory auditors. The Company is required to submit to the ACPR an annual report on internal control procedures and the assessment and supervision of risk procedures and bi-annual reports setting forth its over-collateralization ratios (pursuant to its status as a *Société de Crédit Foncier*). See "*– Asset-Liability of the Company – Over Collateralization Ratio.*"

In addition, statutory auditors are required to advise the ACPR of any fact or decision that may constitute a breach of existing regulations and that is likely to have a significant effect on the financial situation, the profits or the asset composition of the Company or cause the statutory auditors to issue a qualified or adverse opinion. Through on-site inspections, the ACPR ascertains that the information disclosed by the Company to the ACPR accurately reflects its financial condition. In 2012, the ACP (as the precedessor to the ACPR before July 2013) completed two audits of the Company in respect of the procedures put in place by the Company relating to asset-liability management (ALM) and the management of liquid assets. The ACPR completed another two audits in 2013 regarding mortgage loans and international assets. The ACPR did not perform any audit on the Company in 2016. The ACPR may decide to make a recommendation, issue an injunction or institute disciplinary proceedings if it determines that the Company has contravened a law or regulation relating to its activity as a *Société de Crédit Foncier*. The French Banking Commission (before its merger into the ACP in March 2010) has made recommendations for improvements as part of its audits of the Company but it has never (and neither did the ACP since March 2010 or the ACPR since July 2013) issued any injunction or instituted disciplinary proceedings against the Company.

Special Monitoring by a Specific Controller

Unlike most other licensed credit institutions under the French regulatory framework, *Sociétés de Crédit Foncier*, including the Company, must appoint a Specific Controller in order to monitor compliance with laws and regulations applicable to *Sociétés de Crédit Foncier*. The Specific Controller is a natural personal qualified as an accountant and appointed by the board of directors of the *Société de Crédit Foncier* with the approval of the ACPR. The Specific Controller must be independent as prescribed by the SFSA Law, which provides, among other criteria for independence, that the Specific Controller cannot be either a member of the group of the statutory auditors of the *Société de Crédit Foncier* or a member of the group of the statutory auditors of the direct or indirect controlling shareholders of the *Société de Crédit Foncier*.

The Specific Controller generally monitors compliance with the legal and regulatory provisions applicable to *Sociétés de Crédit Foncier* and verifies that the *Société de Crédit Foncier* only undertakes transactions that are consistent with its specific purpose as a *Société de Crédit Foncier*. The Specific Controller certifies the particular documents (including statements of ratios) sent by the *Société de Crédit Foncier* to the ACPR pursuant to its status as a *Société de Crédit Foncier* and verifies that the assets held by the *Société de Crédit Foncier* are Eligible Assets. The Specific Controller routinely monitors compliance with the principle of over-collateralization (once every fiscal quarter, in connection with the quarterly and annual issuance programs of a *Société de Crédit Foncier*) and with exposure limits and refinancing quotas. He also specifically certifies to the board of directors of the *Société de Crédit Foncier* compliance with the principle of over-collateralization of Eligible Assets in the event an issuance of *obligations foncières* and other privileged debt benefiting from the *Privilège* equals or exceeds the amount of EUR500.0 million (or equivalent in foreign currency for non-Euro denominated issuances) by delivering a certification that is included in the disclosure documents delivered to

purchasers of such *obligations foncières* or such other privileged debt. See "*– Asset-Liability Management of the Company – Overcollateralization Ratio*."

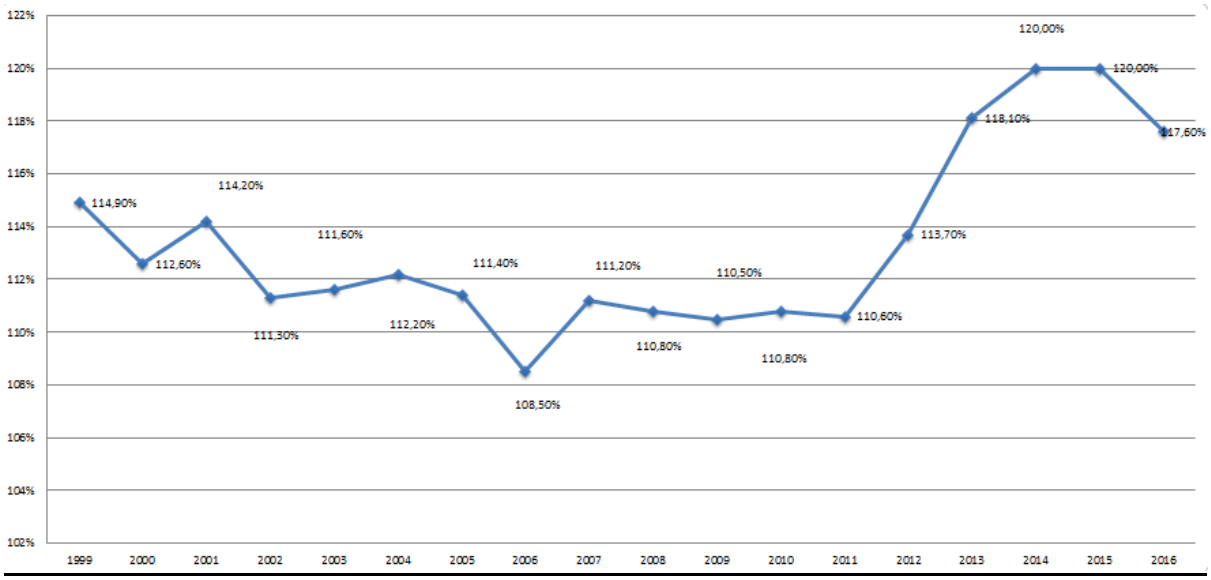
The Specific Controller issues an annual report of activity addressed to the board of directors of the *Société de Crédit Foncier* (evaluating, among other things, the quality of the internal control procedures of the *Société de Crédit Foncier*), a copy of which is sent to the ACPR. In addition, the Specific Controller issues an annual report to the board of directors of a *Société de Crédit Foncier* on the methods used for the valuation and the periodic review of the property securing mortgage loans, monitors the compliance of these methods with the applicable rules and regulations and checks the presentation of the information which is then disclosed in the annual financial statements. See Appendix 1, "*Specific Controller's Report on the Valuation and Periodic Review Methods for Real Estate (as of December 31, 2016).*" The Specific Controller also monitors the management of assets and liabilities by a *Société de Crédit Foncier*. In particular, the Specific Controller monitors the congruence levels of rates and maturities between assets and liabilities and must immediately notify the ACPR if the congruence levels are inadequate. In the event of a judicial reorganization or liquidation of the *Société de Crédit Foncier*, the Specific Controller is mandated to act on behalf of holders of *obligations foncières* issued by the *Société de Crédit Foncier* and other forms of debt benefiting from the *Privilège*. The Specific Controller is also required to notify the public prosecutor's office in the event he has uncovered wrongdoing.

Asset-Liability Management of the Company

Over-Collateralization Ratio

Over-collateralization ratio imposed by the SFSA Law. Decree no. 2014-526 of May 23, 2014, now codified into the French *Code monétaire et financier* requires that all *Sociétés de Crédit Foncier*, including the Company, maintain a volume of weighted assets that is at least equal to 105% of their privileged debt. Under French rules (including implementing statements 2011-I-06 (as amended) and 2011-I-07 issued by the ACP on July 1, 2011), the weight given to Eligible Assets for purposes of the calculation of the over-collateralization ratio (required to be published quarterly) varies depending on the nature of the assets on balance sheet in order to weight the assets in accordance with their risk profile. As of June 30, 2017, December 31, 2016 and December 31, 2015, the Company's overcollateralization ratio was 114.2%, 117,6% and 122.1%, respectively, in each case above the legally required collateralization rate of 105%. The decrease in the over-collateralization ratio between 2015 and 2016 resulted essentially from the application of new regulatory limits on intragroup exposure (disqualifying certain loans from BPCE to meet the collateral eligibility criteria for the financing of *obligations foncières*) and a faster decline in the Eligible Assets held by the Company than in its market liabilities.

Ratio of Over-Collateralization of the Company since 1999



The Company seeks at all times to maintain a minimum level of over-collateralization that exceeds the legal minimum, thus enabling a high coverage of the risks to which it is exposed. The over-collateralization

ratio of the Company has always been above 108.5% since the Company was granted a license as a *Société de Crédit Foncier* in 1999 (and therefore has never fallen below the currently applicable regulatory floor of 105%). The Specific Controller monitors compliance with the over-collateralization ratio by the Company. See "*– Supervision and Regulation of the Company – Special Monitoring by a Specific Controller*."

Company minimum over-collateralization ratio. In addition to the legal over-collateralization requirement imposed by the French *Code monétaire et financier*, the Company has put in place internal procedures to facilitate compliance with a minimum collateralization ratio. The minimum collateralization ratio calculated by the Company is designed to give proper weight to the exposure of the Company to credit risk (relating to the asset mix of its balance sheet) and to interest rate risk (prevailing at any given time). The portfolio of unrated loans held by the Company is divided into six sub-categories (including type of borrower, type of property being financed and by type of collateral provided) in order to facilitate the proper weighting of idiosyncratic risk. The minimum collateralization ratio also factors the size of the Company's total liabilities as well as an estimate of future cash flow generation (over ten years). The calculations are made by the Company under various stress scenarios and assumptions (relating, for example, to prepayment and overall lending conditions). The Company's minimum overcollaterization ratio is calculated to cover the credit risk on its assets, and also to ensure that the overall interest rate risk on its balance sheet is covered. The sum of these two calculations determines the minimum overcollateralization that the Company has decided to maintain. This rate cannot be less than 5%.

Other Regulatory Ratios

Liquidity Ratios and Observation Ratios. Institutions such as the Company subject to French banking regulations must at all times have a liquidity ratio (measuring current and available liquid assets over current liabilities) equal to at least 100% and must, at the end of each fiscal quarter, inform the ACPR of their anticipated liquidity ratio for each of the two coming months and their historical liquidity ratio for each of the two preceding months. For the year ended December 31, 2016, the Company continued to maintain a historical liquidity ratio and observation ratios (which are forward-looking liquidity assessments) above the minimum values required by French banking regulations. The liquidity coverage ratio (LCR) applicable to the Company since October 1, 2015 following the transposition of CRDIV has always been above 100%, well above the minimum 70% value required by French banking regulation. As of December 31, 2016, the Company maintained EUR2.6 billion in immediately available cash (including 2.4 billion deposited with the Banque de France) and EUR 6.6 billion in short-term guaranteed loans (with a maturity of less than 2 months) to BPCE. The ACPR may ask the Company to provide additional measures of liquidity if it deems it appropriate in the exercise of its supervision of the Company. While other prudential ratios applicable to credit institutions are monitored by Crédit Foncier at the consolidated level, the Company has been determining its own solvency ratios in accordance with CRD IV and CRR since January 1, 2014.

Loan-to-Value Ratios. The SFSA Law limits the eligibility of mortgage loans acquired or generated by a *Société de Crédit Foncier* for use as cover in future issuance benefiting from the *Privilège*. For loans with a first ranking mortgage or equivalent real estate guarantee, up to 60% of the adjusted value of the underlying financed asset is eligible for use as cover in future issuances benefiting from the *Privilège*. Should the loan-to-value ratio be higher than this eligible financing threshold, the excess can be funded by other types of liabilities not benefiting from the *Privilège*. This eligible financing threshold for loan-to-value ratio can be raised to 80% for mortgage loans granted to individuals to finance the construction or the acquisition of a residential property, and a financing threshold for loan-to-value ratio of 100% is authorized for government guaranteed mortgage loans. The average loan-to-value ratio for mortgage loans was 74.1% as of December 31, 2016 as compared to 75.5% as of December 31, 2015. The value of relevant Eligible Assets is updated annually in order to monitor this ratio (based on the characteristics of the local market where a property is located or its use).

The SFSA Law also requires that the value of the Company's assets where the loan-to-value ratio exceeds the eligibility threshold for financing by *obligations foncières* and other privileged debt does not exceed the outstanding principal amount of its non-privileged debt. Non-privileged debt securities issued by the Company are consistently much higher in principal amount than the outstanding amounts exceeding the regulatory threshold. Non-privileged debt amounted to EUR18.1 billion as of December 31, 2015, or 20.7% of total liabilities, and to EUR15.9 billion as of December 31, 2016, or 18.9% of total liabilities. See "*– Overview of the Business of the Company – Issuance of Obligations Foncières.*"

Management of Credit Risk Exposure

Eligible Assets Purchasing Filters. The asset-liability management rules of the Company impose the use of purchasing filters (including, for assets of a given maturity, the calculation of acquisition scores, minimum ratings and replacement values) in the selection by the Company of Eligible Assets. For example, the Company refrains from buying commercial real estate (which is included in the category of assets eligible for purchase by the Company under the SFSA Law).

Home mortgage loans are selected in two steps. The loans are originated by Crédit Foncier using a score based on the characteristics of the property financed, the customer information, and the historic default probabilities. Then the Company uses an internal purchase scoring tool for residential mortgage loans. Based on their perceived default probability, and in some cases after an observation period, it selects those loans exhibiting a calculated default risk below a certain threshold. Acquisition of eligible international assets is subject to the Company's internal rules, and approved by its executive bodies. In the framework of Basel II regulations, Crédit Foncier has acquired internal rating tools for the international public sector assets in order to integrate the best practices proposed by these new risk standards. Development of its credit risk rating models was finalized in 2008 in collaboration with the Risk Department of Crédit Foncier, the Risk Department of *Caisse Nationale des Caisses d'Epargne*, and Standard and Poor's. Crédit Foncier currently uses two default risk analysis models: one for international local authorities outside the United States, and the other specific to local governments in the U.S. Standard and Poor's first reviewed these models in December 2008. This review made it possible for the Company to compare its preliminary results and to have them reviewed by a third party. To guarantee and maintain the quality of these models, they undergo an audit as well as annual feedback from the rating agency. The Company uses the internal rating tool of the BPCE Group for selecting French public sector assets before their acquisition.

These credit risk rating models were amended slightly in 2016. Mortgage loans and receivables that were under observation and thus kept on the balance sheet of Crédit Foncier due to their lower ratings may now be purchased by the Company provided that the acquisition is cancelled and the mortgage loans transferred back to Crédit Foncier at par in the event that the mortgage loans become doubtful in the first four years following the acquisition. This process helps minimize the exposure of the Company to doubtful loans. Mortgage loans of the Company are considered as doubtful if, following the failure by the borrower to pay one or more installments, the loans fail to meet acceptable credit standards within six months. As of December 31, 2016, doubtful loans represented 3.4% of the value of the mortgage loans to individuals to which the Company was exposed (versus 3.3% as of December 31, 2015) and remained concentrated in home loans. Credit Risk monitoring of doubtful loans by the Company focuses essentially on its portfolio of private sector loans (including loans to individuals and mortgage notes, loans to public authorities and loans to social housing).

Asymmetrical Collateralization Arrangements. The Company has entered into master agreements with a number of derivatives counterparties as part of the hedging of the Company's interest rate risk and currency risk. The Company has arranged for these master agreements to contain asymmetrical collateralization arrangements whereby the counterparties will post collateral to the Company while the Company will not. Typically, if the credit rating of a counterparty of the Company falls below a certain level (generally P1 or Aa3 for Moody's or A1+ or AA- for Standard & Poor's), then the Company may call for collateral.

Management of Balance Sheet Risk Exposure

Management of Liquidity Exposure. The maturity and amortization profile of the Company's pool of Eligible Assets does not match the repayment profile and the maturity of the *obligations foncières* benefiting from the *Privilège* issued by the Company. This "maturity mismatch" between the Eligible Assets and the *obligations foncières* has prompted the Company to maintain appropriate liquidity positions to cover its liabilities as they become due in order to avoid a liquidity shortfall. In addition, the decree of May 26, 2014 relating to the legal regime applicable to sociétés de credit foncier (*arrêté du 26 mai 2014 relatif au regime prudential des sociétés de credit foncier et des dociété de financement de l'habitat*) introduced the mandatory calculation of an asset-liability matching indicator requiring that the average maturity of Eligible Assets held to cover the 105% minimum overcollateralization ratio may not exceed the average maturity of outstanding privileged liabilities by more than 18 months. This calculation is submitted quarterly by the Company to the Specific Controller and to the ACPR. The maturity mismatch increased to 0.3 year as of December 31, 2016 (as compared to 0.02 year as of December 31, 2015). The average duration for the assets and liabilities of the Company was 7.3 years and 7.6 years respectively as of December 31, 2016 (as compared to an average duration for assets and liabilities of 7.08 years and 7.1 years as of December 31, 2015). The Company is

committed, but not required, to limit the maturity mismatch between its assets and liabilities to 24 months at the most.

The asset-liability management rules developed internally by the Company require the Company to have sufficient funds available to meet its privileged liabilities for at least 12 months in the event of market access difficulties. The Asset-Liability Management Committee of the Company oversees a system of internal liquidity indicators (using static and dynamic models) intended to anticipate any liquidity shortfall. One of the main indicators used by the Company is the "static liquidity gap" that measures the historical ability of the Company to raise liquidity over a period of 20 years (and that is measured every quarter). In addition, Decree no. 2011-205 of 23 February 2011, which has been codified into the French *Code monétaire et financier* requires that all *Sociétés de Crédit Foncier*, including the Company, have sufficient funds to meet all their liquidity requirements (including cash flows relating to hedging instruments) for a period of at least 180 days.

In the event of a liquidity shortfall, the Company may also currently access the credit facility offered by the ECB or the Banque de France (under the comprehensive collateral management framework or *Gestion Globale des Garanties (3G)*). The volume of assets held by the Company and eligible for refinancing with the ECB is such that it would allow the Company to cover all obligations benefiting from the *Privilège* for a period longer than 12 months. As of December 31, 2016, total assets that could potentially be used as collateral with the ECB would be sufficient to secure liquity up to an amount of EUR10 billion (after haircut) on the basis of current ECB rules while keeping the minimum overcollateralization ratio above the minimum regulatory requirement of 105%. During the year ended December 31, 2016, the liquidity ratios of the Company continued to be above the minimum levels required under banking regulations because of its commitment to have ample liquidity available at all times for no less than the coming twelve-month period. The French *Loi de Régulation Bancaire et Financière* of October 22, 2011, now codified into the French *Code monétaire et financier* in Article L.513-26 allows the *Sociétés de Crédit Foncier*, including the Company, to subscribe to their own *obligations foncières* (in an amount of up to 10% of their total outstanding privileged liabilities at the subscription date, such *obligations foncières* being disentitled of their rights under articles L.228-46 to L.228-89 of the French *Code de commerce* as long as the Company holds them), for the sole purpose of using them as collateral with respect to refinancing operations with the *Banque de France* and only to the extent that liquidity requirements cannot be met otherwise. To the extent such *obligations foncières* cease to be pledged to the Banque de France, they shall be cancelled within eight days.

Management of Interest Rate Exposure and Currency Exposure. The Company uses interest rate swaps to limit interest rate risks involved in the refinancing of a specific asset. Macro-hedging swaps are entered into when acquiring loan portfolios while micro-hedging swaps are entered into for single transactions. Since 2011, the Company has taken significant steps to restructure its derivatives portfolio to reflect the new criteria imposed by the rating agencies in respect of the credit standing of derivatives counterparties. As part of the restructuring of its derivatives portfolio and a new risk management policy at Crédit Foncier, the Company completed an intragroup derivative compression operation with Crédit Foncier in 2016 for a notional amount of EUR2.1 billion. As of December 31, 2016, the Company was a party to derivatives transactions representing a notional amount of EUR61 billion for interest rate swaps (as compared to EUR59 billion as of December 31, 2015) and EUR21.5 billion for currency swaps (as compared to EUR24 billion as of December 31, 2015).

As a result of this macro and micro hedging process, the residual exposure of the Company to interest rate risk results mainly from unanticipated changes in the portfolio of Eligible Assets used as cover for the issuance of *obligations foncières* or other privileged debt (for example, the pre-payment or renegotiation of mortgage loans: in 2016, due to the prevailing low interest rate environment, the prepayment rate was 13.1% on the portfolio of the Company as compared to 14.8% in 2015). The Company has undertaken to limit its residual exposure to interest rate risk at all times to a maximum of 0.1% of the value of its total liabilities. In addition, the Company has no open currency positions except for immaterial positions inherent to any hedging transaction. Transactions initiated in foreign currencies, primarily those negotiated for issues of *obligations foncières* or other privileged liabilities are converted into euro immediately upon execution.

Internal Control Procedures of the Company

Special Internal Control by Crédit Foncier

As a consequence of its status as a *Société de Crédit Foncier* and of its affiliation with Crédit Foncier, the Company is subject to special internal control procedures. Because the SFSA Law requires that the assets and liabilities of the *Sociétés de Crédit Foncier* be managed by a credit institution pursuant to servicing agreements, the Company has delegated the management of its assets and liabilities to Crédit Foncier pursuant

to a number of servicing agreements. See "*Relationship of the Company with Crédit Foncier de France – Servicing.*" As a result of this legal requirement, and although the Company's executive management is ultimately responsible for establishing internal controls and implementing them, the Company has elected not to have its own staff and instead, pursuant to these servicing agreements, relies on the technical and human resources of Crédit Foncier to operate its business. Crédit Foncier actively administers core internal control functions of the Company in accordance with permanent and periodic control procedures (including ongoing reporting of internal liquidity and monitoring of credit, market, accounting, technological and operational risks) centralized at the level of Crédit Foncier. Crédit Foncier has dedicated resources to the supervision and control of the Company and the Company is covered by the Contingency and Business Continuity Plan (CBCP) of Crédit Foncier. In addition, Crédit Foncier, together with BPCE, prepares an annual audit plan that is submitted to the executive board of the Company for approval.

Special Statutory Oversight by BPCE

Pursuant to the French regulatory framework, the Company is also subject to special statutory oversight by BPCE. As the central institution (*organe central*) of the BPCE Group, BPCE is generally responsible for determining internal control policies, risk management policies as well as standardization, supervision and monitoring of the BPCE Group (including the *Caisses d'Epargne* network) in connection with prudential, accounting and fiscal matters. As a practical matter, the internal control procedures of the Company are administered by Crédit Foncier and are based on standards originally set forth by *Caisse Nationale des Caisses d'Epargne* as former central institution of the *Caisses d'Epargne* network. See "*– Information about the Company – History and Development.*"

As a result, the internal control procedures of the Company must comply with the control rules and organizational standards validated and periodically reviewed by BPCE. These internal control rules and organizational standards encompass all procedures and systems required to achieve the Company's objectives, comply with laws, regulations, or rules imposed by the *Caisses d'Epargne* network aimed at facilitating the proper management of risk. To effect this supervision, BPCE is entitled to carry out controls at the Company's offices and to appoint a representative to the Board of Directors of the Company, who is responsible for ensuring that the Company operates in compliance with the regulatory framework applicable to *Sociétés de Crédit Foncier* and the policies established by BPCE.

In 2008, CE Participations (as former central institution of the Caisses d'Epargne network) conducted six audits of the control procedures implemented by Crédit Foncier on a consolidated level (in addition to four audits conducted by CE Participations in 2007). BPCE (as new central institution of the BPCE Group) initiated a full audit of the control procedures of Crédit Foncier in the fall of 2010 and it conducted a specific investigation of the operational staff of the Company in 2011. In 2012, BPCE also conducted a separate audit of the Company in respect of its compliance with the Basel II accounting standards. Because the Company has elected not to have its own staff and Crédit Foncier is actively administering the control procedures of the Company in accordance with the agreements put in place between Crédit Foncier and the Company, an audit of Crédit Foncier by BPCE as central institution of the BPCE Group serves as an audit of the control procedures of the Company as well. In addition, in 2013, Crédit Foncier conducted 11 periodic audits covering the operations of the Company: 4 audits were directly applicable to the Company and 6 audits included a review of internal control and risk functions within the Group (including the Company) relating to litigation, information technology, compliance, anti-money laundering and accounting controls. In 2014, Crédit Foncier conducted the following audits of various key operational areas (all relevant, in whole or in part, to the Company): back and middle-offices financial operations, CRD IV compliance, regulatory compliance ratios for the Company, mortgage loans back-office infrastructure, risk management policy, operational risks and permanent controls. In 2014, BPCE also conducted an audit on the Liquidity Coverage Ratios, interest margins and internal transfer prices. In 2015, Crédit Foncier also conducted audits covering various segments of the Company's activities including loans to individuals, corporates, support activities (compliance, legal), financial operations (securitization, run-off) and outsourced services.

Special Control by the French Ministry of Economy and Finance

As a result of the Company holding certain categories of subsidized loans (which were transferred to the Company by Crédit Foncier in 1999) benefiting from a public guarantee given by the French State, the Company is subject to additional special control by the French State, exercised by a management and oversight committee composed of members appointed by the French State and Crédit Foncier. However, as no other subsidized loans included in these categories have been acquired by the Company since 1999, the underlying subsidized loans are diminishing over time as they are being repaid.

Executive Management of the Company

Members of the Board of Directors

The Company is administered by a Board of Directors (*Conseil d'Administration*) composed of at least 3 and up to 18 members. As of the date of this Prospectus, the Board of Directors of the Company consisted of eleven members, including the Chairman of the Board. Statutory auditors as well as the Specific Controller may also attend board meetings (depending on the nature of the items on the agenda).

As of the date of this Prospectus, the Board of Directors of the Company was composed as follows:

Representative	**Function at the Company and on the Board**	**Date of Appointment**	**Term**
Mr. Bruno DELETRE **Crédit Foncier de France** **4 Quai de Bercy, 94220 Charenton-le-Pont, France**	Chairman of the Board of Directors	December 18, 2013	2018
Mr. Benoit CATEL	Director	Director since February 9, 2016	2017
Crédit Foncier de France SA **(represented by** **Mr. Eric FILLIAT)** **4 Quai de Bercy, 94220 Charenton-le-Pont, France**	Director	December 28, 1998	2022
BPCE **(represented by Mr. Francis Delacre)** **BPCE** **50 avenue Pierre Mendès France 75013 Paris, France**	Director	March 28, 2011	2022
Ms. Christine Fabresse	Director	March 25, 2014	2017
Mr. Cédric MIGNON	Director	March 25, 2014	2019
Mr. Pascal CHABOT	Director	March 25, 2014	2021
Mr. Dominique GARNIER	Director	March 25, 2014	2017

Mr. Jean CHEVAL	Director	March 25, 2014	2019
Mr. Alexandre FOURNEAU	Director	March 30, 2017	2021
Ms. Muriel COLLE	Director	July 23, 2017	2018

Meetings of the Board of Directors

The Board of Directors of the Company meets at least once every three months with a set agenda. Items discussed by the Board of Directors include the approval of the accounts for the previous year, management forecasts, quarterly report of issues of *obligations foncières* benefiting from the *Privilège* and analysis of the performance of *obligations foncières* issued by the Company on the primary and secondary markets, determination of the *obligations foncières* issue size (and related delegations), approval of half-year accounts, authorization of any major transaction or examination of significant event affecting the Company (for example, governance, changes to bylaws, agreements with Crédit Foncier, update of US Medium Term Notes/Securities programs), reports on internal controls and risk measurement).

Audit Committee

The Company has an Audit Committee. The primary missions of the Audit Committee are to check the relevance and consistency of the accounting methods used to prepare the company's financial statements, assess internal controls, monitor risk levels, and monitor the quality of the information system of the Company. To carry out its missions, the Audit Committee examines drafts of the annual and half-year financial statements and any other accounting information, as necessary, that will be published or disclosed in connection with a specific transaction. It also examines the Specific Controller's annual report and analyses the results of the asset-liability management system and management control. As of the date of this Prospectus, the Audit Committee had four members: Crédit Foncier represented by Mr. Filliat (*Chairman*), BPCE represented by Mr. Irisson, Ms. Fabresse and Mr. Garnier. Mr. Avis is in charge of ongoing and periodic controls and of compliance at the Company.

Relationship of the Company with Crédit Foncier de France

Affiliation

The Company is a wholly-owned subsidiary of Crédit Foncier, a company founded in 1852, which is licensed and regulated under French law as a bank. Crédit Foncier is itself a wholly-owned subsidiary of BPCE. BPCE is the central institution of the BPCE Group, a cooperative banking group composed of 16 *Caisses d'Epargne* and 15 *Banques Populaires* and constituting one of the largest banking groups in France. See "*– Information about the Company –Organizational Structure.*"

The Company functions in many respects as a refinancing vehicle for Crédit Foncier (and, increasingly, other entities within the BPCE Group). A significant portion of the Eligible Assets of the Company consists of mortgage loans purchased from Crédit Foncier. In fact, loans purchased by the Company from Crédit Foncier in 2015 totaled, in aggregate, EUR6.8 billion and loans purchased by the Company from Crédit Foncier in 2016 totaled, in aggregate, EUR6.7 billion.

Servicing

The SFSA Law requires that the assets and liabilities of a *Société de Crédit Foncier* be managed by a credit institution pursuant to servicing agreements. As a result, Crédit Foncier manages all the assets and liabilities of the Company pursuant to servicing agreements entered into in 1999 (and which were updated in 2006 and 2007). In relevant part, these agreements relate to loan servicing and recovery, administrative and accounting management, internal control and compliance, information technology services, human resources, compensation for services and settlement bank services. Crédit Foncier also monitors and controls risks relating to credit, counterparties, markets, operations, exchange rates, interest rates, liquidity or settlement at the level of the Company.

The risk department of the BPCE Group oversees the general risk policy of all subsidiaries of Crédit Foncier, including the Company. Therefore, the risk department of the BPCE Group oversees the activities and the procedures put in place by the risk department at Crédit Foncier for purposes of the operations of the Company. Although the Company has its own Risk Committee, the overall risk policy of the Company (relating to asset selection principles, risk profile guidelines, transaction commitments) is monitored and controlled by Crédit Foncier.

Therefore, the Company, which has entered into a number of servicing agreements with Crédit Foncier, is entirely dependent on the resources dedicated to it by Crédit Foncier for the day-to-day operation of its business and, in particular, the servicing of the mortgage loans. Although the Company does have a Board of Directors and its own office, the Company has elected not to have its own employees.

As of December 31, 2016, sixteen agreements have been entered into between the Company and Crédit Foncier. They include:

- A framework agreement, which provides for the acquisition by the Company of Eligible Assets from Crédit Foncier and for the latter to provide the Company with its human resources, information technology and other resources.

- An agreement for loan assignments, which provides for the transfer of eligible loans to the Company and pursuant to which the Company undertakes not to compete with Crédit Foncier.

- An agreement for loan servicing and recovery, under which the Company assigns to Crédit Foncier the management and recovery of all loan assets acquired or originated by the Company and all of the Company's assets.

- An agreement governing financial services, under which Crédit Foncier undertakes to provide the Company with services such as the acquisition or origination of assets and the administrative and accounting management of financial operations.

- An asset liability management agreement, for the management by Crédit Foncier of the Company's assets, liabilities and off-balance sheet obligations.

- An administrative and accounting management agreement, covering accounting, financial management, taxation, legal and insurance services provided to the Company by Crédit Foncier.

- A service agreement on internal control and compliance, under which Crédit Foncier provides the Company with all functions linked to compliance and the respect of all requirements and controls.

- An agreement related to the implementation of information technology services, such as *Bloomberg, Tradix* and others.

- An agreement concerning human resources, providing for Crédit Foncier to put its personnel at the disposition of the Company and to assign employees to the Company.

- An agreement concerning compensation for services, which states that services will be provided by Crédit Foncier to the Company at cost.

- An agreement related to settlement bank services, which addresses financial cash flows related to loans, whether principal, interest or related amounts.

- A guarantee agreement for adjustable-rate loans pursuant to which Crédit Foncier agreed to indemnify the Company for any losses incurred in connection with various measures taken by Crédit Foncier in 2008 to protect its clients against a rise in adjustable mortgage rates.

- A guarantee and compensation agreement under which Crédit Foncier assumed the risks related to certain assets transferred to the Company (interest rate risk, early redemption risk and loan renegotiation risk).

- A paying agency agreement.

- An agreement related to current account advances.

- An agreement relating to the assignment of mortgage loans.

Two agreements have also been entered into between the Company, Crédit Foncier and a third-party:

- An agreement relating to management and collection of loans subsidized by the French State.

- The renewal of the broker agreement (with BPCE, Caisse d'Epargne and Crédit Foncier)

SELECTED FINANCIAL INFORMATION

The tables below set forth summary historical financial information relating to the Company, as derived from the financial statements prepared by the Company in accordance with generally accepted accounting principles in France. See "*Risk Factors*" for a discussion for certain considerations relating to the presentation of financial information by the Company according to French GAAP.

The summary balance sheet and income statement data set forth below for the Company as of and for the years ended December 31, 2016, December 31, 2015 and December 31, 2014 are derived from the Company's related audited financial statements as of and for the years ended December 31, 2016, December 31, 2015 and December 31, 2014, English translations of which are incorporated by reference in this Base Prospectus.

Balance Sheet

	As of December 31, 2016	**As of December 31, 2015**	**As of December 31, 2014**
		(EUR thousands)	
Assets			
Cash due from central banks and post office accounts	2,400,000	5,360,083	1,200,069
Treasury notes and similar securities	3,455,424	3,606,541	3,175,674
Due from banks	20,827,904	21,092,317	20,790,892
Customer loans	42,237,163	43,026,282	44,963,602
Bonds and other fixed income securities	12,724,987	11,246,613	13,604,518
Equity investments and other long-term investments	0	4	-
Intangible assets			
Other	8,175	59,306	92,195
Prepayments, deferred charges and accrued income	2,694,997	3,187,163	4,122,040
Total Assets	**84,348,650**	**87,578,310**	**87,948,990**
Liabilities			
Due to banks	8,778,050	9,852,497	5,034,721
Customer deposits	0	408	19,967
Debt securities	67,573,795	69,123,576	71,288,157
Other liabilities	2,261,259	2,981,454	3,610,586
Accruals and deferred income	2,514,616	2,370,553	2,693,545
Provisions for liabilities and charges	20,435	16,129	26,334
Subordinated debt	0	0	3,450,258
Fund for general banking risks	20,000	20,000	20,000
Equity other than Fund for General Banking Risks	3,180,495	**3,213,693**	**1,805,423**
- Subscribed capital stock, share premiums, reserves, regulated provisions and investment subsidies, retained earnings	3,086,819	3,081,206	1,721,095
- Net income for the year	93,676	132,486	84,328
Total Liabilities and Equity	**84,348,650**	**87,578,310**	**87,948,990**

Income Statement

	For the year ended December 31, 2016	For the year ended December 31, 2015	For the year ended December 31, 2014
		(EUR thousands)	
Interest and similar income	2,850,600	3,128,590	3,446,672
Interest and similar expenses	-2,571,615	-2,872,698	-3,119,359
Commission and fee income	82,972	109,711	45,555
Commission and fee expenses	-2,047	-2,195	-4,225
Gains or losses on investment securities transactions	-456	213	-10,341
Other income from banking operations	7	77	1,307
Other expenses on banking operations	-4	-51	-57
Net banking income	**359, 457**	**363,646**	**359,551**
General operating expenses	-127,689	-123,155	-105,366
Depreciation, amortization and provisions on tangible and intangible fixed assets			
Gross Operating Income	**231,768**	**240,491**	**254,185**
Cost of risk*	-27,078	-14,753	-127,816
Operating Income	**204,690**	**225,738**	**126,369**
Gains or losses on fixed assets	-48	-4,032	1,362
Ordinary Income before Tax	**204,642**	**221,706**	**127,731**
Exceptional items			
Income taxes	-110,965	-89,220	-43,403
Increases and decreases in fund for general banking risks and provisions			
Net Income	**93,676**	**132,486**	**84,328**
*Cost of risk excluding the impact of the HETA securities in 2014 and 2015:	-27,078	-26,954	-23,816

RECENT DEVELOPMENTS

Indebtedness

Between January 1, 2017 and November 30, 2017, the Company issued *Obligations Foncières* in a total amount of EUR 6,010,000,000 or its equivalent in other currencies, measured in accordance with French GAAP.

Financial information as at June 30, 2017, as at June 30, 2016 and as at June 30, 2015

The following half-year financial information, prepared in accordance with French professional accounting standards, is unaudited and has only been subject to a limited review by the statutory auditors.

The half-year financial information of the Company as at June 30, 2017, as at June 30, 2016 and as at June 30, 2015 is reproduced in its entirely in the table below.

Assets

	June 30, 2017	**June 30, 2016**	**June 30, 2015**
		(EUR thousands)	
Cash due from central banks and post office accounts	1,019,958	1,100,043	1,973,463
Treasury notes and similar securities	3,450,718	3,594,319	2,743,137
Due from banks	30,819,683	20,628,543	20,200,626
Customer loans	36,975,136	44,028,035	44,001,293
Bonds and other fixed income securities	5,594,557	11,784,975	13,477,675
Shares and other variable income securities	-	4	-
Other long term securities	-	-	-
Equity in subsidiary companies	-	-	-
Intangible fixed assets	-	-	-
Tangible fixed assets	-	-	-
Equity	-	-	-
Other assets	43,512	7,452	64,868
Prepayments, deferred charges and accrued income	2,390,425	2,842,551	3,773,198
Total Assets	**80,293,990**	**83,985,922**	**86,234,260**

Liabilities and Equity

	June 30, 2017	**June 30, 2016**	**June 30, 2015**
		(EUR thousands)	
Cash due to central banks and post office accounts	-	-	-
Due to banks	6,603,509	8,223,975	4,994,212
Customers deposits	-	2	2,891
Debt Securities	66,452,546	67,119,863	70,346,706
Other liabilities	1,811,634	2,865,394	3,046,083
Accrual and deferred income	2,278,986	2,572,602	2,536,909
Provisions for liabilities and charges	21,315	18,353	15,110
Subordinated debt	-	-	3,466,492
Fund for general banking risks	20,000	20,000	20,000
Equity other than fund for general banking risks	3,106,000	3,165,733	1,805,857
- Subscribed capital stock	2,537,460	2,537,460	1,187,460
- Share premiums	343,002	343,002	343,002
- Reserves	119,152	114,468	107,843
- Revaluation variation	-	-	-
- Regulated provisions and investment subsidies	-	-	-
- Retained earnings	87,313	91,889	92,901
- Net income for the period	19,073	78,914	74,650
Total Liabilities and Equity	**80,293,990**	**83,985,922**	**86,234,260**

Off-Balance Sheet

	June 30, 2017	June 30, 2016	June 30, 2015
		(EUR thousands)	
Commitments given:			
Financing commitments	1,159,590	817,733	868,607
- Commitments in favor of banks	-	-	-
- Commitments in favor of customers	852,914	760,657	789,502
- Other securities pledged as collateral	306,675	57,076	79,104
Guarantee commitments	-	-	-
- Commitments from banks	-	-	-
- Commitments from customers	-	-	-
Securities commitments	-	-	-
- Other commitments given	-	-	-
Commitments given for Insurance activities	-	-	-
Commitments received:			
Financing commitments	34,201,507	29,141,174	31,032,177
- Commitments received from the banks	3,565,708	3,256,347	3,658,292
Guarantee commitments	34,433,480	39,109,876	39,103,926
- Commitments received from banks	6,232,613	5,753,808	6,983,537
Securities commitments	20,000	46,964	-
- Other commitments received	-	-	-
Commitments received from Insurance activities	-	-	-

Changes to the Composition of the Executive Management and of the Board of Directors since June 30, 2017

On February 8, 2017 the Board of Directors was informed by letter of the decision of Mr. Thierry DUFOUR to resign as Chief Executive Officer and Director starting from July 22, 2017.

Following a proposal by the Appointments Committee, the Board of Directors on March 30, 2017 appointed Ms. Muriel COLLE to replace Mr. Thierry DUFOUR as a Director starting from July 23, 2017 and for the rest of his term until the General Meeting called to approve the financial statements for the 2018 financial year.

Following a proposal by the Appointments Committee, the Board of Directors on June 28, 2017 appointed Mr. Olivier AVIS to replace Mr. Thierry DUFOUR as Chief Executive Officer starting from July 23, 2017 for a five-year period. Mr. Olivier AVIS had been Deputy Chief Executive Officer since February 9, 2016.

Following a proposal of Mr. Olivier AVIS, the Board of Directors on June 28, 2017 appointed Mr. Paul DUDOUIT to replace Mr. Olivier AVIS as a Deputy Chief Executive Officer starting from July 23, 2017 for a five-year period.

Credit crisis in the Eurozone

Please refer to pages 152 to 153 of the Reference Document 2016 for a description of the Company's holdings of obligations issued by sovereign entities. Please also see the Section titled "Risk Factors" of the Base Prospectus ("*Risk Factors – The Company is exposed to the risk of default in its portfolio of assets used as cover for the issuance of Securities under the Program*").

Trends

Please refer to page 208 of the Reference Document 2016 for a description of recent events and trends in relation to the outlook of the Company.

TAXATION

The statements herein regarding taxation are based on U.S. federal tax laws and the laws in France and/or, as the case may be, Luxembourg in force as of the date of this Base Prospectus and are subject to any changes in law, potentially with a retroactive effect. The following summary 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 Securities. Each prospective holder or beneficial owner of Securities should consult its tax advisor as to the U.S. federal, French or, as the case may be, Luxembourg consequences of any investment in or ownership and disposal of the Securities.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of Securities to U.S. Holders (as defined below) purchasing Securities at their original issuance and at their "issue price" (defined below). This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), administrative pronouncements, judicial decisions and final, temporary and proposed U.S. Treasury Regulations, changes to any of which subsequent to the date hereof may affect the tax consequences described herein. Any such change may apply retroactively. This summary does not address the material U.S. federal income tax consequences of every type of Security that may be issued under the Program and the relevant Final Terms will contain additional or modified disclosure concerning the material U.S. federal income tax consequences relevant to such type of Securities as appropriate.

This summary only applies to those investors holding Securities as capital assets within the meaning of Section 1221 of the Code and assumes that the Securities will be properly treated as indebtedness for U.S. federal income tax purposes. It does not address all of the tax consequences that may be relevant to an investor in light of the investor's particular circumstances or to investors subject to special rules (including, without limitation, tax-exempt investors, individual retirement accounts and other tax-deferred accounts, persons who are liable for the alternative minimum tax or the Medicare tax on net investment income, banks, thrifts, insurance companies, other financial institutions, real estate investment trusts, "S" corporations, entities or arrangements treated as partnerships for U.S. federal income tax purposes, expatriates, regulated investment companies, brokers, dealers or traders in securities or commodities electing to use a mark-to-market method of accounting, persons whose functional currency is other than the U.S. dollar, and persons who hold Securities as part of a straddle, hedging, conversion or other integrated transaction, or hold Securities as part of a constructive sale transaction). Moreover, the summary deals only with Securities with a term of 30 years or less and does not address the applicable rates of tax.

This summary of U.S. federal income tax consequences is for general information only. State, local and non-U.S. income tax laws may differ substantially from the corresponding federal income tax laws, and this summary does not purport to describe any aspect of the tax laws of any state, local or non-U.S. jurisdiction.

Persons considering the purchase of Securities should consult their tax advisors with regard to the application of U.S. federal income tax laws to their particular situations as well as any estate tax consequences and tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction. This discussion is subject to any additional discussion regarding U.S. federal income taxation contained in the applicable Final Terms. Accordingly, such persons should consult the applicable Final Terms for any additional discussion regarding U.S. federal income taxation with respect to the specific Securities offered thereunder.

The term "**U.S. Holder**" means a beneficial owner of a Security who or which is, for U.S. federal income tax purposes, either (i) a citizen or resident of the United States, (ii) a corporation created or organized in or under the laws of the United States or any state or political subdivision thereof, including the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a U.S. court is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions or if it has a valid election in place to be treated as a domestic trust. The following discussions describe consequences relevant to U.S. Holders.

Taxation of Interest

The taxation of interest on a Security depends on whether it constitutes "qualified stated interest" (as defined below). Interest on a Security that constitutes qualified stated interest is includible in a U.S. Holder's

income as ordinary interest income when actually or constructively received, if such holder uses the cash method of accounting for federal income tax purposes, or when accrued, if such holder uses an accrual method of accounting for federal income tax purposes. Interest on a Security is expected to be foreign source income for U.S. federal income tax purposes, which may be relevant in calculating the U.S. Holder's foreign tax credit limitation. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, interest paid on the Securities will generally constitute "passive category income." Interest that does not constitute qualified stated interest is included in a U.S. Holder's income under the rules described below under "*Original Issue Discount*," regardless of such holder's method of accounting. Notwithstanding the foregoing, interest that is payable on a Security with a maturity of one year or less from its issue date after taking into account the last possible date that the Security could be outstanding under the terms of the Security (a "**Short-Term Security**") is included in a U.S. Holder's income under the rules described below under "*Short-Term Securities*."

Prospective U.S. Holders should consult their tax advisors concerning the applicability of the foreign tax credit and source of income rules to interest attributable to the Securities.

Fixed Rate Securities

Interest on a Fixed Rate Security will constitute "qualified stated interest" if the interest is unconditionally payable, or will be constructively received under Section 451 of the Code, in cash or in property (other than debt instruments issued by the Company) at least annually at a single fixed rate.

Floating Rate Securities

General. Interest on a Floating Rate Security that is unconditionally payable, or will be constructively received under Section 451 of the Code, in cash or in property (other than debt instruments issued by the Company) at least annually will constitute "qualified stated interest" if the Security is a "variable rate debt instrument" ("**VRDI**") under the rules described below and the interest is payable at a single "qualified floating rate" or single "objective rate" (each as defined below). If the Security is a VRDI but the interest is payable other than at a single qualified floating rate or at a single objective rate, special rules apply to determine the portion of such interest that constitutes "qualified stated interest." See "*Original Issue Discount - Floating Rate Securities*" below. A Floating Rate Security that does not constitute a VRDI will be subject to the rules governing contingent payment debt instruments. See "Original Issue Discount—*Contingent Payment Debt Instruments*" below.

Definition of Variable Rate Debt Instrument (VRDI), Qualified Floating Rate and Objective Rate. A Security is a VRDI if all of the four following conditions are met. First, the "issue price" of the Security (as described below) must not exceed the total noncontingent principal payments by more than an amount equal to the lesser of (i) 0.015 multiplied by the product of the total noncontingent principal payments and the number of complete years to maturity from the issue date (or, in the case of a Security that provides for payment of any amount other than qualified stated interest before maturity, its weighted average maturity), and (ii) 15% of the total noncontingent principal payments.

Second, the Security must generally provide for stated interest (compounded or paid at least annually) at (a) one or more qualified floating rates, (b) a single fixed rate and one or more qualified floating rates, (c) a single objective rate or (d) a single fixed rate, and a single objective rate that is a "qualified inverse floating rate" (as defined below).

Third, the Security must provide that a qualified floating rate or objective rate in effect at any time during the term of the Security is set at the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

Fourth, the Security may not provide for any principal payments that are contingent except as provided in the first requirement set forth above.

Subject to certain exceptions, a variable rate of interest on a Security is a "qualified floating rate" if variations in the value of the rate can reasonably be expected to measure contemporaneous fluctuations in the cost of newly borrowed funds in the currency in which the Floating Rate Security is denominated. A variable rate will be considered a qualified floating rate if the variable rate equals (i) the product of an otherwise qualified floating rate and a fixed multiple (i.e., a spread multiplier) that is greater than 0.65, but not more than

1.35, or (ii) an otherwise qualified floating rate (or the product described in clause (i)) plus or minus a fixed rate (*i.e.*, a spread).

If the variable rate equals the product of an otherwise qualified floating rate and a single spread multiplier greater than 1.35 or less than or equal to 0.65, however, such rate will generally constitute an objective rate, described more fully below. A variable rate will not be considered a qualified floating rate if the variable rate is subject to a cap, floor, governor (i.e., a restriction on the amount of increase or decrease in the stated interest rate) or similar restriction that is reasonably expected as of the issue date to cause the yield on the Security to be significantly more or less than the expected yield determined without the restriction (other than a cap, floor or governor that is fixed throughout the term of the Security or is not reasonably expected as of the issue date to become applicable).

Subject to certain exceptions, an "objective rate" is a rate (other than a qualified floating rate) that is determined using a single fixed formula and that is based on objective financial or economic information that is neither within the Company's control (or the control of a related party) nor unique to the Company's circumstances (or the circumstances of a related party). For example, an objective rate generally includes a rate that is based on one or more qualified floating rates or on the yield of actively traded personal property (within the meaning of Section 1092(d)(1) of the Code). Notwithstanding the first sentence of this paragraph, a rate on a Security is not an objective rate if it is reasonably expected that the average value of the rate during the first half of the Security's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Security's term. An objective rate is a "qualified inverse floating rate" if (a) the rate is equal to a fixed rate minus a qualified floating rate and (b) the variations in the rate can reasonably be expected to reflect inversely contemporaneous variations in the cost of newly borrowed funds (disregarding any caps, floors, governors or similar restrictions that would not, as described above, cause a rate to fail to be a qualified floating rate). It is expected, and the discussion below assumes, that a Floating Rate Security will qualify as a VRDI.

If interest on a Security is stated at a fixed rate for an initial period of one year or less, followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period, and the value of the variable rate on the issue date is intended to approximate the fixed rate, the fixed rate and the variable rate together constitute a single qualified floating rate or objective rate.

Original Issue Discount

Original issue discount ("**OID**") with respect to a Security other than a Short-Term Security is the excess, if any, of the Security's "stated redemption price at maturity" over the Security's "issue price." A Security's "stated redemption price at maturity" is the sum of all payments provided by the Security (whether designated as interest or as principal) other than payments of qualified stated interest. The "issue price" of a Security is the first price at which a substantial amount of the Securities in the issuance that includes such Security is sold for money (excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers).

As described more fully below, U.S. Holders of Securities with OID that mature more than one year from their issue date generally will be required to include such OID in income as it accrues in accordance with the constant yield method described below, irrespective of the receipt of the related cash payments. A U.S. Holder's tax basis in a Security is increased by each accrual of OID and decreased by each payment other than a payment of qualified stated interest. The amount of OID with respect to a Security will be treated as de minimis OID, and not subject to current inclusion, if the OID is less than an amount equal to 0.0025 multiplied by the product of the stated redemption price at maturity and the number of complete years to maturity (or, in the case of a Security that provides for payment of any amount other than qualified stated interest prior to maturity, the weighted average maturity of the Security).

Fixed Rate Securities with OID

In the case of OID with respect to a Fixed Rate Security (generally including a Zero Coupon Security), the amount of OID includible in the income of a U.S. Holder for any taxable year is determined under the constant yield method, as follows. First, the "yield to maturity" of the Security is computed. The yield to maturity is the discount rate that, when used in computing the present value of all interest and principal payments to be made under the Security (including payments of qualified stated interest), produces an amount equal to the issue price of the Security. The yield to maturity is constant over the term of the Security and, when expressed as a percentage, must be calculated to at least two decimal places.

Second, the term of the Security is divided into "accrual periods." Accrual periods may be of any length and may vary in length over the term of the Security, provided that each accrual period is no longer than one year and that each scheduled payment of principal or interest occurs either on the final day or the first day of an accrual period.

Third, the total amount of OID on the Security is allocated among accrual periods. In general, the OID allocable to an accrual period equals the product of the "adjusted issue price" of the Security at the beginning of the accrual period and the yield to maturity of the Security, less the amount of any qualified stated interest allocable to the accrual period. The adjusted issue price of a Security at the beginning of the first accrual period is its issue price. Thereafter, the adjusted issue price of the Security is its issue price, increased by the amount of OID previously includible in the gross income of any Holder and decreased by the amount of any payment previously made on the Security other than a payment of qualified stated interest.

Fourth, the "daily portions" of OID are determined by allocating to each day in an accrual period its ratable portion of the OID allocable to the accrual period.

A U.S. Holder includes in income in any taxable year the daily portions of OID for each day during the taxable year that such Holder held Securities. In general, under the constant yield method described above, U.S. Holders will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Floating Rate Securities that are VRDIs with OID

The taxation of OID (including interest that does not constitute qualified stated interest) on a Floating Rate Security will depend on whether the Security is a "VRDI," as that term is defined under the Code and above under "*Taxation of Interest—Definition of Variable Rate Debt Instrument (VRDI), Qualified Floating Rate and Objective Rate*."

In the case of a VRDI that provides for interest at a single variable rate, the amount of qualified stated interest and the amount of OID, if any, includible in income during a taxable year are determined under the rules applicable to Fixed Rate Securities (described above) by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or a qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), the rate that reflects the yield that is reasonably expected for the Security. Qualified stated interest allocable to an accrual period is increased (or decreased) if the interest actually paid during an accrual period exceeds (or is less than) the interest assumed to be paid during the accrual period.

If a Security that is a VRDI does not provide for interest at a single variable rate as described above, the amount of interest and OID accruals are determined by constructing an equivalent fixed rate debt instrument, as follows.

First, in the case of an instrument that provides for stated interest at one or more qualified floating rates or at a qualified inverse floating rate and, in addition, at a fixed rate (other than a fixed rate that is treated as, together with a variable rate, a single qualified floating rate or objective rate), replace the fixed rate with a qualified floating rate (or qualified inverse floating rate) such that the fair market value of the instrument, so modified, as of the issue date, would be approximately the same as the fair market value of the unmodified instrument.

Second, determine the fixed rate substitute for each variable rate provided by the Security. The fixed rate substitute for each qualified floating rate provided by the Security is the value of that qualified floating rate on the issue date. If the Security provides for two or more qualified floating rates with different intervals between interest adjustment dates (for example, the 30-day commercial paper rate and quarterly LIBOR), the fixed rate substitutes are based on intervals that are equal in length (for example, the 90-day commercial paper rate and quarterly LIBOR, or the 30-day commercial paper rate and monthly LIBOR). The fixed rate substitute for an objective rate that is a qualified inverse floating rate is the value of the qualified inverse floating rate on the issue date. The fixed rate substitute for an objective rate (other than a qualified inverse floating rate) is a fixed rate that reflects the yield that is reasonably expected for the Security.

Third, construct an equivalent fixed rate debt instrument that has terms that are identical to those provided under the Security, except that the equivalent fixed rate debt instrument provides for the fixed rate

substitutes determined in the second step, in lieu of the qualified floating rates or objective rate provided by the Security.

Fourth, determine the amount of qualified stated interest and OID for the equivalent fixed rate debt instrument under the rules (described above) for Fixed Rate Securities. These amounts are taken into account as if the U.S. Holder held the equivalent fixed rate debt instrument. See "*Taxation of Interest*" and "*Original Issue Discount—Fixed Rate Securities,*" above.

Fifth, make appropriate adjustments for the actual values of the variable rates. In this step, qualified stated interest or, in certain circumstances, OID allocable to an accrual period is increased (or decreased) if the interest actually accrued or paid during the accrual period exceeds (or is less than) the interest assumed to be accrued or paid during the accrual period under the equivalent fixed rate debt instrument.

Contingent Payment Debt Instruments

General. The Company may issue Floating Rate Securities that do not constitute a VRDI. Those Securities will be treated as "contingent payment debt instruments" for U.S. federal income tax purposes ("**contingent debt obligations**"). The Company may issue other Securities that are also treated as contingent debt obligations. Special rules apply to contingent debt obligations under applicable U.S. Treasury Regulations (the "**contingent debt regulations**"). Pursuant to the contingent debt regulations, a U.S. Holder of a contingent debt obligation will be required to accrue interest income on the contingent debt obligation on a constant yield basis, based on a comparable yield, as described below, regardless of whether such holder uses the cash or accrual method of accounting for U.S. federal income tax purposes. As such, a U.S. Holder may be required to include interest in income each year in excess of any stated interest payments actually received in that year, if any. The contingent debt regulations provide that a U.S. Holder must accrue an amount of ordinary interest income, as OID for U.S. federal income tax purposes, for each accrual period prior to and including the maturity date of the contingent debt obligation that equals:

- the product of (a) the adjusted issue price (as defined below) of the contingent debt obligation as of the beginning of the accrual period and (b) the comparable yield (as defined below) of the contingent debt obligation, adjusted for the length of the accrual period;

- divided by the number of days in the accrual period; and

- multiplied by the number of days during the accrual period that the U.S. Holder held the contingent debt obligation.

The "adjusted issue price" of a contingent debt obligation is its issue price, increased by any interest income previously accrued, determined without regard to any adjustments to interest accruals described below, and decreased by the projected amount of any payments (in accordance with the projected payment schedule described below) previously made with respect to the contingent debt obligation.

The term "comparable yield" as used in the contingent debt regulations means the greater of (i) annual yield an issuer would pay, as of the issue date, on a fixed-rate, nonconvertible debt instrument with no contingent payments, but with terms and conditions otherwise comparable to those of the contingent debt obligations, and (ii) the applicable federal rate.

The contingent debt regulations require that an issuer provide to U.S. Holders, solely for U.S. federal income tax purposes, a schedule of the projected amounts of payments (the "**projected payment schedule**") on the contingent debt obligations. This schedule must produce a yield to maturity that equals the comparable yield. A U.S. Holder will generally be bound by the comparable yield and the projected payment schedule determined by the Company, unless the U.S. Holder determines its own comparable yield and projected payment schedule and explicitly discloses such schedule to the IRS, and explains to the IRS the reason for preparing its own schedule. The Company's determination, however, is not binding on the IRS, and it is possible that the IRS could conclude that some other comparable yield or projected payment schedule should be used instead.

The comparable yield and the projected payment schedule are not used for any purpose other than to determine a U.S. Holder's interest accruals and adjustments thereto in respect of the contingent debt obligations for U.S. federal income tax purposes. They do not constitute a projection or representation by the Company regarding the actual amounts that will be paid on the contingent debt obligations.

Adjustments to Interest Accruals on the Securities. If, during any taxable year, a U.S. Holder of a contingent debt obligation receives actual payments with respect to such contingent debt obligation that, in the aggregate, exceed the total amount of projected payments for that taxable year, the U.S. Holder will incur a ''net positive adjustment'' under the contingent debt regulations equal to the amount of such excess. The U.S. Holder will treat a net positive adjustment as additional interest income in that taxable year. If a U.S. Holder receives in a taxable year actual payments with respect to the contingent debt obligation that, in the aggregate, are less than the amount of projected payments for that taxable year, the U.S. Holder will incur a ''net negative adjustment'' under the contingent debt regulations equal to the amount of such deficit. This net negative adjustment:

- will first reduce the U.S. Holder's interest income on the contingent debt obligation for that taxable year;
- to the extent of any excess, will give rise to an ordinary loss to the extent of the U.S. Holder's interest income on the contingent debt obligation during prior taxable years, reduced to the extent such interest was offset by prior net negative adjustments; and
- to the extent of any excess after the application of the previous two bullet points, will be carried forward as a negative adjustment to offset future interest income with respect to the contingent debt obligation or to reduce the amount realized on a sale, exchange or retirement of the contingent debt obligation.

A net negative adjustment is not subject to the two percent floor limitation on miscellaneous itemized deductions.

Generally the sale, exchange or retirement of a contingent debt obligation will result in taxable gain or loss to a U.S. Holder. The amount of gain or loss on a sale, exchange or retirement of a contingent debt obligation will be equal to the difference between (a) the amount of cash plus the fair market value of any other property received by the U.S. Holder (the "amount realized"), and (b) the U.S. Holder's adjusted tax basis in the contingent debt obligation. As discussed above, to the extent that a U.S. Holder has any net negative adjustment carryforward, the U.S. Holder may use such net negative adjustment from a previous year to reduce the amount realized on the sale, exchange or retirement of the contingent debt obligations.

For purposes of determining the amount realized on the scheduled retirement of a Security, a U.S. Holder will be treated as receiving the projected payment amount of any contingent payment due at maturity. As discussed above, to the extent that actual payments with respect to the Securities during the year of the scheduled retirement are greater or lesser than the projected payments for such year, a U.S. Holder will incur a net positive or negative adjustment, resulting in additional ordinary income or loss, as the case may be.

A U.S. Holder's adjusted tax basis in a contingent debt obligation generally will be equal to the U.S. Holder's original purchase price for the contingent debt obligation, increased by any interest income previously accrued by the U.S. Holder (determined without regard to any adjustments to interest accruals described above) and decreased by the amount of any projected payments that previously have been scheduled to be made in respect of the contingent debt obligations (without regard to the actual amount paid).

Gain recognized by a U.S. Holder upon a sale, exchange or retirement of a contingent debt obligation generally will be treated as ordinary interest income. Any loss will be ordinary loss to the extent of the excess of previous interest inclusions over the total net negative adjustments previously taken into account as ordinary losses in respect of the contingent debt obligation, and thereafter capital loss (which will be long-term if the contingent debt obligation has been held for more than one year). The deductibility of capital losses is subject to limitations. If a U.S. Holder recognizes a loss upon a sale or other disposition of a contingent debt obligation and such loss is above certain thresholds, then the U.S. Holder may be required to file a disclosure statement with the Internal Revenue Service ("**IRS**"). U.S. Holders should consult their tax advisors regarding this reporting obligation, as discussed under "Disclosure Requirements" below.

Special rules will apply if one or more contingent payments on a contingent debt obligation become fixed. If one or more contingent payments on a contingent debt obligation become fixed more than six months prior to the date each such payment is due, a U.S. Holder would be required to make a positive or negative adjustment, as appropriate, equal to the difference between the present value of the amounts that are fixed, and the present value of the projected amounts of the contingent payments as provided in the projected payment schedule, using the comparable yield as the discount rate in each case. If all remaining scheduled contingent payments on a contingent debt obligation become fixed substantially contemporaneously, a U.S. Holder would be required to make adjustments to account for the difference between the amounts so treated as fixed and the

projected payments in a reasonable manner over the remaining term of the contingent debt obligation. For purposes of the preceding sentence, a payment (including an amount payable at maturity) will be treated as fixed if (and when) all remaining contingencies with respect to it are remote or incidental within the meaning of the contingent debt regulations. A U.S. Holder's tax basis in the contingent debt obligation and the character of any gain or loss on the sale of the contingent debt obligation would also be affected. U.S. Holders are urged to consult their tax advisors concerning the application of these special rules.

Other Rules. Certain Securities having OID may be redeemed prior to maturity, or may be repayable at the option of the Holder. Such Securities may be subject to rules that differ from the general rules discussed above relating to the tax treatment of OID. Purchasers of such Securities with a redemption or repayable feature should consult their tax advisors with respect to such feature since the tax consequences with respect to OID will depend, in part, on the particular terms and features of the purchased Security.

Premium

If a U.S. Holder purchases a Security for an amount in excess of the sum of all amounts payable on the Security after the date of acquisition (other than payments of qualified stated interest), such Holder will be considered to have purchased such Security with "amortizable bond premium" equal in amount to such excess. Generally, a U.S. Holder may elect to amortize such premium as an offset to qualified stated interest income, using a constant yield method similar to that described above (see "Original Issue Discount"), over the remaining term of the Security. Special rules may apply in the case of a Security that is subject to optional redemption. A U.S. Holder who elects to amortize bond premium must reduce such holder's tax basis in the Security by the amount of the premium used to offset qualified stated interest income as set forth above. An election to amortize bond premium applies to all taxable debt obligations held at the beginning of the first taxable year to which the election applies and thereafter acquired by such Holder and may be revoked only with the consent of the IRS.

Short-Term Securities

A Short-Term Security will be treated as issued at a discount and none of the interest paid on the Security will be treated as qualified stated interest. Thus, all Short-Term Securities will be OID Securities. U.S. Holders that report income for federal income tax purposes on an accrual method are required to include OID in income on such Short-Term Security on a straight-line basis, unless an election is made to accrue the OID according to a constant yield method based on daily compounding.

Other U.S. Holders of a Short-Term Security are generally not required to accrue OID for federal income tax purposes, unless they elect to do so, with the consequence that the reporting of such income is deferred until it is received. In the case of a U.S. Holder that is not required, and does not elect, to include OID in income currently, any gain realized on the sale, exchange or retirement of a Short-Term Security is ordinary income to the extent of the OID accrued on a straight-line basis (or, if elected, according to a constant yield method based on daily compounding) through the date of sale, exchange or retirement. In addition, U.S. Holders that are not required, and do not elect, to include OID in income currently are required to defer deductions for any interest paid on indebtedness incurred or continued to purchase or carry a Short-Term Security in an amount not exceeding the deferred interest income with respect to such Short-Term Security (which includes both the accrued OID and accrued interest that are payable but that have not been included in gross income), until such deferred interest income is realized. A U.S. Holder's tax basis in a Short-Term Security is increased by the amount included in such holder's income on such a Security.

Election to Treat All Interest as OID

U.S. Holders may elect to include in gross income all interest that accrues on a Security, including any stated interest, acquisition discount, OID, market discount, de minimis OID, de minimis market discount and unstated interest (as adjusted by amortizable bond premium and acquisition premium), by using the constant yield method described above under "*Original Issue Discount*." Such an election for a Security with amortizable bond premium will result in a deemed election to amortize bond premium for all debt instruments held at the beginning of the first taxable year to which the election applies and thereafter acquired by the U.S. Holder with amortizable bond premium and may be revoked only with the permission of the IRS. A U.S. Holder's tax basis in a Security will be increased by each accrual of the amounts treated as OID under the constant yield election described in this paragraph.

Sale, Exchange or Retirement of Securities

A U.S. Holder generally will recognize U.S. source gain or loss upon the sale, exchange or retirement of a Security equal to the difference between the amount realized upon such sale, exchange or retirement and the U.S. Holder's adjusted basis in the Security. Such adjusted basis in the Security generally will equal the cost of the Security to the holder, increased by OID previously included in income, and reduced (but not below zero) by any payments on the Security other than payments of qualified stated interest and by any premium that the U.S. Holder has taken into account. To the extent attributable to accrued but unpaid qualified stated interest, the amount realized by the U.S. Holder will be treated as a payment of interest. Generally, any gain or loss will be capital gain or loss, except as provided under "*Short-Term Securities*" and "*Original Issue Discount—Contingent Payment Debt Instruments*" above. The gain or loss on the sale, exchange or retirement of a debt security will generally be long-term capital gain or loss if a U.S. Holder has held the debt security for more than one year on the date of disposition. The ability of U.S. Holders to offset capital losses against ordinary income is limited. Special rules apply in determining the tax basis of a contingent debt obligation and the amount realized on the retirement of a contingent debt obligation.

Foreign Currency Securities

Interest

The following summary describes certain special rules applicable to a U.S. Holder of a Security that is denominated in a specified currency other than the U.S. dollar or the payments of interest or principal which are payable in one or more currencies or currency units other than the U.S. dollar (a "**Foreign Currency Security**"). The U.S. federal income tax consequences to a U.S. Holder of the ownership and disposition of contingent debt obligations that are denominated in currency units other than the U.S. dollar and currency-linked Securities are not discussed in this Base Prospectus and will be discussed in the applicable Final Terms.

If an interest payment (other than OID) is denominated in, or determined by reference to a foreign currency, the amount of income recognized by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars, and this U.S. dollar value will be the U.S. Holder's tax basis in the foreign currency.

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

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

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Foreign Currency Security) denominated in, or determined by reference to, a foreign currency, the U.S. Holder may recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars. If a payment received in a foreign currency is not immediately converted into U.S. dollars, the later disposition of the foreign currency may give rise to further exchange gain or loss.

OID

OID for each accrual period on a discount Foreign Currency Security that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated

into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Security or a sale of the Security), a U.S. Holder may recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt or on the date of disposition of the Security, as the case may be) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Bond Premium

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

Sale, Exchange or Retirement

As discussed above under "*Sale, Exchange or Retirement of Securities*," a U.S. Holder will generally recognize gain or loss on the sale or retirement of a Security equal to the difference between the amount realized on the sale or retirement and its tax basis in the Security. A U.S. Holder's initial tax basis in a Security that is denominated in a foreign currency will be determined by reference to the U.S. dollar cost of the Security.

The U.S. dollar cost of a Security purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Securities traded on an established securities market, as defined in the applicable U.S. Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase.

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

A U.S. Holder will recognize exchange rate gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Security equal to the difference, if any, between the U.S. dollar values of the U.S. Holder's purchase price (excluding any bond premium previously amortized) for the Security (i) on the date of sale or retirement and (ii) on the date on which the U.S. Holder acquired the Security. Any such exchange rate gain or loss (including any exchange gain or loss attributable to accrued but unpaid interest) will be realized only to the extent of total gain or loss realized on the sale or retirement. The source of the foreign currency gain or loss will be determined by reference to the residence of the holder or the "qualified business unit" of the holder on whose books the Security is properly reflected. Any gain or loss realized by these holders in excess of the foreign currency gain or loss will be capital gain or loss (except in the case of a Short-Term Security, to the extent of any discount not previously included in the holder's income). If a U.S. Holder recognizes a loss upon a sale or other disposition of a Foreign Currency Security and such loss is above certain thresholds, then the holder may be required to file a disclosure statement with the IRS. U.S. Holders should consult their tax advisors regarding this reporting obligation, as discussed under "Disclosure Requirements" above.

Any gain or loss realized by a U.S. Holder on a sale or other disposition of foreign currency (including its exchange for U.S. dollars or its use to purchase Foreign Currency Securities) will be ordinary income or loss.

Backup Withholding and Information Reporting

Backup withholding may apply in respect of the amounts paid to a U.S. Holder, unless such U.S. Holder provides proof of an applicable exemption or a correct taxpayer identification number, or otherwise complies with applicable requirements of the backup withholding rules. The amounts withheld under the backup withholding rules are not an additional tax and may be refunded, or credited against the U.S. Holder's U.S. federal income tax liability provided that the required information is furnished timely to the IRS. In addition, information returns will be filed with the IRS in connection with payments on the Securities and the proceeds

from a sale or other disposition of the Securities, unless the U.S. Holder provides proof of an applicable exemption from the information reporting rules.

Fungible Issue

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

Disclosure Requirements

Applicable U.S. Treasury Regulations require taxpayers that participate in certain "reportable transactions" to disclose their participation to the IRS by attaching Form 8886 to their tax returns and to retain a copy of all documents and records related to the transaction. In addition, organizers and sellers of such transactions are required to maintain records, including lists identifying investors in the transaction, and must furnish those records to the IRS upon demand. A transaction may be a "reportable transaction" based on any of several criteria. Whether an investment in a Security constitutes a "reportable transaction" for any holder depends on the holder's particular circumstances. U.S. Holders should consult their own tax advisors concerning any possible disclosure obligation that they may have with respect to their investment in the Securities and should be aware that the Company (or other participants in the transaction) may determine that the investor list maintenance requirement applies to the transaction, and comply accordingly with this requirement.

Certain U.S. Holders who are individuals are required to report information relating to an interest in our Securities, subject to certain exceptions (including an exception for Securities held in accounts maintained by certain financial institutions, in which case the account may be reportable if maintained by a foreign financial institution). Under certain circumstances, an entity may be treated as an individual for purposes of the foregoing rules. U.S. Holders should consult their tax advisors regarding any disclosure or reporting requirements that may apply to them as a result of their ownership and disposition of our Securities.

FATCA WITHHOLDING

Pursuant to the foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 ("**FATCA**"), a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including France) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, such withholding would not apply prior to January 1, 2019. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Securities, no person will be required to pay additional amounts as a result of the withholding.

LUXEMBOURG

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

Withholding Tax

Under Luxembourg tax law currently in effect and with the exception below, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) or upon repayment of principal in the case of reimbursement, redemption, repurchase or exchange of the Securities.

Pursuant to the Luxembourg law of December 23, 2005 as amended, interest payments made by Luxembourg paying agents to Luxembourg individual residents are subject to a 20% withholding tax.

Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 20% tax on interest payments made by paying agents located in an EU Member State other than Luxembourg, or in a member state of the European Economic Area other than an EU Member State.

FRANCE

The following is intended as a basic summary of certain withholding tax considerations in France relating to the Securities as in effect and as applied by the relevant tax authorities as at the date hereof that may be relevant to holders of the Securities that do not concurrently hold shares of the Company and are not related to the Company within the meaning of Article 39.12 of the French Code général des impôts. Persons who are in any doubt as to their tax position should consult a professional tax advisor.

Articles 199 *ter* and 242 *ter* of the French *Code général des impôts* and Article 49 I *ter* to 49 I *sexies* of Schedule III to the French *Code général des impôts*, imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest payments made to that beneficial owner.

In addition, Article 1649 AC of the French *Code général des impôts* imposes on financial institutions within the meaning of Article 1 of the Decree n° 2016-1683 to review and collect information on their clients and investors, in order to identify their tax residence, as well as to provide certain account information to relevant foreign tax authorities (via the French tax authorities) on an annual basis.

Payments of interest and other assimilated revenue

Payments of interest and other similar revenues made by the Company with respect to the Securities are not subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts*, unless such payments are made outside France in a non-cooperative State or territory (*État ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"), in which case a 75% withholding tax is applicable, subject to certain exceptions certain of which are set forth below and to the more favorable provisions of any applicable double tax treaty. The list of Non-Cooperative States is published by a ministerial order (*arrêté*), which is updated at least once a year as from December 11, 2016. This list was last updated on April 8, 2016.

Furthermore, pursuant to Article 238 A of the French *Code général des impôts*, interest and other revenues on such Securities may not be deductible from the taxable income of the Company if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid on an account opened in a financial institution established in any such Non-Cooperative State. Under certain conditions, any such non-deductible interest and other similar revenues may be recharacterized as constructive dividends pursuant to Article 109 *et seq.* of the French *Code général des impôts*, in which case they may be subject to the withholding tax set out under Article 119 *bis 2* of the French Code général des impôts, at a rate of either 30% or 75%, subject to the more favorable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, Articles 125 A III and 238 A of the French *Code général des impôts* provide that neither the 75% withholding tax nor, *provided that* the relevant interest or other revenues relate to a genuine transaction and are not in an abnormal or exaggerated amount, the non-deductibility set out under Article 238 A of the French *Code général des impôts* and the related withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts* that may be levied as a result of such non deductibility, will apply in respect of a particular issue of Securities if the Company can prove that the main purpose and effect of such issue of Securities are not to enable payments of interest or other similar revenue to be made in a Non-Cooperative State (the "**Exception**").

However, pursuant to the French tax administrative guidelines (*Bulletin Officiel des Finances Publiques-Impôts*) of the *Direction générale des finances publiques* (BOI-INT-DG-20-50-20140211 §550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211 §70 and 80, and BOI-IR-DOMIC-10-20-20-60-20150320 §10) (the "**Administrative Guidelines**"), an issue of Securities will benefit from the Exception without the Company

having to provide any proof of the purpose and effect of such issue of Securities to the extent such Securities are:

(i) offered by means of a public offer within the meaning of Article L.411.1 of the French *Code Monétaire et Financier* or pursuant to an equivalent offer in a State other than 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 operations of a central depositary or of a securities payment and delivery system operator within the meaning of Article L.561-2 of the French *Code Monétaire et Financier*, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

Where the paying agent is established in France, pursuant to Article 125 A I of the French *Code général des impôts*, and subject to certain limited exceptions, interest and other similar revenues received by French tax resident individuals are subject to a 24% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also generally levied by way of withholding tax at an aggregate rate of 15.5% on interest and other similar revenues paid to French tax resident individuals. Holders of Securities who are French tax resident individuals are urged to consult with their usual tax adviser on the way the 24% levy and the 15.5% social security contributions are collected, where the paying agent is not located in France.

Sale or Disposal of the Securities

The following may be relevant to holders of the Securities that (i) are non French residents for French tax purposes and (ii) do not hold the Securities in connection with a business or profession conducted in France or through a permanent establishment or a fixed base in France.

Holders of the Securities will not be subject to any French income tax or capital gains tax on the sale or disposal of the Securities. In addition, no stamp or registration fee or duty or similar taxes will be payable in France in connection with the sale or disposal of the Securities, other than a fixed registration duty (*droit fixe*) in case of filing on a voluntary basis with the French tax authorities.

CERTAIN ERISA CONSIDERATIONS

General

The U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), imposes certain requirements on employee benefit plans subject to Title I of ERISA and on entities that are deemed to hold the assets of such plans ("**ERISA Plans**"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including, but not limited to, the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan.

Section 406 of ERISA and Section 4975 of the Code (as defined in the section entitled "*Taxation – Certain U.S. Federal Income Tax Consequences*") prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts ("IRAs" and together with ERISA Plans, "**Plans**")) and certain persons (referred to as "**parties in interest**" within the meaning of Section 3(14) of ERISA or "**disqualified persons**" within the meaning of Section 4975 of the Code) having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and/or the Code.

In addition, fiduciaries of any Plan that engages in such a prohibited transaction may be subject to penalties and liabilities under ERISA and/or the Code. Therefore, any Plan fiduciary that proposes to cause a Plan to purchase the Securities should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to confirm that such purchase and holding of the Securities will not constitute or result in a prohibited transaction or any other violation of an applicable requirement of ERISA or the Code.

Non-U.S. plans (as described in Section 4(b)(4) of ERISA), "governmental plans" (as defined in Section 3(32) of ERISA or Section 4975(g)(2) of the Code) and certain "church plans" (as described in Section 3(33) of ERISA or Section 4975(g)(3) of the Code) and other plans (collectively referred to as "**Non-ERISA Plans**"), while not subject to the fiduciary responsibility provisions of Title I of ERISA or the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code, may nevertheless be subject to non-U.S., state, local or other federal laws or regulations that are substantially similar to the fiduciary responsibility or prohibited transaction provisions of ERISA and Section 4975 of the Code (collectively, "**Similar Law**"). Fiduciaries of any such plans should consult with their counsel before purchasing the Securities to determine the need for and the availability, if necessary, of any exemptive relief under any Similar Law.

Each Plan should consider the fact that none of the Company, the Dealers, the Arranager, the Stabilization Manager or any of their respective affiliates (collectively, the "**Transaction Parties**") is acting, or will act, as a fiduciary to any Plan with respect to the decision to purchase or hold the notes. The Transaction Parties are not undertaking to provide impartial investment advice or to give advice in a fiduciary capacity, with respect to the decision to purchase or hold the notes. All communications, correspondence and materials from the Transaction Parties with respect to the notes are intended to be general in nature and are not directed at any specific purchaser of the notes, and do not constitute advice regarding the advisability of investment in the notes for any specific purchaser. The decision to purchase and hold the notes must be made solely by an independent fiduciary having financial expertise (as described in Section 2510-3-21(c)(1)) on behalf of each prospective ERISA Plan purchaser on an arm's length basis.

Prohibited Transaction Exemptions

The fiduciary of a Plan that proposes to purchase and hold Securities should consider, among other things, whether such purchase and holding may involve (i) the direct or indirect extension of credit to a party in interest or a disqualified person, (ii) the sale or exchange of any property between a Plan and a party in interest or a disqualified person, or (iii) the transfer to, or use by or for the benefit of, a party in interest or a disqualified person, of any Plan assets. Such parties in interest or disqualified persons could include, without limitation, the Transaction Parties. The U.S. Department of Labor has issued prohibited transaction class exemptions ("**PTCEs**") that may apply to the acquisition or holding of the Securities. These class exemptions include, without limitation, PTCE 84-14, as amended (relating to transactions effected by an "independent qualified professional asset manager"), PTCE 90-1 (relating to investments by insurance company pooled separate

accounts), PTCE 91-38 (relating to investments by bank collective investment funds), PTCE 95-60 (relating to investments by an insurance company general account), or PTCE 96-23 (relating to transactions directed by an in-house asset manager) (collectively, the "**Class Exemptions**"). In addition, Section 408(b)(17) of ERISA or Section 4975(d)(20) of the Code (for transactions with certain service providers) provide relief from the prohibited transaction provisions of ERISA and Section 4975 of the Code for certain transactions, provided that neither the issuer of the securities nor any of its affiliates (directly or indirectly) have or exercize any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction and provided further that the Plan receives no less, and pays no more, than adequate consideration in connection with the transaction. However, there can be no assurance that any of these Class Exemptions or any other exemption will be available with respect to any particular transaction involving the Securities.

Therefore, each purchaser and subsequent transferee, by acquiring and holding Securities or an interest therein, will be deemed by such acquisition or acceptance to have represented and warranted that either: (i) no assets of any Plan or any non-U.S. plan, governmental plan, church plan or other employee benefit plan subject to Similar Law have been used to acquire or hold such Securities or an interest therein, or (ii) neither the purchase nor the holding of such Securities or an interest therein by such purchaser or subsequent transferee constitutes or will result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable provisions of Similar Law.

Further, if the purchaser or subsequent transferee is a Plan, such purchaser or subsequent transferee and any fiduciary acting on behalf thereof, will be deemed to have represented and warranted that (1) none of the Transaction Parties has acted as the Plan's fiduciary (within the meaning of ERISA or the Code), or has been relied upon for any advice, with respect to the purchaser or transferee's decision to acquire and hold the notes, and none of the Transaction Parties shall at any time be relied upon as the Plan's fiduciary under ERISA or the Code (or both) with respect to any decision to acquire, continue to hold or transfer the notes, and (2) the decision to purchase the notes has been made by a duly authorized fiduciary of the Plan that (i) is an independent fiduciary with financial expertise (as described in U.S. Department of Labour regulation at 29 C.F.R. 2510.3-21(c)(1)), separate from the Transaction Parties, with respect to the decision to purchase and hold the notes, and is responsible for exercising (and has exercised) independent judgment in evaluating whether to invest the assets of such Plan in the notes, and there is no financial interest, ownership interest, or other relationship, agreement or understanding or otherwise that would limit its ability to carry out its fiduciary responsibility to the Plan; (ii) is a bank, insurance carrier, registered investment adviser, a registered broker-dealer, or an independent fiduciary that holds, or has under management or control, total assets of at least $50 million (in each case, as specified in 29 C.F.R. 2510.3-21(c)(1)(i)(A)-(E)); (iii) is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including, without limitation, with respect to the decision to invest in the notes); (iv) has been fairly informed that the Transaction Parties have not and will not undertake to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the purchase, holding or transfer of the notes and that the Transaction Parties have financial interests in the Plan's purchase and holding of the notes, which interests may conflict with the interest of the Plan, as more fully described in this Base Prospectus; and (v) none of the Transaction Parties is entitled to or will receive any fee or other compensation directly from the Plan for the provision of investment advice (as opposed to other services) in connection with the Plan's purchase and holding of the notes.

THE DISCUSSION OF ERISA AND SECTION 4975 OF THE CODE CONTAINED HEREIN IS, OF NECESSITY, GENERAL, AND DOES NOT PURPORT TO BE COMPLETE. EACH PLAN FIDUCIARY (AND EACH FIDUCIARY FOR A NON-U.S. PLAN, GOVERNMENTAL PLAN OR CHURCH PLAN SUBJECT TO SIMILAR LAW) SHOULD CONSULT WITH ITS LEGAL ADVISOR CONCERNING THE POTENTIAL CONSEQUENCES TO THE PLAN OR NON-ERISA PLAN UNDER ERISA, THE CODE OR SUCH SIMILAR LAWS OF AN INVESTMENT IN THE SECURITIES.

PLAN OF DISTRIBUTION

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated December 7, 2017 (the "**Dealer Agreement**") between the Company, the Permanent Dealers and the Arranger, the Securities will be offered on a continuous basis by the Company to the Permanent Dealers. However, the Company has reserved the right to sell Securities directly on its own behalf to any Dealer that is not a Permanent Dealer. The Securities 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 Securities may also be sold by the Company through the Dealers, acting as agents of the Company. The Dealer Agreement also provides for Securities to be issued in syndicated Tranches that are underwritten by two or more Dealers either jointly and severally or severally and not jointly, as specified in the relevant Subscription Agreement.

The Dealer Agreement provides that the obligations of relevant Dealers to purchase Securities are subject to approval of legal matters by counsel and to other conditions. The Dealers have the right to reject any order in whole or in part. The relevant Dealers must purchase all the Securities of a given Tranche if they purchase any of the Securities.

The Dealers may resell the Securities at the offering price to be set forth in a pricing supplement and Final Terms within the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A and outside the United States in reliance on Regulation S. See "*Transfer Restrictions*". The price at which the Securities are offered may be changed at any time without notice.

The Securities will constitute a new class of securities with no established trading market. However, we cannot assure persons that have or are considering purchasing the Securities that the prices at which the Securities will sell in the market after an offering will not be lower than the initial offering price or that an active trading market for the Securities will develop and continue after an offering. The Dealers have advised the Company that they currently intend to make a market in the Securities. However, they are not obligated to do so and they may discontinue any market-making activities with respect to the Securities at any time without notice. Accordingly, the Company cannot assure such persons as to the liquidity of, or the trading market for, the Securities.

The Dealers may purchase and sell Securities in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions and stabilizing purchases.

- Short sales involve secondary market sales by the Dealers of a greater number of Securities than they are required to purchase in an offering.

- Covering transactions involve purchases of Securities in the open market after the distribution has been completed in order to cover short positions.

- Stabilizing transactions involve bids to purchase Securities so long as the stabilizing bids do not exceed a specified maximum.

The Dealers also may impose a penalty bid. Penalty bids permit the Dealers to reclaim a selling concession from a syndicate member when the Dealers, in covering short positions or making stabilizing purchases, repurchase Securities originally sold by that syndicate member.

Purchases to cover short positions and stabilizing purchases, as well as other purchases by the Dealers for their own accounts, may have the effect of preventing or retarding a decline in the market price of the Securities. They may also cause the price of the Securities to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The Dealers may conduct these transactions in the over-the-counter market or otherwise. If the Dealers commence any of these transactions, they may discontinue them at any time.

The Company will pay each relevant Dealer a commission as agreed between them in respect of Securities subscribed by it. The Company has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of the Program and the Dealers for certain of their activities in

connection with the Program. The commissions in respect of an issue of Securities on a syndicated basis will be stated in the relevant Final Terms.

The Company has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Securities. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Securities in certain circumstances prior to payment for such Securities being made to the Company.

The Dealers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. In the ordinary course of their respective businesses, certain of the Dealers and/or their affiliates have in the past engaged, and may in the future engage, in the investment banking and commercial banking transactions with or involving the Company and its affiliates for which they may have received, and may in the future receive, customary compensation. In the ordinary course of their various business activities, the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the issuer. The Dealers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Delivery of the Securities will be made against payment therefor on or about a date which may occur more than two (2) business days after the date of pricing of the Securities, which date will be specified in the Final Terms and is expected to be the fifth business day after the date of pricing of the Securities (referred to as T+5). Pursuant to Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle within two (2) business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Securities on the date of pricing or the next succeeding business day (in the case of a T+5 settlement cycle) will be required, by virtue of the fact that the Securities may initially settle on or about a date which will occur more than two (2) business days after the date of pricing of the Securities, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of Securities who wish make such trades should consult their own advisor.

Selling Restrictions

United States

The Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act.

Each Dealer has agreed and each further Dealer appointed under the Program will be required to agree that, except as permitted by the Dealer Agreement, it will not offer or sell any Securities within the United States.

The Securities are being offered and sold outside the United States in reliance on Regulation S. The Dealer Agreement provides that the Dealers may directly or through their respective US broker-dealer affiliates arrange for the offer and resale of the Securities within the United States only to QIBs in reliance on Rule 144A.

In addition, until 40 days after the commencement of the offering, an offer or sale of Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

This Base Prospectus has been prepared by the Company for use in connection with the offer and sale of the Securities outside the United States and for the resale of the Securities in the United States. The Company and the Dealers reserve the right to reject any offer to purchase the Securities, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States, other than any QIB to whom an offer has been made directly by one of the Dealers or its U.S. broker-dealer affiliate. Distribution of this Base Prospectus to any person within the United States, other than any QIB and those persons, if any, retained to advise such QIB with respect thereto, is unauthorized and any disclosure without the prior written

consent of the Company of any of its contents to any such person within the United States, other than any QIB and those persons, if any, retained to advise such QIB, is prohibited.

Canada

Each Dealer acknowledges that the Securities have not been, and will not be, qualified for distribution to the public under the securities laws of Canada or any province or territory thereof.

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that the sale and delivery of any Securities to any purchaser who is, or who is purchasing for a principal who is, a resident of Canada or otherwise subject to the laws of Canada by such Dealer will be made in compliance with all applicable securities laws and regulations in the relevant provinces and territories of Canada and, without limiting the generality of the foregoing, that the Securities will be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Each Dealer has further represented and agreed that it has not and will not distribute or deliver this Base Prospectus or any other offering material relating to the Securities in Canada or to any resident of Canada in contravention of the securities laws and regulations of any province or territory of Canada.

Notice to Canadian Purchasers

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with an offering of Securities in Canada that are also offered in the United States under Rule 144A.

Any resale of the Securities by a Canadian purchaser must be made in accordance with applicable securities laws of Canada or any province or territory thereof, which may require resales to be made pursuant to an exemption from, or in a transaction not subject to, the prospectus and registration requirements of such securities laws. Upon receipt of this Base Prospectus, each Canadian investor hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

Prohibition of Sales to EEA Retail Investors

From January 1, 2018, unless the Final Terms in respect of any Securities specified the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(i) the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(b) a customer within the meaning of Directive 2002/92/EC (as amended, the "**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(c) not a qualified investor as defined in the Prospectus Directive; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities.

Public Offer Selling Restriction under the Prospectus Directive

Prior to January 1, 2018, and from that date if the Final Terms in respect of any Securities specified "Prohibition of Sales to EEA Retail Investors" as "Not Applicable" in relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

(i) if the Final Terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State; *provided that* any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable;

(ii) at any time to a legal entity which is a qualified investor as defined in the Prospectus Directive;

(iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Company for any such offer; or

(iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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

For the purposes of this provision, the expression an "**offer of Securities to the public**" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

United Kingdom

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

(i) in relation to any Securities which have a maturity of less than one year from the date of issue, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business, and (b) it has not offered or sold

and will not offer or sell any Securities 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 Securities would otherwise constitute a contravention of section 19 of the FSMA by the Company;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA does not apply to the Company; and

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

France

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

(i) Offer to the public in France

it has only made and will only make an offer of Securities to the public in France (i) on or after the date of publication of the prospectus relating to those Securities approved by the *Autorité des Marchés Financiers* ("**AMF**") or (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF, all in accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and the *Règlement Général* of the AMF, and ending at the latest on the date which is 12 months after the date of the approval of the Base Prospectus; or

(ii) Private Placement in France

(a) it has not offered or sold and will not offer or sell, directly or indirectly, any Securities to the public in France and (b) 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 Securities and such offers, sales and distributions have been and will be made in France only to (x) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (y) qualified investors (*investisseurs qualifiés*) acting for their own account, all as defined in, and in accordance with, Articles L. 411-1, L. 411-2, and D. 411-1 of the French *Code monétaire et financier*.

Hong Kong

In relation to each Tranche of Securities issued by the Company, each Dealer has represented and agreed and each further Dealer appointed under the Program will be required to represent and agree that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities except for Securities which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong other than (a) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) 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 Securities, 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 Securities 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 Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Securities 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 organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Program will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered or sold any Securities or caused such Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell such Securities or cause such Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) 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

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

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

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offer of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

General

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

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

Each Dealer has agreed that it shall, 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 Securities or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms in all cases at its own expense.

CLEARING AND SETTLEMENT

Book-Entry Ownership

Registered Securities

The Company may make applications to Euroclear and/or Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of the Securities to be represented by an Unrestricted Global Certificate. Each Unrestricted Global Certificate deposited with a common depositary for, and registered in the name of, a nominee of Euroclear and/or Clearstream, Luxembourg will have an ISIN and a Common Code.

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

In the case of a Tranche of Registered Securities to be cleared through the facilities of DTC, the Custodian, with whom the Restricted Global Certificates are deposited, and DTC, will electronically record the nominal amount of the Restricted Securities held within the DTC system. Investors may hold their beneficial interests in a Restricted Global Certificate directly through DTC if they are participants in the DTC system, or indirectly through organizations which are participants in such system.

Payments of the principal of, and interest on, each Restricted Global Certificate registered in the name of DTC's nominee will be to, or to the order of, its nominee as the registered owner of such Restricted Global Certificate. The Company expects that the nominee, upon receipt of any such payment, will immediately credit DTC participants' accounts with payments in amounts proportionate to their respective beneficial interests in the nominal amount of the relevant Restricted Global Certificate as shown on the records of DTC or the nominee. The Company also expects that payments by DTC participants to owners of beneficial interests in such Restricted Global Certificate held through such DTC participants will be governed by standing instructions and customary practices, as it is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC participants. Neither the Company nor any Paying Agent or any Transfer Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, ownership interests in any Restricted Global Certificate, or for maintaining, supervising or reviewing any records relating to such ownership interests.

All Registered Securities will initially be in the form of an Unrestricted Global Certificate and/or a Restricted Global Certificate. Individual Certificates will only be available, in the case of Securities initially represented by an Unrestricted Global Certificate or a Restricted Global Certificate, in amounts specified in the applicable Final Terms.

Payments through DTC

Payments in US dollars of principal and interest in respect of a Restricted Global Certificate registered in the name of a nominee of DTC will be made to the order of such nominee as the registered holder of such Securities. Payments of principal and interest in a currency other than US dollars in respect of Securities evidenced by a Restricted Global Certificate registered in the name of a nominee of DTC will be made or procured to be made by the Paying Agent in such currency in accordance with the following provisions. The amounts in such currency payable by the Paying Agent or its agent to DTC with respect to Securities held by DTC or its nominee will be received from the Company by the Exchange Agent who will make payments in such currency by wire transfer of same day funds to the designated bank account in such currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of payments of interest, on or prior to the third business day in New York City after the Record Date for the relevant payment of interest and, in the case of payments of principal, at least 12 business days in New York City prior to the relevant payment date, to receive that payment in such currency. The Exchange Agent will convert amounts in such currency into US dollars and deliver, or procure delivery via the Paying Agent, of such US dollar amount in same day funds to DTC for payment through its settlement system to those DTC

participants entitled to receive the relevant payment who did not elect to receive such payment in such currency. The Agency Agreement sets out the manner in which such conversions are to be made.

Transfers of Registered Securities

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

Beneficial interests in an Unrestricted Global Certificate may only be held through Euroclear or Clearstream, Luxembourg. In the case of Registered Securities to be cleared through Euroclear, Clearstream, Luxembourg and/or DTC, transfers may be made at any time by a holder of an interest in an Unrestricted Global Certificate to a transferee who wishes to take delivery of such interest through a Restricted Global Certificate for the same Series of Securities, provided that any such transfer relating to the Securities represented by such Unrestricted Global Certificate will only be made upon receipt by any Transfer Agent of a written certificate from Euroclear or Clearstream, Luxembourg, as the case may be (based on a written certificate from the transferor of such interest), to the effect that such transfer is being made to a person whom the transferor, and any person acting on its behalf, reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States. Any such transfer of the Securities represented by such Unrestricted Global Certificate will only be made upon request through Euroclear or Clearstream, Luxembourg by the holder of an interest in the Unrestricted Global Certificate to the Fiscal Agent of details of that account at DTC to be credited with the relevant interest in the Restricted Global Certificate. Transfers at any time by a holder of any interest in the Restricted Global Certificate to a transferee who takes delivery of such interest through an Unrestricted Global Certificate will only be made upon delivery to any Transfer Agent of a certificate setting forth compliance with the provisions of Regulation S and giving details of the account at Euroclear or Clearstream, Luxembourg, as the case may be, and DTC to be credited and debited, respectively, with an interest in each relevant Global Certificate.

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

On or after the Issue Date for any Series, transfers of Securities of such Series between accountholders in Euroclear and/or Clearstream, Luxembourg and transfers of Securities of such Series between participants in DTC will generally have a settlement date two (2) business days after the trade date (T+2). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Euroclear or Clearstream, Luxembourg and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, Luxembourg, on the other, transfers of interests in the relevant Global Certificates will be effected through the Fiscal Agent, the Custodian, the relevant Registrar and any applicable Transfer Agent receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) two (2) business days after the trade date for the disposal of the interest in the relevant Global Certificate resulting in such transfer, and (ii) two (2) business days after receipt by the Fiscal Agent or the Registrar, as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

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

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

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

Although Euroclear, Clearstream, Luxembourg and DTC have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Certificates among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Company, nor any Paying Agent nor any Transfer Agent will have any responsibility for the performance by Euroclear, Clearstream, Luxembourg or DTC or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

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

Individual Certificates

Registration of title to Registered Securities in a name other than a depositary or its nominee for Clearstream, Luxembourg and Euroclear or for DTC will be permitted only (i) in the case of Restricted Global Certificates in the circumstances set forth in "*Summary of Provisions Relating to the Securities while in Global Form-Exchange-Restricted Global Certificates*" or (ii) in the case of Unrestricted Global Certificates in the circumstances set forth in "*Summary of Provisions Relating to the Securities while in Global Form-Exchange-Unrestricted Global Certificates*". In such circumstances, the Company will cause sufficient individual Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Securityholder(s). A person having an interest in a Global Certificate must provide the Registrar with:

(i) a written order containing instructions and such other information as the Company and the Registrar may require to complete, execute and deliver such Individual Certificates; and

(ii) in the case of a Restricted Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous resale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Individual Certificates issued pursuant to this paragraph (ii) shall bear the legends applicable to transfers pursuant to Rule 144A.

Pre-issue Trades Settlement

Delivery of the Securities will be made against payment therefor on or about a date which may occur more than two (2) business days after the date of pricing of the Securities, which date will be specified in the Final Terms and is expected to be the fifth business day after the date of pricing of the Securities (referred to as T+5). Pursuant to Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle within two (2) business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Securities on the date of pricing or the next succeeding business day (in the case of a T+5 settlement cycle) will be required, by virtue of the fact that the Securities may initially settle on or about a

date which will occur more than two (2) business days after the date of pricing of the Securities, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of Securities who wish make such trades should consult their own advisor.

TRANSFER RESTRICTIONS

Restricted Securities

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

1. It is (a) a QIB, (b) acquiring such Restricted Securities for its own account, or for the account of one or more QIBs, (c) not an "affiliate" (as defined in Rule 144 under the Securities Act) of the Company and is not acting on behalf of the Company, and (d) aware, and each beneficial owner of the Restricted Securities has been advised, that the sale of the Restricted Securities to it is being made in reliance on Rule 144A under the Securities Act.

2. The Restricted Securities have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it, and any person acting on its behalf, reasonably believes is a QIB purchasing for its own account or for the account of one or more QIBs, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) in each case in accordance with any applicable securities laws of any State of the United States, and (ii) it will, and each subsequent holder of the Restricted Securities is required to, notify any purchaser of the Restricted Securities from it of the resale restrictions on the Restricted Securities.

3. The Restricted Securities, unless the Company determines otherwise in accordance with applicable law, will bear a legend (the "**Rule 144A Legend**") in or substantially in the following form:

   THIS SECURITY HAS 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 AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A "**QIB**") THAT IS ACQUIRING THIS SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER RULE 144 UNDER THE SECURITIES ACT ("**RULE 144**"), IF AVAILABLE, OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR RESALES OF THE SECURITIES.

   Unless this Certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("**DTC**"), to the Company or its agent for registration of transfer, exchange or payment, and any definitive Certificate issued is registered in the name of *Cede & Co*. or such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL in as much as the registered owner hereof, *Cede & Co*., has an interest herein.

4. It understands that the Company, each Registrar, the relevant Dealer(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Securities for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

5. It understands that the Restricted Securities will be represented by a Restricted Global Certificate. Before any interest in a Restricted Global Certificate may be offered, sold, pledged or otherwise

transferred to a person who takes delivery in the form of an interest in the Unrestricted Global Certificate or as the case may be, Global Securities, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

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

Unrestricted Securities

Each purchaser of Unrestricted Securities outside the United States pursuant to Regulation S by accepting delivery of this Base Prospectus and the Unrestricted Securities, will be deemed to have represented, agreed and acknowledged that:

(i) It is, or at the time Unrestricted Securities are purchased will be, the beneficial owner of such Unrestricted Securities and (a) it is located outside the United States (within the meaning of Regulation S under the Securities Act), and (b) it is not an affiliate of the Company or a person acting on behalf of such an affiliate.

(ii) It understands that such Unrestricted Securities have not been and will not be registered under the Securities Act and it will not offer, sell, pledge or otherwise transfer such Unrestricted Securities except (a) in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believes is a QIB purchasing for its own account, or for the account of one or more QIBs, or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any state of the United States.

(iii) It understands that the Unrestricted Securities, unless otherwise determined by the Company in accordance with applicable law, will bear a legend in or substantially in the following form:

"THIS SECURITY HAS 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 AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT."

(iv) It understands that the Company, each Registrar, the relevant Dealer(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

(v) It understands that the Unrestricted Securities will be represented by an Unrestricted Global Certificate, or as the case may be, a Global Securities.

ENFORCEABILITY OF JUDGMENTS IN FRANCE

The Company is a *société anonyme* incorporated under the laws of the Republic of France with its registered office and principal place of business located in France. The executive officers of the Company are, and will continue to be, non-residents of the United States and substantially all of the assets of the Company and such persons are located outside the United States.

As a result, and although the Company has appointed an agent for service of process in the United States, the Company has been advised that it may not be possible to effect service of process upon the Company and such persons, or to enforce against them a judgment of a U.S. Court predicated upon U.S. federal or state securities laws within the United States. The Company has also been advised that it may not be possible for a lawsuit based upon federal or state securities laws to be brought in an original action in France.

However, service of process against the Company or such persons in France would need to comply with the relevant provisions of the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters dated November 15, 1965.

The United States and France are not party to a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards rendered in civil and commercial matters. Accordingly, a judgment rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon U.S. federal or state securities laws, would not directly be recognized or enforceable in France.

A party in whose favor such judgment was rendered could initiate enforcement proceedings (*exequatur*) in France before the relevant civil court (*Tribunal de Grande Instance*) having exclusive jurisdiction over such matter.

Enforcement in France of such U.S. judgment could be obtained following proper (i.e., non *ex parte*) proceedings if such U.S. judgment is enforceable in the United States and if the French civil court is satisfied that the following conditions have been met (which conditions, under prevailing French case law, do not include a review by the French civil court of the merits of the foreign judgment):

- such U.S. judgment was rendered by a court having jurisdiction over the matter because the dispute is clearly connected to the jurisdiction of such court, the choice of the U.S. court was not fraudulent and the French courts did not have exclusive jurisdiction over the matter;

- such U.S. judgment does not contravene French international public policy rules, both pertaining to the merits and to the procedure of the case, including fair trial rights; and

- such U.S. judgment is not tainted with fraud under French law.

In addition, it is well established under French law that: (i) only final and binding foreign judicial decisions can benefit from an *exequatur* under French law and (ii) a U.S. judgment should not conflict with a French judgment or a foreign judgment that has become effective in France. Where proceedings are pending before French courts at the time enforcement of the U.S. judgment is sought and where the proceedings have the same or similar subject matter as such U.S. judgment, the courts may stay the exequatur proceeding.

If the French civil court is satisfied that such conditions are met, the U.S. judgment will benefit from the *res judicata* effect as of the date of the decision of the French civil court and will thus be declared enforceable in France. However, the decision granting the *exequatur* is subject to appeal.

In addition, the discovery process under actions filed in the United States could be adversely affected under certain circumstances by French law No. 68 678 of July 26, 1968, as modified by French law No. 80 538 of July 16, 1980 and French Ordinance No. 2000 916 of September 19, 2000 (relating to the communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities or persons), which could prohibit or restrict obtaining evidence in France or from French persons in connection with a judicial or administrative U.S. action. Pursuant to the regulations above, the U.S. authorities would have to comply with international (1970 Hague Convention on the Taking of Evidence Abroad) or French procedural rules to obtain evidence in France or from French persons.

Similarly, French data protection rules (law No. 78 17 of January 6, 1978 on data processing, data files and individual liberties, as most recently modified by Law No. 2017-55 of 20 January 2017) can limit under

certain circumstances the possibility of obtaining information in France or from French persons in connection with a judicial or administrative U.S. action in a discovery context. Furthermore, Article 48 of the EU Regulation 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, applicable as of 25 May 2018, may also limit the transfer to non-EU countries of evidence which contain personal data.

Furthermore, if an original action is brought in France, French courts may refuse to apply foreign law designated by the applicable French rules of conflict (including the law chosen by the parties to govern their contract) if the application of such law (in the case at hand) is deemed to contravene French international public policy (as determined on a case by case basis by French courts) or an overriding mandatory rule. In addition, effect may be given to the overriding mandatory provisions of the law of the country where the obligations arising out of the contract have to be or have been performed, in so far as those overriding mandatory provisions render the performance of the contract unlawful. Furthermore, in an action brought in France on the basis of U.S. federal or state securities laws, French courts may not have the requisite power to grant all the remedies sought.

Pursuant to Article 14 of the French Civil Code, a French national (either a company or an individual) can sue a foreign defendant before French courts in connection with the performance of obligations contracted by the foreign defendant in France with the French national or in a foreign country with the French national. Pursuant to Article 15 of the French Civil Code, a French national can be sued by a foreign claimant before French courts in connection with the performance of obligations contracted by the French national in a foreign country with the foreign claimant (Article 15). For a long time, case law has interpreted these provisions as meaning that a French national, either claimant or defendant, could not be forced against its will to appear before a jurisdiction other than French courts. However, according to case law, the French courts' jurisdiction over French nationals is not mandatory to the extent an action has been commenced before a court in a jurisdiction that has sufficient contacts with the dispute and the choice of jurisdiction is not fraudulent. In addition, a French national may waive its rights to benefit from the provisions of Articles 14 and 15 of the French Civil Code, including by way of conduct by voluntarily appearing before the foreign court.

The French Supreme Court (*Cour de cassation*) held in 2012 that a contractual provision submitting one party to the exclusive jurisdiction of a court and giving another party the discretionary option to choose any competent jurisdiction was invalid on the ground that it was discretionary (*potestative*). However, in March 2015, the French Supreme Court held that a unilateral jurisdiction clause offering a discretionary option to one party only could be valid provided that the clause set out an objective basis for the choice of alternative jurisdictions. In October 2015, the French Supreme Court upheld a jurisdiction clause where one party was authorized to bring an action in several countries, as it was possible to identify the potential competent courts. In both 2015 cases, the French Supreme Court examined whether the clause fulfilled the objectives of legal certainty and predictability. Accordingly, any provisions which grant a discretionary option to one party for the choice of jurisdiction would likely raise a debate over the validity of such clause in view of the criteria of legal certainty and predictability.

If an enforceable monetary judgment is rendered against the Company in a competent court in the European Union against the Company for a sum of money due in connection with the Securities issued under the Program, it will be enforced by the courts of France without being re-examined subject to the terms of Council Regulation (EC) No. 1215/2012 of December 12, 2012 on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters (recast).

FORM OF FINAL TERMS 1

FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF SECURITIES WITH A DENOMINATION OF LESS THAN EUR100,000 (OR ITS EQUIVALENT IN ANOTHER CURRENCY) TO BE OFFERED TO THE PUBLIC ON A NON-EXEMPT BASIS IN THE EEA

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Securities[, from January 2018, 1,][2] are not intended to be offered, sold or otherwise made available to and[, with effect from such date,][2] should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, MiFID II); (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the Insurance Mediation Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive (where Prospectus Directive means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the EEA). Consequently no key information document required by Regulation (EU) No 1286/2014 (the PRIIPs Regulation) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][3]

Final Terms dated [●]

[LOGO, if document is printed]

COMPAGNIE DE FINANCEMENT FONCIER
Issue of [Aggregate Nominal Amount of Tranche] [Title of Securities]
under the USD 10,000,000,000
US Medium Term Securities Program

SERIES No: [●]
TRANCHE No: [●]

[Name(s) of Dealer(s)]

Issue Price: [●]%

Any person making or intending to make an offer of the Securities may only do so in those Public Offer Jurisdictions mentioned in Paragraph [30] of Part A below, provided such person is an Authorised Offeror as described in paragraph 2 of Part B below and that such offer is made during the Offer Period specified for such purpose therein; or (ii) otherwise in circumstances in which no obligation arises for the Company or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Company nor any Dealer has authorized, nor do they authorize, the making of any offer of Securities in any other circumstances.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the Directive 2010/73/EU to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State.

[2] This date reference should not be included in Final Terms for offers concluded on or after January 1, 2018.

[3] Legend to be included on front of the Final Terms: (i) for offers concluded on or after January 1, 2018 if the Securities potentially constitute "packaged" products and no key information document will be prepared or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable", or (ii) for offers concluded before January 1, 2018 at the option of the parties.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated December 7, 2017 **[**and the supplement(s) to the Base Prospectus dated **[●] (the** "**Supplement[s]**"**)]** which **[**together**]** constitute**[**s**]** a base prospectus for the purposes of Directive 2003/71/EC as amended by Directive 2010/73/EU (the "**Prospectus Directive"**).

This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus **[**as so supplemented**]**. A summary of the issue of the Securities is annexed to these Final Terms. Full information on the Company and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus **[**as so supplemented**]**. The Base Prospectus **[**and the Supplement[s]] **[**is**] [**are**]** available for viewing at the office of the Fiscal Agent or each of the Paying Agents during normal business hours **[**and copies may be obtained from Compagnie de Financement Foncier, 4 Quai de Bercy, 94224 Charenton Cedex France**]**.

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

Terms used herein shall be deemed to be defined as such for the purposes of the 2010 USMTS Conditions (the "**Conditions**") incorporated in the Base Prospectus dated Decemner 7, 2017 **[**and the supplements to the Base Prospectus dated **[●]]**. This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of Directive 2003/71/EC as amended by Directive 2010/73/EU (the "**Prospectus Directive**") and must be read in conjunction with such Base Prospectus [as so supplemented]. A summary of the issue of Securities is annexed to these Final Terms. Full information on the Company and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and Supplement[s]] [is] [are] available for viewing at the office of the Fiscal Agents or each of the Paying Agents during normal business hours **[**and copies may be obtained from Compagnie de Financement Foncier, 4 Quai de Bercy, 94224 Charenton Cedex France**]**.

[*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs in which case sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.****]***

1	**Company:**	**Compagnie de Financement Foncier**
2	(i) Series Number:	[●]
	(ii) Tranche Number:	[●]
	[(iii)] Date on which the Securities become fungible:	[Not Applicable/ The Securities will be consolidated (*assimilées*) and form a single series with the existing [*insert description of the Series*] issued by the Company on [*insert date*] (the "**Existing Securities**") as from [●]]
3	Specified Currency or Currencies:	[●]
4	Aggregate Nominal Amount:	[●]
	[(i)**]** Series:	[●]
	[(ii) Tranche:	[●]]
5	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in case of fungible issues only if applicable*)]

6	(i) Specified Denomination(s):	[●][*]
	(ii) Calculation Amount:	[●]
7	(i) Issue Date:	[●] (being T+[●], where T is the Trade Date)
	(ii) Interest Commencement Date:	[*Specify*/Issue Date/Not Applicable]
8	Maturity Date:	[*Specify date or (for Floating Rate Securities) Interest Payment Date falling in or nearest to the relevant month and year*]
9	Interest Basis:	[[●] per cent. Fixed Rate] [[*Specify reference rate*] +/– [●] per cent. Floating Rate] [Zero Coupon] [(*further particulars specified below*)]
10	Redemption/Payment Basis:	[Subject to any purchase and cancellation or early redemption, the Securities will be redeemed on the Maturity Date at [●] per cent. of their nominal amount]
11	Change of Interest or Redemption / Payment Basis:	[[●]/Not Applicable]
12	Put/Call Options:	[Not Applicable] [Investor Put] [Company Call] [(*further particulars specified below*)]
13	**[**(i)**]** Status of the Securities:	[*Obligations Foncières*]
	(ii) Dates of the corporate authorizations for issuance of Securities obtained:	Decision of the *Conseil d'administration* of the Company dated [●] authorizing the issue of the Securities and authorizing, *inter alios*, its *directeur général* and *directeur général délégué* to sign and execute all documents in relation to the issue of Securities, and decision of the *Conseil d'administration* of the Company dated [●] authorizing the quarterly program of borrowings which benefit from the *privilège* referred to in Article L. 513-11 of the French *Code monétaire et financier* up to and including EUR [●] billion for the [●] quarter of 20[●].
14	Method of distribution:	[Syndicated/Non-syndicated]

[*] Securities (including Securities denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Company in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies). Securities to be sold in the United States to QIBs must have a minimum specified denomination of U.S. $100,000.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15	**Fixed Rate Securities Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Rate**[**(s)**]** of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii) Interest Payment Date(s):	[●] in each year [adjusted in accordance with [*Specify Business Day Convention and any applicable Business Center(s) for the definition of "Business Day"]/Not adjusted*] *(Note that this item relates to interest period end dates and not to the date and place of payment, to which item 23 relates)*
	(iii) Fixed Coupon Amount**[**(s)**]**:	[●] per Calculation Amount
	(iv) Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date(s) falling [in/on] [●] **[*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)] and the Interest Payment Date(s) to which they relate.*]**
	(v) Day Count Fraction (Condition 5(h)):	[Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[360/360]/ [Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual – ICMA]
	(vi) Determination Dates (Condition 5(h)):	[[●] in each year (*insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last Coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)] [Not Applicable]
16	**Floating Rate Securities Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Interest Period(s):	**[●]**
	(ii) Specified Interest Payment Dates:	**[●]**
	(iii) First Interest Payment Date	**[●]**
	(iv) Business Day Convention:	**[**Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]. *(Note that this item relates to interest period end dates and not to the date and place of payment, to which item 22 relates)*
	(v) Interest Period Date:	[[●]/Not Applicable] *(Not applicable unless different from Interest Payment Date)*
	(vi) Business Center(s) (Condition 5(h)):	**[●]**

	(vii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
	(viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[[●]/Not Applicable]
	(ix) Screen Rate Determination (Condition 5(b)(iii)(B)):	[[●]/Not Applicable]
	– Reference Rate:	**[●]**
	– Interest Determination Date(s):	[[•] [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date][, subject to adjustment in accordance with [Floating Rate Business Day Convention/ Following Business Day Convention/ Following Business Day Except the Following Month Convention/Preceding Business Day Convention**].]**
	– Relevant Screen Page:	**[●]**
	(x) ISDA Determination (Condition 5(b)(iii)(A)):	[[●]/Not Applicable]
	– Floating Rate Option:	**[●]**
	– Designated Maturity:	**[●]**
	– Reset Date:	**[●]**
	(xi) Linear Interpolation	[Not Applicable/Applicable – the Rate of Interest for the [long/short][first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
	– Applicable Maturity:	**[●]**
	(xii) Margin(s):	[+/-][●] per cent. per annum
	(xiii) Minimum Rate of Interest:	[Not Applicable] /[●] per cent. per annum
	(xiv) Maximum Rate of Interest:	[Not Applicable]/ [●] per cent. per annum
	(xv) Day Count Fraction (Condition 5(h)):	[Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[360/360]/ [Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual – ICMA]
17	**Zero Coupon Securities Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Amortization Yield (Condition 6(b)):	[●] per cent. per annum

	[(ii) Day Count Fraction (Condition 5(h)):]	[Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[360/360]/ [Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual – ICMA]

PROVISIONS RELATING TO REDEMPTION

18	**Call Option**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Security:	[Early Redemption Amount]/ [[●] per Calculation Amount]
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount
	(iv) Notice period:	[●]
	(v) Option Exercise Date(s):	[●]
19	**Put Option**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Security:	[Early Redemption Amount]/ [[●] per Calculation Amount]
	(iii) Notice Period:	[●]
	(iv) Option Exercise Date(s):	[●]
20	**Final Redemption Amount of each Securities**	[●] per [Calculation Amount / Aggregate Nominal Amount]
21	**Early Redemption Amount**	
	Early Redemption Amount(s) per Calculation Amount payable on any early redemption	[Not Applicable/[●]]

GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

22	**Form of Securities:**	[Regulation S Global Securities (USD/EUR [●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]] [Rule 144A Global Securities (USD [●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream,

		Luxembourg (that is, held under the NSS)]]
23	Financial Center(s) (Condition 7(d))	[Not Applicable/*Give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which sub paragraphs 15(ii) and 16(iv) relate*]
24	Redenomination, renominalization and reconventioning provisions:	[Not Applicable]/[The provisions in Condition 1(d) apply]
25	Consolidation provisions:	[Not Applicable]/[The provisions in Condition 12 apply]

DISTRIBUTION

26	(i) If syndicated, names and addresses of Managers and underwriting commitments:	[Not Applicable/*Give names, addresses and underwriting commitments*] *(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
	(ii) Date of Subscription Agreement:	[●]
	(iii) Stabilization Manager(s) (if any):	[Not Applicable/*Give name*]
27	If non-syndicated, name and address of Dealer:	[Not Applicable/*Give name and address*]
28	Total commission and concession:	[●] per cent. of the Aggregate Nominal Amount.
29	U.S. Selling Restrictions:	Reg. S Compliance Category 1 There are restrictions on the sale and transfer of Securities and the distribution of offering materials in the United States. The Securities have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any State or other jurisdiction of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Securities will be offered and sold outside the United States in reliance on Regulation S and within the United States to "qualified institutional buyers" only (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A. Prospective purchasers are hereby notified that sellers of the Securities may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. See "*Plan of Distribution*" and "*Transfer Restrictions*" in the Base Prospectus.
30	Prohibition of Sales to EEA Retail	[Applicable/Not Applicable]

	Investors:	(If the offer of the Securities is concluded prior to January 1, 2018, or on and after that date the Securities do not constitute "packages" products, "Not Applicable" should be specified. If the offer of the Securities is concluded on or after January 1, 2018, the Securities may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)
31	Non-exempt Offer:	[Not Applicable] [An offer of the Securities may be made by the Managers [and [*specify, if applicable*]] other than pursuant to Article 3(2) of the Prospectus Directive in [*specify jurisdiction*] ("Public Offer Jurisdictions") during the period from [*specify date*] until [*specify date*] ("Offer Period"). See further Paragraph 2 of Part B below.

RESPONSIBILITY

The Company accepts responsibility for the information contained in these Final Terms. **[**(*Relevant third party information*) has been extracted from (*specify source*). The Company 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.**]**

Signed on behalf of COMPAGNIE DE FINANCEMENT FONCIER:

By: .....

Duly authorized

PART B – OTHER INFORMATION

1 **LISTING**

(i) Admission to trading:	[Application has been made by the Company (or on its behalf) for the Securities to be admitted to trading on [*specify relevant regulated market*] with effect from [●].] [Application is expected to be made by the Company (or on its behalf) for the Securities to be admitted to trading on [*specify relevant regulated market*] with effect from [●].] [Not Applicable.] *(Where documenting a fungible issue need to indicate that original Securities are already admitted to trading.)*
(ii) Estimate of total expenses related to admission to trading:	[●]
(iii) Regulated markets or equivalent markets on which, to the knowledge of the Company, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading:	[●]

2 **TERMS AND CONDITIONS OF THE OFFER**

Offer Price:	[Issue Price][*Specify*]
Conditions to which the offer is subject:	[Not Applicable/*Give details*]
Description of the application process:	[Not Applicable/*Give details*]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/*Give detail*]
Details of the minimum and/or maximum amount of application:	[Not Applicable/*Give details*]
Details of the method and time limits for paying up and delivering the Securities:	[Not Applicable/*Give details*]
Manner in and date on which results of the offer are to be made public:	[Not Applicable/*Give details*]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/*Give details*]

Whether tranche(s) have been reserved for certain countries:	[Not Applicable/*Give details*]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable/*Give details*]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable/*Give details*]
Consent of the Company to use the Base Prospectus during the Offer Period:	[Not Applicable/Applicable with respect to any Authorised Officer specified below]
Authorised Offeror(s) in the various countries where the offer takes place:	[Not Applicable / Name(s) and address(es) of the financial intermediary(ies) appointed by the Company to act as Authorised Offeror(s)/ Any financial intermediary which satisfies the conditions set out below in item "Conditions attached to the consent of the Company to use the Base Prospectus"]
Conditions attached to the consent of the Company to use the Base Prospectus:	[Not Applicable / Where the Company has given a general consent to any financial intermediary to use the Base Prospectus, specify any additional conditions to or any condition replacing those set out on Page 48 of the Base Prospectus or indicate "See conditions set out in the Base Prospectus". Where Authorised Offeror(s) have been designated herein, specify any condition]

3 **[SPECIFIC CONTROLLER**

The specific controller (*contrôleur spécifique*) of the Company has certified on [•] [and on [•]] that the value of the assets of the Company will be greater than the value of its liabilities benefiting from the privilège defined in Article L. 513-11 of the French *Code monétaire et financier*, after settlement of this issue and of the issues which have been the subject of previous attestations and that the coverage ratio of the Company is compliant with the minimum overcollateral ratio specified in Article R.513-8 of the French *Code monétaire et financier*.]

4 **RATINGS**

The Program has been rated [Aaa] by [Moody's Investors Service, Inc.] ("[Moody's]"), [AAA] by [Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc.] ("[Standard & Poor's]") and [AAA] by [Scope Ratings AG] ("[Scope Ratings]").

With respect to Moody's, Securities issued under the Program are deemed to have the same rating as the Program and investors are invited to check on a regular basis the rating assigned to the Program which is published via Moody's rating desk or Moody's website (*www.moodys.com*).

The Securities issued under the Program will be rated [AAA] by [Standard & Poor's][*] and [AAA] by [Scope Ratings][**].

[[Each of [Standard & Poor's], [Moody's] and [Scope Ratings] is established in the European Union and has registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such, each of Standard & Poor's, Moody's and Scope Ratings is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation (*www.esma.europa.eu/supervision/credit-rating-agencies/risk*).]
(The above disclosure should reflect the rating allocated to Securities of the type being issued under the Program generally or, where the issue has been specifically rated, that rating.)

5 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

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

"Save as discussed in "*Plan of Distribution*", so far as the Company is aware, no person involved in the offer of the Securities has an interest material to the offer."]/ [●]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

6 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer: [●]

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

[(ii)**]** Estimated net proceeds: [●]

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

[(iii)**]** Estimated total expenses: [●]

[Include breakdown of expenses]

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[*] *An* obligation *rated "AAA" has the highest rating assigned by Standard & Poor's. The obligor capacity to meet its financial commitment on the* obligation *is extremely strong (source: Standard & Poors Ratings Services).* A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency without notice.

[**] *"AAA" ratings reflect an opinion of exceptionally strong credit quality (source: Scope Ratings).*

7 **[***Fixed Rate Securities only* – YIELD

Indication of yield:	[●] The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

8 **[*Floating Rate Securities only* - HISTORIC INTEREST RATES**

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

9 **OPERATIONAL INFORMATION**

Unrestricted Securities:

ISIN:	[●]
Common Code:	[●]

Restricted Securities:

ISIN:	[●]
Common Code:	[●]
CUSIP:	[●]
Depositaries: (i) Euroclear France to act as Central Depositary	[Yes/No]
(ii) Common Depositary for Euroclear Bank S.A./N.V. and Clearstream Luxembourg / Common Safekeeper for Euroclear Bank S.A./N.V. and Clearstream Luxembourg	[Yes/No]
(iii) Custodian for DTC	[Yes/No]
Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, S.A. and DTC and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s) [and address(es)]*]
Delivery:	Delivery [against/free of] payment
Names and addresses of initial Paying Agent(s) and any other Agent(s) appointed in respect of the Securities:	[●]
Names and addresses of additional Paying Agent(s) (if any):	[●]
Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. The designation "yes" simply means that the Securities are intended upon issue to be deposited with one of the ICSDs as common safekeeper, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper and does not necessarily mean that the Securities will be

	recognized as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Securities are capable of meeting them the Securities may then be deposited with one of the ICSDs as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper. Note that this does not necessarily mean that the Securities will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
The aggregate principal amount of Securities issued has been translated into Euro at the rate of [*currency*] [•] per EUR1.00, producing a sum of:	[Not Applicable / EUR[●]] (*Only applicable for Securities not denominated in Euro*)

ANNEX 1 - ISSUE SPECIFIC SUMMARY

[INSERT THE ISSUE SPECIFIC SUMMARY]

FORM OF FINAL TERMS 2

FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF SECURITIES WITH A DENOMINATION OF AT LEAST EUR100,000 (OR ITS EQUIVALENT IN ANOTHER CURRENCY)

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Securities[, from January 2018, 1,][4] are not intended to be offered, sold or otherwise made available to and[, with effect from such date,][2] should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, MiFID II); (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the Insurance Mediation Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive (where Prospectus Directive means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the EEA). Consequently no key information document required by Regulation (EU) No 1286/2014 (the PRIIPs Regulation) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][5]

Final Terms dated [●]

[LOGO, if document is printed]

COMPAGNIE DE FINANCEMENT FONCIER
Issue of [Aggregate Nominal Amount of Tranche] [Title of Securities]
under the USD 10,000,000,000
US Medium Term Securities Program

SERIES No: [●]
TRANCHE No: [●]

[Name(s) of Dealer(s)]

Issue Price: [●]%

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated December 7, 2017 **[**and the supplement(s) to the Base Prospectus dated [●] **(**the "**Supplement[s]**"**)]**which **[**together**]** constitute**[**s**]** a base prospectus for the purposes of the Directive 2003/71/EC, as amended by Directive 2010/73/EU (the "**Prospectus Directive**").

This document constitutes the Final Terms of the Securities described herein [for the purposes of Article 5.4 of the Prospectus Directive] and must be read in conjunction with such Base Prospectus **[**as so supplemented**]**. Full information on the Company and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus **[**as so supplemented**]**. The Base Prospectus **[**and the Supplement(s)**] [**is**] [**are**]** available for viewing at the office of the Fiscal Agent or each of the Paying Agents during normal business hours [and copies may be obtained from Compagnie de Financement Foncier, 4 Quai de Bercy, 94224 Charenton Cedex, France**]**.

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

[4] This date reference should not be included in Final Terms for offers concluded on or after January 1, 2018.

[5] Legend to be included on front of the Final Terms: (i) for offers concluded on or after January 1, 2018 if the Securities potentially constitute "packaged" products and no key information document will be prepared or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable", or (ii) for offers concluded before January 1, 2018 at the option of the parties.

Terms used herein shall be deemed to be defined as such for the purposes of the 2010 USMTS Conditions (the "**Conditions**") incorporated in the Base Prospectus dated [●] **[**and the supplement(s) to the Base Prospectus dated **[●]]**. This document constitutes the Final Terms of the Securities described herein [for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive"**) to the extent that such amendments have been implemented in a Member State) (the "**Prospectus Directive**")] and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Company and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented].The Base Prospectus [and the supplement[s] thereto] are available for viewing at the office of the Fiscal Agent or each of the Paying Agents during normal business hours **[**and copies may be obtained from Compagnie de Financement Foncier, 4 Quai de Bercy, 94224 Charenton Cedex, France**]**.

[*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.****]***

	Company:	**Compagnie de Financement Foncier**
1	(i) Series Number:	**[●]**
2	(ii) Tranche Number:	**[●]**
	[(iii)] Date on which the Securities become fungible	[Not Applicable/ The Securities will be consolidated (*assimilées*) and form a single series with the existing [*insert description of the Series*] issued by the Company on [*insert date*] (the "**Existing Securities**") as from [●].]
3	Specified Currency or Currencies:	[●]
4	Aggregate Nominal Amount:	[●]
	[(i)**]** Series:	[●]
	[(ii) Tranche:	[●]]
5	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in case of fungible issues only if applicable*)]
6	(i) Specified Denomination(s):	[●][*]
	(ii) Calculation Amount:	**[●]**
7	(i) Issue Date:	[●] (being T + [●], where T is the Trade Date)
	(ii) Interest Commencement Date:	[*Specify/*Issue Date/Not Applicable]
8	Maturity Date:	[*Specify date or (for Floating Rate Securities) Interest Payment Date falling in or nearest to the relevant month*

[*] Securities (including Securities denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Company in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies). Securities to be sold in the United States to QIBs must have a minimum specified denomination of U.S. $100,000.

		and year]
9	Interest Basis:	[[●] per cent. Fixed Rate] [[*Specify reference rate*] +/– [●] per cent. Floating Rate] [Zero Coupon] [*(further particulars specified below)*]
10	Redemption/Payment Basis:	**[**Subject to any purchase and cancellation or early redemption, the Securities will be redeemed on the Maturity Date at [●] per cent. of their nominal amount]
11	Change of Interest or Redemption/Payment Basis	[[●]/Not Applicable]
12	Put/Call Options	[Not Applicable] [Investor Put] [Company Call] [*(further particulars specified below)*]
13	**[**(i)**]** Status of the Securities:	[*Obligations Foncières*]
	[(ii)**] [**Dates of the corporate authorizations for issuance of Securities obtained:	Decision of the *Conseil d'administration* of the Company dated [●] authorizing the issue of the Securities and authorizing, inter alios, its *directeur général* and *directeur général délégué* to sign and execute all documents in relation to the issue of Securities, and decision of the *Conseil d'administration* of the Company dated [●] authorizing the quarterly program of borrowings which benefit from the privilège referred to in Article L. 513-11 of the French *Code monétaire et financier* up to and including EUR [●] billion for the [●] quarter of 20[●].
14	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15	**Fixed Rate Securities Provisions**	[Applicable / Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Rate**[**(s)**]** of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (*Specify*)] in arrear]
	(ii) Interest Payment Date(s):	[●] [●] in each year [adjusted in accordance with [*Specify Business Day Convention and any applicable Business Center(s) for the definition of "Business Day"]/* not adjusted] *(Note that this item relates to interest period end dates and not to the date and place of payment, to which item 23 relates)*
	(iii) Fixed Coupon Amount**[**(s)**]**:	[●] per Calculation Amount

	(iv) Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date(s) falling [in/on] [●] [*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)] and the Interest Payment Date(s) to which they relate*.]
	(v) Day Count Fraction (Condition 5(h)):	**[**Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual – ICMA]
	(vi) Determination Dates (Condition 5(h)):	[[●] in each year (*insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last Coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)] [Not Applicable]
16	**Floating Rate Securities Provisions**	[Applicable / Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Interest Period(s):	[●]
	(ii) Specified Interest Payment Dates:	[●]
	(iii) First Interest Payment Date:	[●]
	(iv) Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention] *(Note that this item relates to interest period end dates and not to the date and place of payment, to which item 22 relates)*
	(v) Interest Period Date:	[[●]/Not Applicable] (*Not applicable unless different from Interest Payment Date*)
	(vi) Business Center(s) (Condition 5(h)):	[●]
	(vii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
	(viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[●]
	(ix) Screen Rate Determination (Condition 5(b)(iii)(B)):	[[●]/Not Applicable]
	– Reference Rate:	[●]

	– Interest Determination Date(s):	*[[●] [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]*[, subject to adjustment in accordance with [Floating Rate Business Day Convention/ Following Business Day Convention/ Following Business Day Except the Following Month Convention/Preceding Business Day Convention].]
	– Relevant Screen Page:	[●]
	(x) ISDA Determination (Condition 5(b)(iii)(A)):	[[●]/Not Applicable]
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
	(xi) Linear Interpolation	[Not Applicable/Applicable – the Rate of Interest for the [long/short][first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
	– Applicable Maturity:	**[●]**
	(xii) Margin(s):	[+/-][●] per cent. per annum
	(xiii) Minimum Rate of Interest:	[Not Applicable] / [●] per cent. per annum
	(xiv) Maximum Rate of Interest:	[Not Applicable] / [●] per cent. per annum
	(xv) Day Count Fraction (Condition 5(h)):	**[**Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual – ICMA]
17	**Zero Coupon Securities Provisions**	[Applicable / Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Amortization Yield (Condition 6(b)):	[●] per cent. per annum
	[(ii) Day Court Fraction (Condition 5(j)):]	**[**Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual – ICMA]

PROVISIONS RELATING TO REDEMPTION

18	**Call Option**	[Applicable / Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Optional Redemption Date(s):	[●]

	(ii) Optional Redemption Amount(s) of each Security:	[Early Redemption Amount]/ [[●] per Calculation Amount]
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount
	(iv) Notice period*:	[●]
	(v) Option Exercise Date(s):	[●]
19	**Put Option**	[Applicable / Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Security:	[Early Redemption Amount]/ [[●] per Calculation Amount]
	(iii) Notice Period:	[●]
	(iv) Option Exercise Date(s):	[●]
	(v) Description of any other Securityholders' option:	[●]
20	**Final Redemption Amount of each Securities**	[●] per [Calculation Amount/ Aggregate Nominal Amount]
21	**Early Redemption Amount**	
	Early Redemption Amount(s) per Calculation Amount payable on any early redemption	[Not Applicable] / [●]]

GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

22	**Form of Securities:**	[Regulation S Global Securities (USD/EUR [●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]] [Rule 144A Global Securities (USD [●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream,

* If setting notice periods which are different to those provided in the terms and conditions, the Company is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Company and its fiscal agent.

		Luxembourg (that is, held under the NSS)]]
23	Financial Center(s) (Condition 7(d))	[Not Applicable] / *Give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 15(ii) and 16(iv) relate*]
24	Redenomination, renominalization and reconventioning provisions:	[Not Applicable] / [The provisions in Condition 1(d) apply]
25	Consolidation provisions:	[Not Applicable] / [The provisions in Condition 12 apply]
DISTRIBUTION		
26	(i) If syndicated, names and addresses of Managers and underwriting commitments:	[Not Applicable / *Give names, addresses and underwriting commitments*] *(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
	(ii) Stabilization Manager(s) (if any):	[Not Applicable / G*ive name*]
27	If non-syndicated, name and address of Dealer:	[Not Applicable / *Give name and address*]
28	U.S. Selling Restrictions:	Reg. S Compliance Category 1 There are restrictions on the sale and transfer of Securities and the distribution of offering materials in the United States. The Securities have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any State or other jurisdiction of the United States, and may not be offered or sold within the United States (within the meaning of Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Securities will be offered and sold outside the United States in reliance on Regulation S and within the United States to "qualified institutional buyers" only (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A. Prospective purchasers are hereby notified that sellers of the Securities may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. See *Plan of Distribution* and *Transfer Restrictions* in the Base Prospectus.
29	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (If the offer of the Securities is concluded prior to January 1, 2018, or on and after that date the Securities do not constitute "packages" products, "Not Applicable" should be specified. If the offer of the Securities will be concluded

on or after January 1, 2018, the Securities may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)

RESPONSIBILITY

The Company accepts responsibility for the information contained in these Final Terms. **[**(*Relevant third party information*) has been extracted from (*specify source*). The Company 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.**]**

Signed on behalf of COMPAGNIE DE FINANCEMENT FONCIER:

By: .....

Duly authorized

PART B – **OTHER** INFORMATION

1 **LISTING**

(i) Admission to trading:	[Application has been made by the Company (or on its behalf) for the Securities to be admitted to trading on [*specify relevant regulated market*] with effect from [●].] [Application is expected to be made by the Company (or on its behalf) for the Securities to be admitted to trading on [*specify relevant regulated market*]] with effect from [●].] [Not Applicable.] *(Where documenting a fungible issue need to indicate that original Securities are already admitted to trading.)*
(ii) Estimate of total expenses related to admission to trading:	**[●]**
(iii) Regulated markets or equivalent markets on which, to the knowledge of the Company, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading:	**[●]**

2 **RATINGS**

The Program has been rated [Aaa] by [Moody's Investors Service, Inc. ("Moody's")], [AAA] by [Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. ("Standard & Poor's")] and [AAA] by [Scope Ratings AG ("Scope Ratings")].

With respect to Moody's, Securities issued under the Program are deemed to have the same rating as the Program and investors are invited to check on a regular basis the rating assigned to the Program which is published via Moody's rating desk or Moody's website (*www.moodys.com*).

The Securities issued under the Program will be rated [AAA] by [Standard & Poor's][*] and [AAA] by [Scope Ratings][**].

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[*] *An* obligation *rated "AAA" has the highest rating assigned by Standard & Poor's. The obligor capacity to meet its financial commitment on the* obligation *is extremely strong (source: Standard & Poors Ratings Services).* A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency without notice.

[**] *"AAA" ratings reflect an opinion of exceptionally strong credit quality (source: Scope Ratings).*

[[Each of [Standard & Poor's], [Moody's] and [Scope Ratings] is established in the European Union and has registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such, each of [Standard & Poor's], [Moody's] and [Scope Ratings] is included in the list of credit agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation (*www.esma.europa.eu/supervision/credit-rating-agencies/risk*).]

(The above disclosure should reflect the rating allocated to Securities of the type being issued under the Program generally or, where the issue has been specifically rated, that rating.)

3 **[SPECIFIC CONTROLLER**

The specific controller (*contrôleur spécifique*) of the Company has certified on [•] [and on [•]] that the value of the assets of the Company will be greater than the value of its liabilities benefiting from the privilège defined in Article L. 513-11 of the French *Code monétaire et financier*, after settlement of this issue and of the issues which have been the subject of previous attestations and that the coverage ratio of the Company is compliant with the minimum overcollateral ratio specified in Article R.513-8 of the French *Code monétaire et financier*.]

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

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

"Save as discussed in ["*Plan of Distribution*"], so far as the Company is aware, no person involved in the offer of the Securities has an interest material to the offer."]/ [●]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

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

[(i) Reasons for the offer: [●]

(See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks, will need to include those reasons here.)]

[(ii)**]** Estimated net proceeds: [●]

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

6 **[*Fixed Rate Securities only* – YIELD**

Indication of yield: [●]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7 **OPERATIONAL INFORMATION**

Unrestricted Securities:	
ISIN:	[●]
Common Code:	[●]
Restricted Securities:	
ISIN:	[●]
Common Code	[●]
CUSIP:	[●]
Depositaries: (i) Euroclear France to act as Central Depositary	[Yes/No]
(ii) Common Depositary for Euroclear Bank S.A./N.V. and Clearstream Luxembourg / Common Safekeeper for Euroclear Bank S.A./N.V. and Clearstream Luxembourg	[Yes/No]
(iii) Custodian for DTC	[Yes/No]
Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, S.A. and DTC and the relevant identification number(s):	[Not Applicable / *Give name(s) and number(s) [and address(es)]*]
Delivery:	Delivery [against/free of] payment
Names and addresses of initial Paying Agent(s) and other Agent(s) appointed in respect of the Securities:	[●]
Names and addresses of additional Paying Agent(s) (if any):	[●]
Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. The designation "yes" simply means that the Securities are intended upon issue to be deposited with one of the ICSDs as common safekeeper, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper and does not necessarily mean that the Securities will be recognized as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times

during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Securities are capable of meeting them the Securities may then be deposited with one of the ICSDs as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper. Note that this does not necessarily mean that the Securities will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

The aggregate principal amount of Securities issued has been translated into Euro at the rate of [*currency*] [●] per EUR1.00, producing a sum of:	[Not Applicable / EUR[●]] (*Only applicable for Securities not denominated in Euro*)

GENERAL INFORMATION

(1) *Consents, approvals and authorizations in connection with the Program*

The Company has obtained all necessary consents, approvals and authorizations in the Republic of France in connection with the establishment of the Program.

The establishment of the Program was authorized by a decision of the Board of Directors (*Conseil d'administration*) of the Company passed on June 30, 2010.

Any drawdown of Securities under the Program, to the extent that such Securities constitute obligations, requires the prior authorization of (i) the Board of Directors (*Conseil d'administration*) of the Company, or (ii) the Ordinary General Meeting of the shareholders of the Company if (a) the *statuts* of the Company so require, or (b) such Ordinary General Meeting decides itself to exercise such authority.

Any drawdown of Securities, to the extent that such Securities do not constitute *obligations*, falls within the general powers of the *directeur général* or a *directeur général délégué* of the Company.

(2) *No significant changes in the financial and trading position of the Company*

Except as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of the Company since June 30, 2017.

(3) *No material adverse changes in the prospects of the Company*

Except as disclosed in this Base Prospectus, there has been no material adverse change in the prospects of the Company since December 31, 2016.

(4) *No governmental, legal or arbitration proceedings involving the Company*

The Company has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this Base Prospectus, which may have or has had, in the recent past, significant effects on the financial position or profitability of the Company.

(5) *Clearance and Trading of the Securities issued under the Program*

The Unrestricted Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg. In addition, the Company may make an application for any Restricted Securities to be accepted for trading in book-entry form by DTC. Acceptance by DTC of such Securities will be confirmed in the relevant Final Terms. The Common Code, the International Securities Identification Number (ISIN), the Committee on the Uniform Security Identification Procedure (CUSIP) number and (where applicable) the identification number for any other relevant clearing system for each Series of Securities will be as set out in the relevant Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg. The address of DTC is 55 Water Street, New York, New York 10041, United States of America. The address of any alternative clearing system will be specified in the applicable Final Terms.

(6) *Material Contracts of the Company*

There are no material contracts entered into, other than in the ordinary course of the business of the Company or as disclosed herein, which could result in the Company being under an obligation or entitlement that is material to the ability of the Company to meet its obligations to holders of Securities in respect of the Securities being issued.

(7) *Issue price and principal amount of Securities issued under the Program*

The issue price and the principal amount of the Securities issued under the Program will be determined based on the prevailing market conditions. The Company does not intend to provide any post-issuance information in relation to assets underlying issues of Securities constituting derivative securities.

(8) *Availability of documents*

For so long as Securities may be issued pursuant to this Base Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the specified offices of the Fiscal Agent and each of the Paying Agents:

(i) the Agency Agreement (which includes the form of the Certificates and the Global Certificates);

(ii) the Deed of Covenant;

(iii) the *statuts* of the Company (in both French and English);

(iv) the unaudited condensed interim financial statements as of and for the six months ended June 30, 2017 and the audited financial statements of the Company for the financial years ended December 31, 2016, December 31, 2015 and December 31, 2014 and the audit reports relating thereto;

(v) the Final Terms (save that Final Terms relating to a Series of Securities, which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, will only be available for inspection by a holder of such Securities and such holder must produce evidence satisfactory to the Company and the Fiscal Agent as to its holding of Securities and identity);

(vi) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus and any documents incorporated by reference in this Base Prospectus; and

(vii) the latest quarterly borrowing program of the Company and the certificate of the Specific Controller relating thereto (usually delivered at the beginning of each quarter).

(9) *Audited and unaudited financial information*

The non-consolidated annual accounts of the Company are audited and published. The Company also produces unaudited interim financial information. The Company has no subsidiaries and produces no consolidated financial statements. Copies of the latest audited annual financial statements of the Company and the latest unaudited interim accounts of the Company may be obtained at the specified offices of each of the Paying Agents during normal business hours, so long as any Securities remain outstanding.

(10) *Auditors*

PricewaterhouseCoopers Audit, 63, rue de Villiers, 92200 Neuilly sur Seine, France and KPMG S.A., Tour EQHO, 2, avenue Gambetta, CS 60055, 92066 Paris-La Défense cedex, France (both entities regulated by the *Haut Conseil du Commissariat aux Comptes* and members of the *Compagnie régionale des Commissaires aux comptes de Versailles* and duly authorized as *Commissaires aux comptes*) have audited and rendered audit reports on the financial statements of the Company for the years ended December 31, 2016, December 31, 2015 and December 31, 2014 and have rendered a limited review report on the unaudited condensed interim financial statements as of and for the half year ended June 30, 2017.

(11) *Compliance with the legal over-collateralization ratio*

Pursuant to article R.513-16 IV of the French *Code Monétaire et Financier*, the Specific Controller of the Company certifies quarterly compliance by the Company with the 105% legal over-collateralization ratio set out in articles L.513-12 and R.513-8 of the French *Code Monétaire et Financier* for purposes

of the issue of privileged debt securities by the Company (including Securities issued under the Program). The Specific Controller also certifies compliance with the legal over-collateralization ratio for an issue of Securities in a principal amount equal to or above EUR500 million or its equivalent in the currency of issue.

(12) *Yield (Fixed Rate Securities only)*

In relation to any Tranche of Fixed Rate Securities, an indication of the yield in respect of such Securities will be specified in the applicable Final Terms. The yield is calculated at the relevant issue date of the Securities on the basis of the relevant issue price. The yield indicated will be calculated as the yield to maturity as at the relevant issue date of the Securities and will not be an indication of future yield.

APPENDIX 1

SPECIFIC CONTROLLER'S CERTIFICATION ON THE VALUATION AND PERIODIC REVIEW METHODS OF THE REAL ESTATE ASSETS AT 31 DECEMBER 2016

To the Board of Directors of Compagnie de Financement Foncier,

In our capacity as the Specific Controller of Compagnie de Financement Foncier, and pursuant to the Article 5 of regulation No. 99-10 of the French Banking and Financial Services Regulatory Committee, we proceeded to the assessment of the validity, in accordance with regulations in force, of the methods used to value the real estate assets underlying the loans and their results, and of the methods for periodically reviewing their value, as published together with the financial statements for the year ended 31 December 2016 and appended hereto.

The valuation methods and their results for real estate assets and the methods for periodically reviewing their value have been defined and implemented under the responsibility of your company's management.

Our responsibility is to assess the validity of this procedure in terms of its compliance with regulations in force as of 31 December 2016.

We implemented the diligences that we considered necessary in view of the professional standards of the *Compagnie nationale des Commissaires aux comptes* applicable to this assignment. Our work consisted in checking the compliance of:

- the procedures, the valuation and periodic review methods and their results, in their design and application, with regulations in force as of 31 December 2015;
- the information published together with the annual financial statements with, on one hand, the system for the valuation and periodic review implemented, and on the other hand, with the results arising from the implementation of the valuation system.

Based on our work, we have the following comments and observations:

- the valuation methods for the real estate assets and their results or the methods for periodically reviewing their value as published together with the financial statements for the year ended 31 December 2016, generally respect Articles 2 to 4 of Regulation No. 99-10 of the French Banking and Financial Services Regulatory Committee;
- however, it should be specified that, on the basis of our tests and internal controls made by *Crédit Foncier* on behalf of *Compagnie de Financement Foncier*, the 2016 operational implementation of periodic review of pledges value could be improved regarding the complete application of statistical methods used. However, this observation has no impact on safe nature of pledges value realized in 2016.

Paris, 21 March 2017
Specific Controller

CAILLIAU DEDOUIT et Associés
Laurent BRUN

CAILLAU DEDOUIT et Associés
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APPENDIX 2

PROCEDURE FOR THE VALUATION AND PERIODIC REVIEW OF THE VALUE OF THE ASSETS UNDERLYING THE LOANS AS OF 31 DECEMBER 2016

I - Valuation method applied to the assets underlying loans

General asset valuation principles

The procedure described below has been determined pursuant to Articles 1 and 2 of CRBF regulation No. 99-10, as amended by regulation No. 2001-02 and No. 2002-02 and by the decrees of May 7, 2007 and February 23, 2011 transposing European directive 2006/48/EC of May 26, 2014 and November 3, 2014 law into French law.

Real estate financed by eligible loans or posted as collateral for these loans is subject to cautious appraisal.

The valuation is performed taking into account the long-term sustainable aspects of the property, the normal and local market conditions, the current use and alternative appropriate uses of the property.

Derogation rule used by Compagnie de Financement Foncier

For loans originated between January 1, 2003 and December 31, 2006, in accordance with the provisions of CRBF regulation No. 99-10 and a decision by the Chairman of Crédit Foncier de France's Executive Board dated July 28, 2003, a cost of transaction without discount is understood to be an estimated value of an asset for all transactions with individuals involving residential property where a transaction cost is less than €350,000.

Following the changes to CRBF regulation No. 99-10, this principle was extended to include:

- for the period between May 7, 2007 and February 23, 2011, all residential property transactions with individuals where a transaction cost is less than €450,000 or where an outstanding principal amount on the acquired loan or a total amount authorized is less than €360,000;
- beginning on February 24, 2011, all residential property transactions with individuals where a transaction cost is less than €600,000 or where an outstanding principal amount on the acquired loan or a total amount authorised is less than €480,000.

Above these thresholds, an appraisal value is considered as the value of the property.

Summary

The above-mentioned rules, applied since February 24, 2011, are summarized in the following table:

Type of asset	Cost of transaction is less than €600,000 or acquired loan less than €480,000	Cost of transaction is €600,000 or more, and acquired loan €480,000 or more
Residential Property for private individuals	Transaction cost	Appraisal
Residential Property for Professionals	Appraisal	Appraisal
Commercial property (1)	Appraisal	Appraisal

(1) Property for professional use means all properties other than residential and multiple-use properties where the value allocated to the residential part is less than 75% of the total value of the property.

An appraisal is made of all collateral underlying authorized loans (*i.e* signed by the parties) during the year, regardless of whether or not they are implemented.

Other collateral (securing loans authorized before December 1, 2015 and already valued or re-valued) is subject to a periodic review of its value as presented hereafter (see Sections II, III and IV).

II – Methods used for periodic review of residential assets for individuals and professionals

The methods described below apply to all loans transferred or assigned to Compagnie de Financement Foncier.

Following the migration in November 2015 to the shared Groupe BPCE IT system, the revaluation methods were changed for residential loans to proessionals and non-residential assets. This change, however, only affects a small proportion of the loan book held by Compagnie de Financement Foncier.

Two methods are used: a statistical method, sub-divided into two variants depending on the customer segment and property type, and an expert appraisal method:

A –Statistical method

Two variant statistical methods are used for periodic reviews of the pledged value of residential properties depending on the valuation engine used:

- **A1 Crédit Foncier statistical method** unchanged from previous years and implemented in the valuation engine in the Crédit Foncier's IT system. These valuations are based on value change indices derived from prices provided by Crédit Foncier Immobilier appraisers:

  for individual residential properties,

  annually.

- **A2 BPCE statistical method**, using an engine installed on the group's IT system. This permits valuation, using indices based on property prices

  for professional residential properties,

  semi-annually.

In the special case of collateral located in the Netherlands and Belgium, country-specific indices are used (Stadim for Belgium and the PBK indices, produced by the Dutch real estate registry, for the Netherlands).

Revaluation of Belgian guarantees

Crédit Foncier proceeded to a revaluation of the guarantees of its Belgian branch for 2016, through its servicer, Stater. This revaluation carried out as of June 30, 2016 covers a 18-month period as the last revaluation dates from December 31, 2014.

6,917 guarantees were revalued representing an overall valuation amount of €1,528m, i.e. an average increase in value of 3.6% (after excluding guarantees that increased or decreased by more than 20%) associated with 6,917 loans with an outstanding amount of €735m.

Revaluation of Dutch guarantees

Revaluation was made of a total of 690 guarantees associated with 718 loans representing a total outstanding value of €57m.

Revaluation was conducted based on the PBK Index developed by the Netherlands land registry. In 2016, the index average rose by 3.24% (after excluding 2 guarantees with year on year changes of more than 15%).

A1 –Crédit Foncier periodic statistical review method

(i) Principles

The model is based on the preparation of indices. The indices obtained are the changes observed from one year to the next in market values, clarifying that, in accordance with the relevant legislation, an appraisal is carried out, in compliance with the law, on the basis of a prudent assessment (which is then revalued by applying the indices).

The indices reflect four distinct geographical categories:

(i) the 107 sites established by postal code by the INSEE (French National Institute for Statistics and Economic Studies). They are defined as being urban areas with more than 50,000 inhabitants. The list of these urban areas and their composition changes as the urban fabric and real estate markets evolve;

(ii) outside these areas, the "non-urban" real estate market is divided into administrative regions that date from before the January 1, 2016 reforms (20 regions, not including Corsica and Île-de-France);

(iii) Île-de-France, excluding the city of Paris is valued separately using specific indices for each of its seven departments;

(iv) Paris is also valued separately using a specific index.

Indices for each of these four categories (urban, non-urban, Île-de-France and Paris), are grouped according to postal codes, and broken down as follows:

- urban areas: 107 Apartment indices / 107 House indices;
- non-urban area: 20 House indices;
- Île-de-France (excluding Paris): 7 Apartment indices / 7 House indices;
- Paris: 1 Apartment index.

When the apartment/home distinction is not available for a particular item of collateral, the lower of the two indices for the corresponding postal code is used.

When the collateral is in Corsica or in the Dom-Toms (French overseas departments and territories), the annual trend indices used for the corresponding type of housing are:

- for apartments: the average of the apartment indices for urban areas;
- for houses: the lower of the two averages for houses in urban areas and for regions.

Revaluation cycle management

Real estate value indices are updated annually. New indices are established each November based on the period ending on September 30.

The revaluation cycle is thus managed on a one year rolling period from 30 September of year "n-1" to September 30 of year "n".

In light of the extraordinary jump in the 2015 re-valuation, the newly derived indices, based on September 30, 2016 observations of the 15-month price trend (from June 2015 to September 2016), were restated on an annualized basis.

(ii) Sources

These indices are based on an *ad hoc* survey and on appraiser estimates carried out each year by the Crédit Foncier Immobilier's Research department with the network of regional real estate appraisers, quarterly gross statistical real estate information available in its database and regional indicators from www.marche-immo.com.

A2 - S2 periodic review method

(i) Principles

The statistical review method used by BPCE applies to residential real estate assets granted to professionals and depends on the property's location.

It is based on average property prices in each department, taken from data bases maintained by notaries:

- for property in Île-de-France (outside the city itself, where average prices are indexed by arrondissement) from a commercial data base provided by the company Paris Notaires Services for Île-de-France;
- for property in other metropolitan departments, from the PERVAL data base covering the rest of France;
- for property in the Dom-Toms, the index used is the national re-evaluation index from the PERVAL data base.

B –Appraiser estimate revaluation method

This category, in application of Basel II regulations (Order of February 20, 2007 Article 168), concerns residential real estate posted as collateral for a debt of over €3 million.

Each property in this category is individually revalued every 3 years by means of appraisal. The appraiser determines a prudential mortgage value based on a thorough analysis of the type of asset and its specific aspects and on a prudent, forward-looking view of the market.

In each of the two years between each 3-year appraisal, the property is revalued using a statistical method:

- method A.1 for Individual customers;
- method A.2 for Professional customers (“Corporates”).

III - Methods for periodic review of real estate for professional use (non-residential)

In accordance with CRBF regulation 99-10, the following revaluation method ise used for properties for professional use:

B – Appraiser estimate reevaluation method

This category concerns property for professional use (non-residential) where the loan has been transferred or assigned to the Compagnie de Financement Foncier.

Each property in this category is individually revalued every year by means of appraisal. The appraiser determines a prudential mortgage value based on a thorough analysis of the type of asset and its specific aspects and on a prudent, forward-looking view of the market.

IV - Summary table of methods

	Individuals		**Corporates**	
	Loan less than €3m	**Loan more than €3m**	**Loan less than €3m**	**Loan more than €3m**
Residential	Method A.1 annually	Individual appraisal (method B) every 3 years and method A.1 in the other years		
Non-residential	Individual appraisal (method B) annually		Individual appraisal (method B) annually	

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