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 described in this Base Prospectus (the "**Program**"), 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.515-19 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.

Unless subsequently replaced or superseded, this Base Prospectus shall be in force for a period of one year from the date set out hereunder.

Under the Program, the Company may from time to time issue Securities in registered form only denominated in any 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.

Application has been made to the *Autorité des marchés financiers* (the "**AMF**") in France for approval of this Base Prospectus, in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* and, at the same time for the notification of a certificate of approval released to the *Commission de surveillance du secteur financier* in Luxembourg for Securities issued under the Program to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, both such approval and notification being made in its capacity as competent authority under Article 212-2 of the *Règlement Général* of the AMF which implements the Directive 2003/71/EC (as amended by Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent that such amendments have been implemented in a Member State of the European Economic Area) on the prospectus to be published when securities are offered to the public or admitted to trading (the "**Prospectus Directive**").

Application may be made to Euronext Paris for Securities issued under the Program for the period of 12 months from the date of this Base Prospectus to be listed and admitted to trading on Euronext Paris and/or to the competent authority of any other Member State of the European Economic Area ("**EEA**") for Securities issued under the Program to be listed and admitted to trading on a Regulated Market (as defined below) in such Member State. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EEC, appearing on the list of regulated markets issued by the European Commission (a "**Regulated Market**"). Securities which are not listed or admitted to trading on a regulated market may be issued under the Program and may also be listed on an alternative stock exchange or may not be listed at all. The relevant final terms (the "**Final Terms**") (as defined in "*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 time the Securities are admitted to trading on Euronext Paris, the Securities will also be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, unless otherwise agreed between the Company and the relevant Dealer.

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, *société anonyme* ("**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**") and Aaa by Moody's Investors Service, Inc. ("**Moody's**"). 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 Fitch Ratings Ltd. ("**Fitch 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 Fitch 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, or a separate prospectus will be made available, which will describe the effect of the agreement reached in relation to such Securities.

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	**BARCLAYS CAPITAL**	**BNP PARIBAS**
CITIGROUP	**CREDIT SUISSE**	**DEUTSCHE BANK SECURITIES**
GOLDMAN, SACHS & CO.	**HSBC**	**J.P. MORGAN**
MORGAN STANLEY	**NATIXIS**	**NOMURA**
RBC CAPITAL MARKETS	**RBS**	**SOCIETE GENERALE**
	UBS INVESTMENT BANK	

The date of this Base Prospectus is June 26, 2012.

This Base Prospectus (together with supplements to this Base Prospectus from time to time) comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the 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 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.

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 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 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 stabilizing manager(s) (the "Stabilizing Manager(s)") (or any person acting on behalf of any Stabilizing 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 Stabilizing Manager(s) (or any person acting on behalf of any Stabilizing 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 Stabilizing Manager(s) (or any person acting on behalf of any Stabilizing Manager(s)) in accordance with all applicable laws and rules.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED, 1955 ("RSA 421-B"), WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

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 22.

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, and 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 for certain considerations relating to the presentation of financial information by the Company on the basis of French GAAP.

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

Le paragraphe suivant doit être lu comme une introduction au résumé si l'État membre de l'Union Européenne ou partie à l'accord sur l'Espace Économique Européen concerné n'a pas transposé les modifications apportées par la Directive 2010/73/UE (la "**Directive 2010 modifiant la Directive Prospectus**") aux informations requises dans le résumé.

*Ce résumé doit être lu comme une introduction au prospectus de base relatif au Programme (le "**Prospectus de Base**"). Toute décision d'investir dans des titres à émettre dans le cadre du Programme doit être fondée sur un examen exhaustif du Prospectus de Base, incluant, le cas échéant, les documents incorporés par référence, les suppléments au Prospectus de Base et les Conditions Définitives des titres concernés. Lorsqu'une action en responsabilité fondée sur les informations contenues dans le Prospectus de Base est intentée devant un tribunal, l'investisseur plaignant peut, selon la législation nationale des États membres de l'Union Européenne ou parties à l'accord sur l'Espace Economique Européen, avoir à supporter les frais de traduction du Prospectus de Base avant le début de la procédure judiciaire. Les personnes qui ont présenté le résumé, y compris, le cas échéant, sa traduction, et en ont demandé la notification au sens de l'article 212-41 du Règlement Général de l'Autorité des marchés financiers (l'"**AMF**") n'engagent leur responsabilité civile que si le contenu du résumé est trompeur, inexact ou contradictoire par rapport aux autres parties du Prospectus de Base incluant, le cas échéant, les documents incorporés par référence.*

Le paragraphe suivant doit être lu comme une introduction au résumé si l'État membre de l'Union Européenne ou partie à l'accord sur l'Espace Économique Européen concerné a transposé les modifications apportées par la Directive 2010 modifiant la Directive Prospectus aux informations requises dans le résumé.

Ce résumé doit être lu comme une introduction au Prospectus de Base. Toute décision d'investir dans des titres à émettre dans le cadre du Programme doit être fondée sur un examen exhaustif du Prospectus de Base incluant, le cas échéant, les documents incorporés par référence, les suppléments au Prospectus de Base, et les Conditions Définitives des titres concernés. En application de la transposition des dispositions applicables de la Directive Prospectus (la Directive 2003/71/CE, telle que modifiée par la Directive 2010/73/UE) dans chaque État membre de l'Espace Economique Européen, aucune action en responsabilité ne saurait être engagée à l'encontre de Compagnie de Financement Foncier sur la base du seul résumé, y compris de sa traduction, sauf 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 essentielles permettant d'aider les investisseurs lorsqu'ils envisagent d'investir dans les titres à émettre dans le cadre du Programme. Lorsqu'une action en responsabilité fondée sur les informations contenues dans le Prospectus de Base est intentée devant le tribunal d'un État membre de l'Espace Economique Européen, l'investisseur plaignant peut, selon la législation nationale de l'État membre concerné, avoir à supporter les frais de traduction du Prospectus de Base avant le début de la procédure judiciaire.

1 Information sur les Titres émis dans le cadre du Programme

Société:	Compagnie de Financement Foncier, société anonyme de droit français, agréée en qualité de société de crédit foncier.
Description du Programme:	Programme pour l'offre continue d'obligations foncières (les "**Titres**").
Montant Maximum:	Valeur nominale agrégée des Titres dans la limite de USD10 000 000 000 (ou l'équivalent dans d'autres devises à la date d'émission).
Arrangeur:	Citigroup Global Markets Inc.
Agents Placeurs:	Barclays Capital Inc., BNP PARIBAS, Citigroup Global Markets Inc., Credit Suisse Securities (Europe) Limited, Deutsche Bank Securities Inc., Goldman, Sachs & Co., HSBC Securities (USA) Inc., J.P. Morgan Securities Ltd., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC, Natixis, Nomura International plc, RBC Capital

	Markets, LLC, RBS Securities Inc., SG Americas Securities, LLC, UBS Securities LLC.
Teneur de registre, Agent de Transfert et Agent de cotation à Luxembourg:	Deutsche Bank Luxembourg S.A.
Agent Financier et Agent Payeur Principal:	Deutsche Bank AG, London Branch.
Teneur de registre, Agent de Transfert et Agent Payeur aux Etats Unis d'Amérique:	Deutsche Bank Trust Company Americas.
Méthode d'émission:	Les Titres seront émis dans le cadre d'émissions syndiquées ou non syndiquées.
Prix d'Emission:	Les Titres pourront être émis à leur valeur nominale, à un prix inférieur à leur valeur nominale ou à un prix incluant une prime d'émission.
Forme des Titres:	Les Titres seront seulement émis au nominatif et prendront la forme de certificats émis au nominatif (*registered certificates*). Les Titres offerts à des investisseurs qualifiés (*qualified institutional buyers*) aux Etats Unis sur la base de la Règle 144A prendront la forme d'un ou plusieurs certificats globaux restreints (*restricted global certificates*). Les Titres offerts en dehors des Etats Unis sur la base de la Regulation S prendront la forme d'un ou plusieurs certificats globaux non restreints (*unrestricted global certificates*).
Systèmes de compensation:	Euroclear, Clearstream, Luxembourg et DTC et tout autre système de compensation qui pourrait être choisi conjointement par Compagnie de Financement Foncier, l'Agent Financier et l'Agent Placeur concerné.
Échéances:	Sous réserve des lois, règlements et directives applicables, tout type d'échéance.
Devises:	Sous réserve des lois, règlements et directives applicables, les Titres pourront être émis dans n'importe quelle devise qui pourra être choisie conjointement par Compagnie de Financement Foncier et l'Agent Placeur concerné.
Modalités des Titres (prix, montant, taux d'intérêt etc.):	Les conditions définitives de chaque souche de Titres émise seront décrites dans les Conditions Définitives relatives à cette souche de Titres.
Valeur nominale:	Valeur nominale minimum de chaque Titre: EUR1 000 (ou l'équivalent dans toute autre devise à la date d'émission).
Remboursement:	Les Conditions Définitives applicables indiqueront la base permettant de calculer le montant des remboursements à verser.
Rang de créance:	Les Titres constitueront des obligations directes, inconditionnelles et privilégiées de Compagnie de Financement Foncier. Les Titres seront émis en vertu des articles L.515-13 à L.515-33 du Code monétaire et financier. Les porteurs de Titres émis par Compagnie de Financement Foncier bénéficieront d'un *privilège* (droit prioritaire au paiement) sur tous les actifs et revenus de Compagnie de Financement Foncier fondé sur l'article L.515-19 du Code monétaire et financier.

Maintien de l'emprunt à son rang:	Aucun.
Cas de Défaut (notamment Défaut Croisé):	Aucun.
Notation:	Le Programme bénéficie de la notation financière AAA par Standard & Poor's Ratings Services ("**Standard & Poor's**") et Aaa par Moody's Investors Service, Inc. ("**Moody's**"). L'ensemble des Titres émis sous le Programme bénéficieront d'une notation financière (anticipée au niveau AAA de la part de Standard & Poor's Ratings Services, Aaa de la part de Moody's Investors Service, Inc. et AAA de la part de Fitch Ratings ("**Fitch Ratings**")). Les notations spécifiées ou auxquelles il est fait référence dans ce Prospectus de Base doivent être traitées au regard du Règlement (CE) No. 1060/2009 sur les agences de notation de crédit (le "**Règlement ANC**") comme ayant été émises par Standard & Poor's, Moody's et/ou Fitch Ratings, qui sont établies dans l'Union Européenne et enregistrées conformément au Règlement ANC.. La notation attribuée aux Titres d'une Tranche donnée sera spécifiée dans les Conditions Définitives, et ne sera pas nécessairement la même que celle qui a été attribuée au Programme, ou aux Titres déjà émis. Les Conditions Définitives concernées préciseront si les notations concernées sont émises ou non par une agence de notation de crédit établie dans l'Union Européenne et enregistrée conformément au Règlement ANC.
Offre au public:	Les Titres ne seront pas offerts au public en France.
Méthode de publication :	Le Prospectus de Base, le(s) supplément(s) au Prospectus de Base, le cas échéant, et les Conditions Définitives relatives aux Titres cotés et admis à la négociation seront publiés sur le site internet de l'AMF (*www.amf-france.org*) et, dans le cas des Titres cotés et admis à la négociation sur un marché réglementé de l'Espace Economique Européen autre qu'Euronext Paris, ou offerts au public dans un Etat partie à l'Espace Economique Européen autre que la France, selon les modalités prévues aux Conditions Définitives relatives à cette émission. Dans le cas de Titres cotés et admis à la négociation sur le marché réglementé de la bourse de Luxembourg, ou offerts au public au Luxembourg, les Conditions Définitives seront publiées sur le site internet de la bourse de Luxembourg (*www.bourse.lu*).
Retenue à la source:	Tous les paiements en principal et intérêt relatifs aux Titres seront exonérés de toute retenue à la source française, sauf stipulation contraire d'une loi ou d'un règlement. En cas d'application d'une telle retenue à la source, Compagnie de Financement Foncier n'aura en aucun cas à verser de montant complémentaire lié à cette retenue à la source. Il n'y aura ni majoration (*gross-up*) des montants payés par Compagnie de Financement Foncier ni remboursement anticipé des Titres pour des raisons fiscales. Tous les paiements relatifs aux Titres seront sujets à une potentielle retenue à la source sur le fondement du *Foreign Account Tax Compliance Act* (*FATCA*) américain. Voir le paragraphe intitulé "*Termes et Conditions des Titres*" (section 7(b)).

Droit applicable:	Le droit applicable est le droit anglais pour les Titres et le droit français pour le *privilège*.
Cotation et admission à la négociation:	Euronext Paris ou toute plate-forme de cotation précisée dans les Conditions Définitives (et toute référence à la cotation doit être interprétée en ce sens). Une souche de Titres pourra ou non être cotée (ainsi que précisé dans les Conditions Définitives).
Restrictions de vente:	L'offre et la vente de Titres seront soumises aux restrictions de vente applicables dans différents pays, en particulier celles applicables aux Etats-Unis d'Amérique, dans l'Espace Economique Européen (notamment au Royaume Uni et en France), au Japon, à Hong Kong et à Singapour.
Utilisation des produits:	Les produits nets de l'émission des Titres seront utilisés pour les besoins de l'activité de Compagnie de Financement Foncier (incluant l'achat d'actifs utilisés à des fins de couverture pour l'émission de Titres dans le cadre du Programme).

2 Information à propos de Compagnie de Financement Foncier

Compagnie de Financement Foncier est une société anonyme de droit français. Compagnie de Financement Foncier a été établie le 22 décembre 1998 par sa société-mère, Crédit Foncier de France, un établissement de crédit français fondé en 1852. Compagnie de Financement Foncier (dont la notation de crédit long terme est établie, respectivement, à A-, A2 et A+ par Standard & Poor's, Moody's et Fitch Ratings) est une filiale indirecte de BPCE S.A., qui détient 100% de Crédit Foncier de France. BPCE S.A. (dont la notation de crédit long terme est établie, respectivement, à A, A2 et A+ par Standard & Poor's, Moody's et Fitch Ratings) est l'organe central du Groupe BPCE, un groupe bancaire coopératif qui, avec 19 Banques Populaires et 17 Caisses d'Epargne, constitue l'un des principaux groupes bancaires français.

Le Comité des Etablissements de Crédit et des Entreprises d'Investissements français, qui a fusionné avec l'Autorité de Contrôle Prudentiel française en mars 2010, a agréé Compagnie de Financement Foncier en qualité de *société financière* 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.

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.515-19 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.

Au 31 décembre 2011, le capital social de Compagnie de Financement Foncier, qui n'est cotée sur aucun marché, se composait de 74 216 246 actions ordinaires totalement libérées, d'une valeur nominale de EUR16 chacune (pour un capital total de EUR1 187 459 936). La quasi-totalité du capital de Compagnie de Financement Foncier est détenue par Crédit Foncier de France. Depuis sa formation en 1999 et au 31 décembre 2011, Compagnie de Financement Foncier a émis pour plus de EUR148,4 milliards d'obligations foncières, dont EUR8,7 milliards en 2011.

Le siège social de Compagnie de Financement Foncier est situé au 19, rue des Capucines, 75001 Paris (France) et la société est immatriculée au Registre du Commerce et des Sociétés de Paris sous le numéro de référence B 421 263 047 RCS Paris.

3 Information à propos des états financiers de Compagnie de Financement Foncier

Merci de vous référer aux paragraphes intitulés "Documents Incorporés par Référence", "Information Financière Sélectionnée" et "Développements Récents" pour de plus amples informations sur les états financiers de Compagnie de Financement Foncier.

La composition des actifs de Compagnie de Financement Foncier au 31 décembre 2011 et au 31 décembre 2010 est résumée par catégorie d'actifs (incluant les actifs éligibles en vue de l'émission d'obligations foncières, et autres actifs) dans le tableau qui suit:

Actif	**31 décembre 2011**		**31 décembre 2010**	
	million (€)	**% bilan**	**million (€)**	**% bilan**
Actifs hypothéqués	**46 203**	**43,7%**	**44 909**	**43,3%**
Prêts hypothécaires du secteur aidé	509	0,5%	698	0,7%
Prêts garantis par le FGAS	9 483	9,0%	8 365	8,1%
Autres prêts hypothécaires	16 438	15,5%	14 364	13,8%
Parts de titrisation de créances immobilières	10 183	9,6%	14 104	13,6%
Autres prêts avec garantie immobilière	325	0,3%	402	0,4%
Billets hypothécaires	9 264	8,8%	6 976	6,7%
Actifs du Secteur Public	**41 717**	**39,4%**	**43 964**	**42,3%**
Prêts publics du secteur aidé	196	0,2%	224	0,2%
Autres prêts publics	19 797	18,7%	20 394	19,6%
Titres d'entités publiques	14 371	13,6%	15 750	15,2%
Parts de titrisation de créances publiques	7 354	7,0%	7 596	7,3%
Autres actifs	**3 280**	**3,1%**	**3 135**	**3,0%**
Valeurs de remplacement	**14 579**	**13,8%**	**11 820**	**11,4%**
TOTAL ACTIFS	**105 778**	**100,0%**	**103 827**	**100,0%**

La composition du passif de Compagnie de Financement Foncier au 31 décembre 2011 et au 31 décembre 2010 est résumée par catégorie dans le tableau qui suit:

Passif	**31 décembre 2011**		**31 décembre 2010**	
	million (€)	**% bilan**	**million (€)**	**% bilan**
Ressources Privilégiées	**91 074**	**86,1%**	**89 762**	**86,5%**
Obligations Foncières	89 769	84,9%	88 128	84,9%
Autres resources privilégiées	1 305	1,2%	1 633	1,6%
Ressources non-privilégiées	**14 705**	**13,9%**	**14 065**	**13,5%**
Dettes chirographaires	8 836	8,4%	8 308	8,0%
Dettes subordonnées et assimilées	4 027	3,8%	4 116	4,0%

Passif	31 décembre 2011		31 décembre 2010	
	million (€)	% bilan	million (€)	% bilan
Capitaux propres, provisions et fonds pour risques bancaires généraux	1 842	1,7%	1641	1,6%
TOTAL PASSIF	**105 778**	**100,0%**	**103 827**	**100,0%**

Le tableau qui suit contient certains indicateurs de performance de Compagnie de Financement Foncier au 31 décembre 2011:

Résultat net	€108,1 million
Ratio de surdimensionnement	110,6%
Quotité moyenne des créances hypothécaires	61,6%

4 Facteurs de Risque

Les investisseurs potentiels doivent prendre en compte les facteurs de risque décrits dans leur intégralité dans la section "Facteurs de Risque" de ce Prospectus de Base, qui comprennent notamment les risques suivants relatifs à Compagnie de Financement Foncier et qui sont inhérents à un investissement dans les Titres.

Facteurs de risque liés à Compagnie de Financement Foncier

- Compagnie de Financement Foncier est exposée au 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 au risque de concentration 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 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 les *International Financial Reporting Standards* (IFRS) tels qu'adoptés par l'Union Européenne ou les US *Generally Accepted Accounting Principles* (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.

Facteurs généraux de risque liés aux Titres émis dans le cadre du Programme

- Les investisseurs doivent réaliser un audit indépendant et se faire assister d'un professionnel avant d'investir dans les Titres émis dans le cadre du Programme.

- Il existe des restrictions à l'achat et à la vente des Titres émis dans le cadre du Programme.

- La notation financière des Titres émis dans le cadre du Programme risque de ne pas refléter la totalité des risques.

- Il risque de ne pas se développer de marché actif pour les Titres émis dans le cadre du Programme.

- Le marché pour les Titres émis dans le cadre du Programme est sujet à volatilité et peut être négativement impacté par différents événements.

- Les porteurs de Titres émis dans le cadre du Programme ne peuvent en aucun cas déclarer les Titres immédiatement dus et exigibles, notamment en cas d'un défaut de paiement par Compagnie de Financement Foncier relatif aux intérêts ou au principal dus.

- Les acquéreurs potentiels des Titres ne bénéficieront pas des protections offertes aux investisseurs par le *Investment Company Act* américain de 1940 (tel que modifié).

- Un jugement rendu par un tribunal américain relatif aux Titres émis dans le cadre du Programme risque de ne pas être exécutable en France.

- Les Titres émis dans le cadre du Programme ne bénéficient pas d'engagements financiers (ou d'autres types d'engagements) de la part de Compagnie de Financement Foncier.

- Les dispositions des Titres émis dans le cadre du Programme peuvent être modifiées sans le consentement préalable de tous les porteurs de Titres.

- La situation des porteurs de Titres émis dans le cadre du Programme peut être affectée par les évolutions législatives.

- La situation des porteurs de Titres émis dans le cadre du Programme peut être affectée par de possibles conflits d'intérêts.

- La situation des porteurs de Titres émis dans le cadre du Programme peut être affectée par une possible option de remboursement anticipée des Titres prévue au bénéfice de Compagnie de Financement Foncier dans les Conditions Définitives.

- Compagnie de Financement Foncier n'est soumise à aucune obligation de majoration (*gross up*) relative à une quelconque retenue à la source qui pourrait être faite sur les intérêts versés sur les Titres émis dans le cadre du Programme.

- Les porteurs de Titres émis dans le cadre du Programme sont exposés à des risques d'ordre fiscal, y compris des risques liés à la retenue à la source sur le fondement du *Foreign Account Tax Compliance Act* (FATCA) américain.

Facteurs de risque liés à la structure de certains Titres émis dans le cadre du Programme

- Les Titres émis dans le cadre du Programme peuvent ne pas constituer un investissement approprié pour un investisseur donné.

- Le rendement effectif des Titres émis dans le cadre du Programme peut être diminué par rapport au rendement annoncé en raison des coûts 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.

- Les investisseurs ne peuvent calculer à l'avance le taux de retour sur investissement relatif aux Titres à taux variable émis dans le cadre du Programme.

- La marge sur les Titres à taux variable différé émis dans le cadre du Programme peut être moins favorable que les marges applicables sur des Titres à taux variable comparables et liés à la même date de référence.

- Les Titres à "coupon zéro" émis dans le cadre du Programme sont sujets à de plus grandes fluctuations de prix que les titres de dette émis sans décote.

- Les Titres émis en devise étrangère dans le cadre du Programme exposent les investisseurs aux risques de taux de change ainsi qu'aux risques propres liés à Compagnie de Financement Foncier.

- Les Titres structurés émis dans le cadre du Programme peuvent entraîner des risques significatifs non associés à des investissements similaires dans des titres de dette conventionnels.

- Les investissements dans les Titres indexés émis dans le cadre du Programme peuvent entraîner des risques significatifs et peuvent ne pas être appropriés pour des investisseurs sans expertise financière.

- Les risques de taux de change et de contrôle des changes peuvent affecter négativement le rendement des Titres émis dans le cadre du Programme.

SUMMARY OF THE PROGRAM

The following paragraph should be read as an introduction to the summary if the relevant Member State of the European Union or of the European Economic Area has not implemented the changes to the information required to be provided in the summary requirements under the Directive 2010/73/EU (the "**2010 PD Amending Directive**"):

*This summary should be read as an introduction to this Base Prospectus. 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, together with any supplements thereto (if any) and the relevant Final Terms. Where a claim relating to information contained in this Base Prospectus is brought before a court, the plaintiff investor may, under the national legislation of the relevant Member State of the European Union or the European Economic Area where the claim is brought, be required to bear the costs of translating this Base Prospectus before legal proceedings are initiated. No civil liability will attach to the persons who presented the summary, including any translation thereof, and requested its notification pursuant to Article 212-41 of the Règlement Général of the Autorité des marchés financiers (the "**AMF**"), unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus, including the documents incorporated by reference (if any).*

The following paragraph should be read as an introduction to the summary if the relevant Member State of the European Union or the European Economic Area has implemented the changes to the summary requirements under the 2010 PD Amending Directive:

This summary should be read as an introduction to this Base Prospectus. Any decision to invest in the Securities should be based on a consideration of this Base Prospectus as a whole, including any documents incorporated by reference, together with any supplements thereto (if any) and the relevant Final Terms. Following the implementation of the relevant provisions of the Prospectus Directive (Directive 2003/71/EC, as amended by Directive 2010/73/EU) in each Member State of the European Economic Area, no civil liability will attach to the Company in such Member State of the European Economic Area solely on the basis of this summary, including any translation thereof, unless it 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. Where a claim relating to information contained in this Base Prospectus is brought before a court in any such Member State of the European Economic Area, the plaintiff investor may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this Base Prospectus before legal proceedings are initiated.

1 Key Information about the Securities to be issued under 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 *obligations foncières* (the "**Securities**").
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 (Europe) Limited, Deutsche Bank Securities Inc., Goldman, Sachs & Co., HSBC Securities (USA) Inc., J.P. Morgan Securities Ltd., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC, Natixis, Nomura International plc, RBC Capital Markets, LLC, RBS Securities Inc., SG Americas Securities, LLC, UBS Securities LLC.

Registrar, Transfer Agent and Luxembourg Listing Agent:	Deutsche Bank Luxembourg S.A.
Fiscal Agent and Principal Paying 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.
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 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.
Clearing Systems:	Euroclear, Clearstream, Luxembourg and DTC and such other clearing system as may be agreed between Compagnie de Financement Foncier, the Fiscal Agent and the relevant Dealer.
Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity.
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Securities may be issued in any currency agreed between Compagnie de Financement Foncier and the relevant Dealer(s).
Terms and Conditions of the Securities (price, amount, interest rate etc.)	The terms and conditions of the Securities of each Series will be set out in the applicable Final Terms.
Denomination:	Minimum denomination of each Security: EUR1,000 (or the equivalent amount in any other currency at the issue date).
Redemption:	The relevant Final Terms will specify the basis for calculating the redemption amounts payable by the Company.
Status of Securities:	The Securities will constitute direct, unconditional, and privileged obligations of Compagnie de Financement Foncier. The Securities will be issued pursuant to Articles L.515-13 to L.515-33 of the French *Code monétaire et financier*. Holders of Securities issued by Compagnie de Financement Foncier will benefit from a *Privilège* (priority right of payment) over all the assets and revenues of Compagnie de Financement Foncier created pursuant to Article L.515-19 of the French *Code monétaire et financier*.
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**") and Aaa by Moody's Investors Service, Inc. ("**Moody's**"). 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 Fitch Ratings Ltd. ("**Fitch 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/or Fitch 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 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.
Offer to the Public:	The Securities shall not be offered to the public in France.
Method of Publication:	The Base Prospectus, the supplement(s) thereto, if any, and the Final Terms related to Securities listed and admitted to trading will be published, if relevant, on the website of the AMF (*www.amf-france.org*). In addition, if the Securities are listed and admitted to trading on a Regulated Market other than Euronext Paris, or offered to the public in a Member State of the European Economic Area other than France, the relevant Final Terms will provide whether additional methods of publication are required and what they consist of. If the Securities are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and/or offered to the public in Luxembourg, the Final Terms will be published in an electronic form on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).
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, Compagnie de Financement Foncier 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. See Condition 7(b) of the "*Terms and Conditions of the Securities*".
Governing Law:	The governing law shall be English law for the Securities and French law for the *Privilège*.
Listing and Admission to Trading:	Euronext Paris or as otherwise specified in the relevant Final Terms and references to listing shall be construed accordingly. As specified in the relevant Final Terms, a Series of Securities

may be unlisted.

Selling Restrictions:	The offer and sale of Securities will be subject to selling restrictions in various jurisdictions, in particular in the United States, the Public Offer Selling Restrictions under the Prospectus Directive, the United Kingdom, France, Japan, Hong Kong and Singapore.
Use of Proceeds:	The net proceeds from the issue of Securities will be used for the general corporate purpose of Compagnie de Financement Foncier (including the purchase of eligible assets used as cover for the issuance of Securities under the Program).

2 Key Information about Compagnie de Financement Foncier

Compagnie de Financement Foncier is a limited liability company organized under the laws of the Republic of France. Compagnie de Financement Foncier was incorporated on December 22, 1998 by its parent company, Crédit Foncier de France, a French credit institution founded in 1852. Compagnie de Financement Foncier (with a long-term credit rating of A-, A2 and A+ by Standard & Poor's, Moody's and Fitch Ratings, respectively) is an indirect subsidiary of BPCE S.A., which owns 100% of Crédit Foncier de France. BPCE S.A. (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 17 *Caisses d'Epargne* and 19 *Banques Populaires* and constituting one of the largest banking groups in France.

The French Credit Institutions and Investment Companies Committee (*Comité des Etablissements de Crédit et des Entreprises d'Investissements*), which merged into the French Prudential Control Authority (*Autorité de Contrôle Prudentiel*) in March 2010, granted Compagnie de Financement Foncier a license as a "financial company" 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*).

The sole permitted business of Compagnie de Financement Foncier 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. Compagnie de Financement Foncier 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.515-19 of the French *Code monétaire et financier*. Under the French regulatory framework, Compagnie de Financement Foncier 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. Compagnie de Financement Foncier is also permitted to invest in certain highly liquid cash-like securities, instruments, deposits and loans. However, Compagnie de Financement Foncier may not hold equity participations or other forms of equity interest.

As of December 31, 2011, the share capital of the Compagnie de Financement Foncier, which is not listed on any exchange, consisted of 74,216,246 fully paid ordinary shares of EUR16 nominal value each (for a total capital of EUR1,187,459,936). Nearly all of the share capital of Compagnie de Financement Foncier is held by Crédit Foncier de France. Since its formation in 1999 through December 31, 2011, Compagnie de Financement Foncier has issued more than EUR148.4 billion in principal amount of obligations foncières, including EUR8.7 billion in 2011.

The registered office of Compagnie de Financement Foncier is located at 19, rue des Capucines, 75001 Paris, France, and is registered with the Trade and Companies Registry of Paris under reference number B 421 263 047 RCS Paris.

3 Key Information relating to the financial data of Compagnie de Financement Foncier

Please refer to the sections titled "Documents Incorporated by Reference," "Selected Financial Information" and "Recent Developments" for further information on the financial data of Compagnie de Financement Foncier.

The composition of the total assets of Compagnie de Financement Foncier as of December 31, 2011 and December 31, 2010 is summarized by asset category (including assets eligible to be used as cover for the issue of *obligations foncières*, and other assets) in the following chart:

Assets	Dec. 31, 2011		Dec. 31, 2010	
	EUR million	% balance sheet	EUR million	% balance sheet
Mortgage Assets	**46,203**	**43.7%**	**44,909**	**43.3%**
State subsidized mortgage loans	509	0.5%	698	0.7%
Mortgage loans guaranteed by FGAS	9,483	9.0%	8,365	8.1%
Other mortgage loans	16,438	15.5%	14,364	13.8%
Senior mortgage-backed securitization tranches	10,183	9.6%	14,104	13.6%
Other loans with real estate guarantee	325	0.3%	402	0.4%
Mortgage notes	9,264	8.8%	6,976	6.7%
Public Sector Assets	**41,717**	**39.4%**	**43,964**	**42.3%**
State subsidized public loans	196	0.2%	224	0.2%
Other public loans	19,797	18.7%	20,394	19.6%
Public entity securities	14,371	13.6%	15,750	15.2%
Senior securitization units of public debt	7,354	7.0%	7,596	7.3%
Other Assets	**3,280**	**3.1%**	**3,135**	**3.0%**
Replacement Securities	**14,579**	**13.8%**	**11,820**	**11.4%**
Total Assets	**105,778**	**100.0%**	**103,827**	**100.0%**

The composition of the total liabilities of the Company as of December 31, 2011 and December 31, 2010 is summarized by category in the following chart:

Liabilities	Dec. 31, 2011		Dec. 31, 2010	
	EUR million	% balance sheet	EUR million	% balance sheet
Privileged Debt	**91,074**	**86.1%**	**89,762**	**86.5%**
Obligations Foncières	89,769	84.9%	88,128	84.9%
Other Privileged Debt	1,305	1.2%	1,633	1.6%
Non-Privileged Debt and Equity	**14,705**	**13.9%**	**14,065**	**13.5%**
Unsecured debt	8,836	8.4%	8,308	8.0%
Subordinated debt and related debt	4,027	3.8%	4,116	4.0%
Equity, provisions and fund for general banking risk	1,842	1.7%	1,641	1.6%
Total Liabilities and Equity	**105,778**	**100.0%**	**103,827**	**100.0%**

The following table shows certain key performance indicators of the Company as of December 31, 2011:

Net income	€108.1 million
Overcollateralization ratio	110.6%
Loan-to-value ratio	61.6%

4 Risk Factors

Prospective investors should consider the risk factors that are fully described in the section titled "Risk Factors" in this Base Prospectus, which include the following risk factors relating to Compagnie de Financement Foncier and its operations and which are inherent to an investment in the Securities.

Risk Factors relating to Compagnie de Financement Foncier

- Compagnie de Financement Foncier is exposed to the risk of default in its portfolio of assets used as cover for the issuance of Securities under the Program.
- Compagnie de Financement Foncier is exposed to a risk of concentration in its portfolio of assets used as cover for the issuance of the Securities under the Program.
- Compagnie de Financement Foncier is exposed to the credit risk of a number of derivatives counterparties as part of its hedging operations.
- Compagnie de Financement Foncier is exposed to residual interest rate risk on its portfolio of assets used as cover for the issuance of Securities issued under the Program.
- Compagnie de Financement Foncier is exposed to the risk of a liquidity shortfall resulting from the duration gap between the amortization schedule of its assets and the maturities of its *obligations foncières* and other privileged debt benefiting from the *Privilège*.
- Compagnie de Financement Foncier is dependent on its parent company for its operations.

- Compagnie de Financement Foncier is exposed to the risk of failure or malfunction of the operational risk management systems put in place by Crédit Foncier de France.

- Compagnie de Financement Foncier has not prepared financial statements compliant with International Financial Reporting Standards (IFRS) as adopted by the European Union or US generally accepted accounting principles (US GAAP) and there may be substantial differences between the financial position and operating results of Compagnie de Financement Foncier under French GAAP, on the one hand, and IFRS and US GAAP, on the other hand.

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.

- 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 Compagnie de Financement Foncier 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 Compagnie de Financement Foncier.

- 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.

- Compagnie de Financement Foncier 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.

- Holders of Securities issued under the Program are exposed to risks relating to taxation, including in connection with withholding risks under sections 1471 through 1474 of the U.S, Internal Revenue Code of 1986 (FATCA).

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

- 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.

- Effective yield on the Securities issued under the Program may be diminished by the tax impact of an investment in the Securities.

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

- The spread on Fixed to Floating Rate Securities issued under the Program may be less favorable than then prevailing spreads on comparable floating rate securities tied to the same reference rate.

- 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 Compagnie de Financement Foncier.

- Structured Securities issued under the Program may entail significant risks not associated with similar investments in a conventional debt security.

- Investments in Index Linked Interest Securities issued under the Program entail significant risks and may not be appropriate for investors lacking financial expertise.

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

PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE BASE PROSPECTUS

In the name of the Company

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

The financial statements of the Company as of and for the year ended December 31, 2010 were audited by the statutory auditors of the Company. This report is reproduced on page 79-80 of volume 2 of the Reference Document 2010 and contains two observations of the statutory auditors which do not constitute a qualification of their opinion.

Compagnie de Financement Foncier
19, rue des Capucines
75001 Paris
France

Duly represented by: Thierry Dufour
Président Directeur Général /Chairman and C.E.O.
Duly authorized on June 26, 2012

Autorité des marchés financiers

In accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (the "**AMF**"), in particular Articles 212-31 to 212-33, the AMF has granted to this Base Prospectus the visa No. 12-297 on June 26, 2012. This document may only be used for the purposes of a financial transaction if completed by Final Terms. It was prepared by the Company and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it. This visa has been granted subject to the publication of Final Terms in accordance with Article 212-32 of the AMF's General Regulations, setting out the terms of the Securities being issued.

RISK FACTORS

The Company believes that the following factors may affect its ability to fulfill its obligations under the Securities issued pursuant to 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. The Company also believes that the factors described below represent the principal risks inherent in investing in 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 the detailed information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

Risk Factors relating to the Company

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

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), exposures to public sector entities (which include the granting of loans to public sector entities or the acquisition of public sector obligations), debt securities backed by mortgage loans or 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) 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. The Company holds sovereign obligations issued by certain of the countries that have been significantly affected by the Eurozone crisis and a worsening of the Eurozone crisis may trigger a decline in the quality of the Company's assets in the affected countries.

The Company is exposed to a risk of 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, 2011, although the mortgage loans securing the Securities of the Company are predominantly residential housing loans and are, as a result, highly granular, over 80% of the credit risk of the mortgage-backed securitization portfolio of the Company is concentrated on 50 major counterparties. As the mortgage assets of the Company are predominantly and increasingly located in France, issues adversely affecting the French real estate sector could have an adverse effect on the portfolio of mortgage assets of the Company. The public sector assets of the Company are highly, and increasingly, concentrated in France (French public sector assets represent 43.21% of the total public sector assets of the Company as of December 31, 2011). Direct exposure to sovereign states outside France in the portfolio of public sector assets of the Company is diminishing but is still relatively concentrated. As of December 31, 2011, 20 counterparties accounted for 63% of the exposure of the Company in its international public financing portfolio. 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, 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 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. Although the documentation policy of the Company for these framework agreements typically provides for asymmetrical collateralization arrangements whereby the derivatives counterparties of the Company will post collateral to the Company while the Company itself will not, the Company is nonetheless exposed to the risk of default of 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). Although the Company has undertaken to limit its residual exposure to interest rate risk on its portfolio of fixed-rate loans to 0.1% of the value of its total liabilities, the level of this residual exposure may increase in the future and may therefore increase the Company's financing costs.

The Company is exposed to the risk of a liquidity shortfall resulting from the duration gap 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 duration gap 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, the duration gap between the Eligible Assets and the privileged liabilities issued by the Company may widen in the future and therefore increase the need for liquidity funding by the Company. 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 agreement relating 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), 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 for the benefit of the Company, 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 Report on the Valuation and Periodic Review Methods of the Company for Real Estate (at December 31, 2011).*"

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.

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 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.

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.

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 French *Direction générale des finances publiques* in Ruling 2010/11 (FP and FE) dated February 22, 2010 and the administrative circular (*instruction*) (14 A-5-12) provided by the French *Direction générale des finances publiques* dated April 27, 2012. 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.

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.

Investors are subject to the provisions of the EU Savings Directive

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

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

Withholding pursuant to the U.S. Foreign Account Tax Compliance Act may affect payment on the Securities

The Company, and other non-U.S. financial institutions through which payments on the Securities are made, may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made after December 31, 2016 on any Securities issued or materially modified on or after January 1, 2013 (and any Securities which are treated as equity for U.S. federal income tax purposes, whenever issued) pursuant to sections 1471 through 1474 of the U.S, Internal Revenue Code of 1986 ("**FATCA**"), or similar law implementing an intergovernmental approach to FATCA, or in either case, any agreement entered into by the Company pursuant thereto. The rules governing FATCA have not yet been fully developed in this regard and the future application of FATCA to the Company, the Securities and holders of the Securities is uncertain. This withholding by the Company, and other non-U.S. financial institutions through which payments on the Securities are made, may be required, *inter alia*, where (i) the Company or such other non- U.S. financial institution is a foreign financial institution ("**FFI**") (as defined in FATCA) which enters into and complies with an agreement with the U.S. Internal Revenue Service (or an equivalent arrangement provided for under a law implementing an intergovernmental approach to FATCA) to provide certain information on its account holders (making the Company or such other non-U.S. financial institution a "**Participating FFI**"), and (ii)(a) an investor does not provide information sufficient for the relevant participating FFI to determine whether the investor is subject to withholding under FATCA, or (b) an investor (or any entity through which payment on such Securities is made) is an FFI that is not a Participating FFI or otherwise exempt from FATCA withholding.

If an amount of, or in respect of, U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Securities as a result of FATCA, neither the Company nor any other person would, pursuant to the Conditions of the Securities, be required to pay any additional amount as a result of the deduction or withholding of such tax. Investors should consult their own tax advisors to determine on how these rules may apply to payments they will receive under the Securities. FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on proposed regulations and official guidance that is subject to change. The application of FATCA to Securities issued or materially modified on or after January 1, 2013 (or whenever issued, in the case of Securities treated as equity for U.S. federal tax purposes) may be addressed in a supplement to this Base Prospectus.

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

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.

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.

The spread on Fixed to Floating Rate Securities issued under the Program may be less favorable than then prevailing spreads on comparable floating rate securities tied to the same reference rate

Fixed to Floating Rate Securities issued under the Program may bear interest at a rate that the Company may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The ability of the Company to convert the interest rate will affect the secondary market and the market value of the Securities issued under the Program since the Company may be expected to exercise its option to convert the interest rate when it is likely to produce a lower overall cost of borrowing. If the Company converts Securities issued under the Program from a fixed rate to a floating rate, the spread on Fixed to Floating Rate Securities may be less favorable than then prevailing spread on comparable floating rate securities tied to the same reference rate. In addition, the new floating rate resulting from the conversion may be lower than the rates on comparable securities. If the Company converts from a floating rate to a fixed rate, the fixed rate on the Securities issued under the Program may be lower than then prevailing rates.

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.

Structured Securities issued under the Program may entail significant risks not associated with similar investments in a conventional debt security

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

Investments in Index Linked Interest Securities issued under the Program entail significant risks and may not be appropriate for investors lacking financial expertise

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

(i) such index or indices may be subject to significant changes, whether due to the composition of the index itself, or because of fluctuations in value of the indexed assets;

(ii) the resulting interest rate will be less (or may be more) than that payable on a conventional debt security issued by the Company through the Company at the same time;

(iii) an investment in an Index Linked Interest Securities where the interest is linked to a rate of inflation may be subject to considerable volatility;

(iv) the risks of investing in an Index Linked Interest Securities encompasses both risks relating to the underlying indexed securities or commodities and risks that are unique to the Securities itself;

(v) any Index Linked Interest Securities that is indexed to more than one type of underlying asset, or on formulae that encompass the risks associated with more than one type of asset, may carry levels of risk that are greater than Securities that are indexed to one type of asset only;

(vi) it may not be possible for investors to hedge their exposure to these various risks relating to Index Linked Interest Securities; and

(vii) a significant market disruption could mean that the index on which the Index Linked Interest Securities are based ceases to exist.

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

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

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

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 previously published or are published simultaneously with this Base Prospectus and that have been filed with the AMF for the purpose of the Prospectus Directive and the relevant implementing measures in France, 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 2011 *Document de Référence* of the Company, published in French, which received visa n° D. 12-0265 from the AMF on April 3, 2012, and its English translation available on the website of the AMF (*www.amf-france.org*) (the "**Reference Document 2011**"); the Reference Document 2011 includes the audited annual financial statements for the financial year ended December 31, 2011 and the related statutory auditors' report;

(ii) the sections referred to in the tables below included in the 2010 *Document de Référence* of the Company, published in French, which received visa n° D. 11-0214 from the AMF on April 1, 2011, and its English translation available on the website of the AMF (*www.amf-france.org*) (the "**Reference Document 2010**"); the Reference Document 2010 includes the audited annual financial statements for the financial year ended December 31, 2010 and the related statutory auditors' report; and

(iii) the sections referred to in the tables below included in the 2009 *Document de Référence* of the Company, published in French, which received visa n° D. 10-0207 from the AMF on April 1, 2010, and its English translation available on the website of the AMF (*www.amf-france.org*) (the "**Reference Document 2009**"); the Reference Document 2009 includes the audited annual financial statements for the financial year ended December 31, 2009 and the related statutory auditors' report.

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:

Regulation – Annex IV	**Reference Document 2009**	**Reference Document 2010**	**Reference Document 2011**
5. INFORMATION ABOUT THE COMPANY			
5.1 The legal and commercial name of the Company	Volume 3, Pages 67-69	Volume 3, Pages 72-74	Volume 3, Pages 60-62
10. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES			
10.1 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	Volume 2, Pages 20-26; Volume 3, Pages 63, 67	Volume 2, Pages 21-28; Volume 3, Pages 68, 71	Volume 2, Pages 20-28; Volume 3, Pages 56, 59-60
10.2 Statement that there are no conflicts of interest	Volume 3, Page 79	Volume 3, Page 89	Volume 3, Page 74

11. BOARD PRACTICES

11.1 Details relating to the Company's audit committee	Volume 3, Pages 55-61	Volume 3, Pages 57-67	Volume 3, Pages 47-57
11.2 A statement as to whether or not the Company complies with the corporate governance of its country of incorporation	Volume 3, Pages 56-62, 79	Volume 3, Pages 57-67, 89	Volume 3, Pages 47-55, 75

13. FINANCIAL INFORMATION CONCERNING THE COMPANY'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

13.1 Historical Financial Information

Audited historical financial information	Volume 2, Pages 31-74	Volume 2, Pages 33-78	Volume 2, Pages 33-82
Audit reports	Volume 2, Pages 75-76	Volume 2, Pages 79-80	Volume 2, Pages 77-78
Balance sheet	Volume 2, Page 31	Volume 2, Page 33	Volume 2, Page 33
Off-balance sheet	Volume 2, Page 32	Volume 2, Page 34	Volume 2, Page 34
Income statement	Volume 2, Page 33	Volume 2, Page 35	Volume 2, Page 35
Cash flow statement	Volume 2, Pages 72-73	Volume 2, Pages 76-77	Volume 2, Pages 74-75
Accounting policies and explanatory notes	Volume 2, Pages 34-73	Volume 2, Pages 36-78	Volume 2, Pages 36-76
13.2 Consolidated financial statements	Not Applicable	Not Applicable	Not Applicable

14. ADDITIONAL INFORMATION

14.2 Memorandum and Articles of Association	Volume 3, Pages 73-78	Volume 3, Pages 81-88	Volume 3, Pages 67-73
14.2.1 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.	Volume 3, Pages 67-70	Volume 3, Pages 72-75	Volume 3, Pages 60-63

Additional information	**Reference Document 2009**	**Reference Document 2010**	**Reference Document 2011**
Management Report (*Rapport de Gestion*)	Volume 2, Pages 3-29	Volume 2, Pages 2-31	Volume 2, Pages 2-30
Financial Statements (*Comptes Sociaux*)	Volume 2, Pages 30-81	Volume 2, Pages 33-78	Volume 2, Pages 32-76
Risk Management Report (*Rapport de Gestion des Risques*)	Volume 3, Pages 2-53	Volume 3, Pages 3-55	Volume 3, Pages 3-45

SUPPLEMENT TO THE BASE PROSPECTUS

If at any time the Company shall be required to prepare a supplement to the Base Prospectus pursuant to Article 212-25 of the *Règlement Général* of the AMF implementing Article 16 of the Prospectus Directive, the 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 Euronext Paris or on a Regulated Market of a Member State of the European Economic Area, shall constitute a supplement to the Base Prospectus for the purpose of the relevant provisions of the Prospectus Directive.

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. The Company is an indirect subsidiary of BPCE S.A. ("**BPCE**"), which owns 100% of Crédit Foncier (with a long-term credit rating of A-, A2 and A+ by Standard & Poor's, Moody's and Fitch Ratings, respectively). 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 17 *Caisses d'Epargne* and 19 *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 Prudential Control Authority (*Autorité de Contrôle Prudentiel* or "**Prudential Control Authority**") in March 2010, granted the Company a license as a "financial company" on July 23, 1999. A financial company is one of six types of credit institutions recognized and regulated under French banking law. The French Credit Institutions and Investment Companies Committee (before its merger into the Prudential Control Authority) 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.515-19 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 and is supervised by the Prudential Control Authority. 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.515-13 to L.515-33 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.

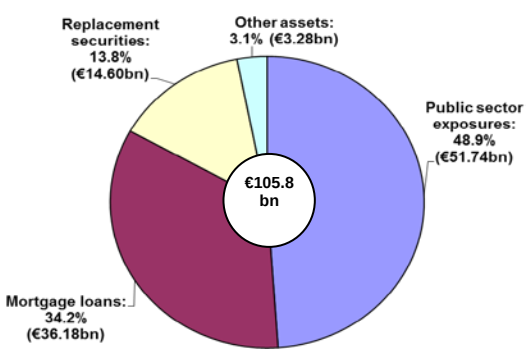
See "*Description of the Company – Legal Regime Applicable to the Company – Statutory Priority in Right of Payment (the Privilège).*"

Eligible Asset Pool

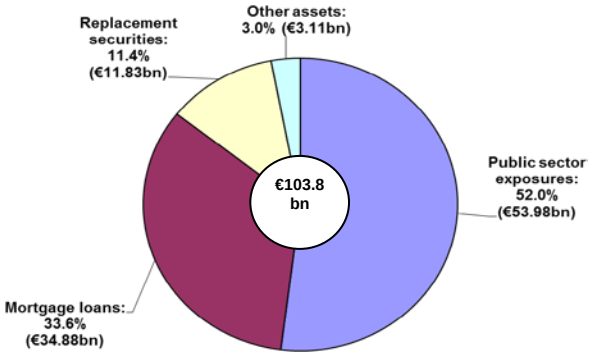
The sole permitted business of a *Société de Crédit Foncier*, and therefore of the Company, is to provide financing to the housing and public sectors in France and to a limited number of other developed countries. The Company finances its business principally by the issuance of *obligations foncières* 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 to public sector entities by making public sector loans or acquiring public sector obligations, and (iii) 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, 2011 and December 31, 2010 was as follows:

Breakdown Total Balance Sheet of the Company at December 31, 2011

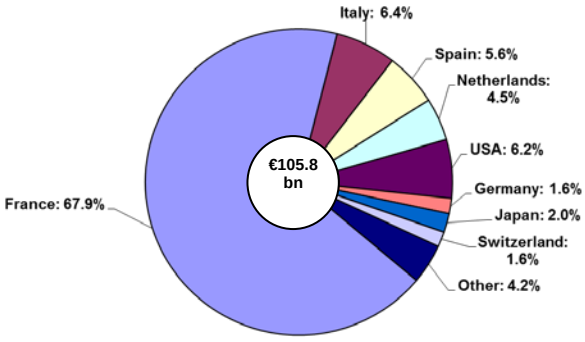


Breakdown Total Balance Sheet of the Company at December 31, 2010

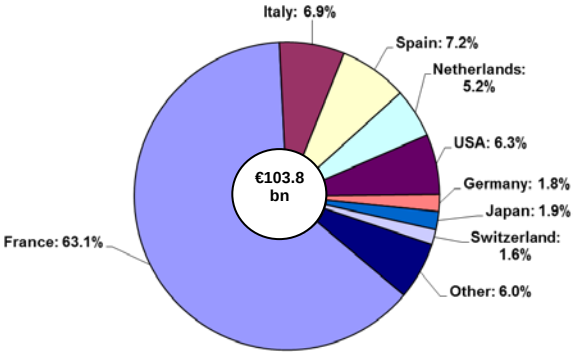


The geographic distribution of the assets held by the Company as of December 31, 2011 and December 31, 2010 was as follows:

Geographic Distribution of Assets of the Company at December 31, 2011



Geographic Distribution of Assets of the Company at December 31, 2010



In addition, Decree no. 2011-205 of February 23, 2011, now 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 102%. 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.515-19 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 (Europe) Limited, Deutsche Bank Securities Inc., Goldman, Sachs & Co., HSBC Securities (USA) Inc., J.P. Morgan Securities Ltd., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC, Natixis, Nomura International plc, RBC Capital Markets, LLC, RBS Securities Inc., SG Americas Securities, LLC, 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. Partly Paid Securities may be issued under the Program and their issue price will be payable in two or more installments.
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 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 the minimum denomination of each Security shall be EUR1,000 (or the equivalent amount in any other currency at the issue date).
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, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms), 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.

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

Index Linked Interest Securities: Payments of interest in respect of Index Linked Interest Securities will be calculated by reference to such index and/or formula as may be specified in the relevant Final Terms.

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 basis for calculating 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).

Redemption by Installments: The Final Terms issued in respect of each issue of Securities that are redeemable in two or more installments will set out the dates on which, and the amounts in which, such Securities may be redeemed.

Other Securities: Terms applicable to high interest Securities, low interest Securities, step-up Securities, step-down Securities, reverse dual currency Securities, optional dual currency Securities, Partly Paid Securities and any other type of Securities that the Company and any Dealer or Dealers may agree to issue under the Program will be set out in the relevant Final Terms.

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.515-13 to L.515-33 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**") and Aaa by Moody's Investors Service, Inc. ("**Moody's**"). 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 and Fitch Ratings Ltd. ("**Fitch Ratings**"), and Aaa by Moody's. For Moody's Investors Service, 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 Investors Service 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 having been issued by Standard & Poor's, Moody's and/or Fitch 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.*"
Governing Law:	The governing law shall be English law for the Securities and French law for the *Privilège*.
Listing and Admission to Trading:	Euronext Paris or as otherwise specified in the relevant Final Terms and references to listing shall be construed accordingly. As specified in the relevant Final Terms, a Series of Securities may be unlisted.
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.*" Any further provisions applicable to any such redenomination, renominalization and/or consolidation will be as specified in the relevant Final Terms.
Selling Restrictions:	The offer and sale of Securities will be subject to selling restrictions in various jurisdictions, in particular in the United States, the United Kingdom, France, Japan, Hong Kong and Singapore, and to the Public Offer 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). Further restrictions that may apply to a Series of Securities will be specified in the applicable Final Terms. 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 and amendment and as supplemented or varied 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 Part A of the Final Terms, or (ii) these terms and conditions as so completed, amended, supplemented or varied (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 June 26, 2012 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 June 26, 2012 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 the Markets in Financial Instruments Directive 2004/39/EEC.

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, Denomination and Title and Redenomination

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

(b) **Denomination:** Securities may only be issued in the same Specified Denomination and integral multiples thereof.

This Security is a Fixed Rate Security, a Floating Rate Security, a Zero Coupon Security, an Index Linked Interest Security, an Installment Security, a Dual Currency Security or a Partly Paid Security, a combination of any of the foregoing or any other kind of Securities, depending upon the Interest and Redemption/Payment Basis shown in the relevant Final Terms.

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) Unless otherwise specified in the relevant Final Terms, 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) Unless otherwise specified in the relevant Final Terms, 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, or payment of any Installment Amount in respect 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.515-19 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.515-19 of the French *Code monétaire et financier*.

(b) Pursuant to Article L.515-19 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.515-14 to L.515-17 of the French *Code monétaire et financier* and the forward financial instruments referred to in Article L.515-18 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.515-19 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 in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h).

(b) **Interest on Floating Rate Securities and Index Linked Interest Securities:**

(i) *Interest Payment Dates:* Each Floating Rate Security and Index Linked Interest 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(h). 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 in the relevant Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified 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 unless otherwise specified in the relevant Final Terms.

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.

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

(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, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and the Calculation 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 Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Company suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be,

provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(iv) *Rate of Interest for Index Linked Interest Securities:* The Rate of Interest in respect of Index Linked Interest Securities for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and interest will accrue by reference to an Index or Formula as specified in the relevant Final Terms.

(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)) or to a rate specified in the Final Terms.

(d) **Dual Currency Securities:** In the case of Dual Currency Securities, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.

(e) **Partly Paid Securities:** In the case of Partly Paid Securities (other than Partly Paid Securities which are Zero Coupon Securities), interest will accrue as aforesaid on the paid-up nominal amount of such Securities and otherwise as specified in the relevant Final Terms.

(f) **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).

(g) **Margin, Maximum/Minimum Rates of Interest, Installment Amounts 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, Installment Amount or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest, Installment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

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

For these purposes, "**unit**" means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.

(h) **Calculations:** The amount of interest payable 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 (or a formula for its calculation) 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 (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest 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.

(i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Installment 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, Optional Redemption Amount or Installment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Installment 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.

(j) **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:

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

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:

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

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, and unless otherwise specified in the relevant Final Terms, 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 unless otherwise specified in the relevant Final Terms.

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Final Terms.

"**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.

(k) **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, Installment 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) **Redemption by Installments and Final Redemption:**

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Security that provides for Installment Dates and Installment Amounts shall be partially redeemed on each Installment Date at the related Installment Amount specified in the relevant Final Terms. The outstanding nominal amount of each such Security shall be reduced by the Installment Amount (or, if such Installment Amount is calculated by reference to a proportion of the nominal amount of such Security, such proportion) for all purposes with effect from the related Installment Date, unless payment of the Installment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Installment Amount.

(ii) 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) or, in the case of a Security falling within paragraph (i) above, its final Installment 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 an index and/or 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, unless otherwise specified in the relevant Final Terms.

(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 unless otherwise specified in the relevant Final Terms.

(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, unless otherwise specified in the relevant Final Terms, 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.

So long as the Securities are listed and admitted to trading on Euronext Paris and the rules applicable to that Stock Exchange so require, the Company shall, once in each year in which there has been a partial redemption of the Securities, cause to be published in a leading newspaper of general circulation in the city where the Regulated Market on which such Securities are listed and admitted to trading is located, which in the case of Euronext Paris is expected to be *Les Echos*, a notice specifying the aggregate nominal amount of Securities outstanding.

(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, unless otherwise specified in the relevant Final Terms, 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) **Partly Paid Securities:** Partly Paid Securities will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified in the relevant Final Terms.

(g) **Purchases:** The Company may at any time purchase Securities in the open market or otherwise at any price. Unless otherwise specified in the Final Terms, all Securities so purchased by the Company may be held and resold for the purpose of enhancing the liquidity of the Securities in accordance with Articles L.213-1 A and D.213-1 of the French *Code monétaire et financier*.

(h) **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.

(i) **Subscription and Use as Collateral:** Notwithstanding this Condition 6, the Company may, pursuant to Article L.515-32-1 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 (which for the purposes of this Condition 7(a) shall include final Installment Amounts but not other Installment Amounts) 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 (which for the purposes of this Condition 7(a) shall include all Installment Amounts other than final Installment Amounts) 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 (3^{rd}) 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:** All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in any jurisdiction but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Holders in respect of such payments.

(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 (including Paris so long as Securities are listed and admitted to trading on Euronext Paris), (vi) such other agents as may be required by any other stock exchange on which the Securities may be listed, and (vii) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000.

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.

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, all Installment Amounts, 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, any Installment Date or any date for payment of interest or Interest Amounts on the Securities, (ii) to reduce or cancel the nominal amount of, or any Installment Amount of, or 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, Installment Amount 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.515-32-1 and L.213-1 A 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 shall be 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 and shall be valid if published (A) so long as the Securities are listed on Euronext Paris, in a leading daily newspaper with general circulation in France (which is expected to be *Les Echos*) or, at the option of the Company, in a leading daily newspaper of general circulation in Europe (which is expected to be *The Financial Times*), or pursuant to Articles 221-3 and 221-4 of the AMF General Regulations (*Règlement Général*), and (B) so long as Securities are also listed on the official list of the Luxembourg Stock Exchange and are admitted to trading on the regulated market of the Luxembourg Stock Exchange and the rules of the

Luxembourg Stock Exchange so require, in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange ("*www.bourse.lu*"). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

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

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

15 Governing Law and Jurisdiction

(a) **Governing Law:** The Securities, the Agency Agreements 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 CT Corporation of 111 Eighth Avenue, 13th Floor, 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.

16 Method of Publication of the Final Terms

The Base Prospectus (including any document incorporated by reference), the supplement(s) to the Base Prospectus, as the case may be, and the Final Terms related to Securities listed and admitted to trading and/or offered to the public will be published on the website of the AMF (*www.amf-france.org*). Copies of these documents 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 relation to the Securities admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and/or offered to the public in Luxembourg, the Final Terms will be published, without prejudice of any provisions of the Prospectus Directive, upon each relevant issue, in a manner complying with Article 14 of the Prospectus Directive in an electronic form on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

In addition, should the Securities be listed and admitted to trading on a Regulated Market other than Euronext Paris and the Regulated Market of the Luxembourg Stock Exchange, the Final Terms relating to those 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. 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 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 opening 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; except that (a) so long as the Securities are listed on Euronext Paris and the rules of Euronext Paris so require, notices shall also be published pursuant to Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF, and (b) so long as the Securities are also listed on the official list of the Luxembourg Stock Exchange and are admitted to trading on the regulated market of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange ("www.bourse.lu").

(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

Unless otherwise specified in the relevant Final Terms, the net proceeds from the issue of each Tranche of Securities will be used for the Company's general corporate purposes.

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 six types of credit institutions recognized and regulated under French banking law. It is also licensed by the Prudential Control Authority (into which the Credit Institutions and Investment Companies Committee (*Comité des Etablissements de Crédit et des Entreprises d'Investissements*) was merged in March 2010) as a *Société de Crédit Foncier*, which is a restricted category of financial company with a specific purpose. 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), 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 Company's obligations 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

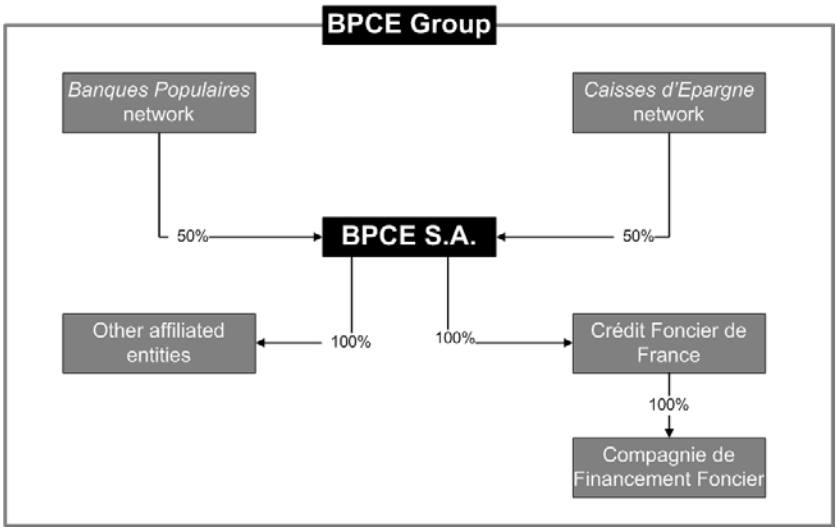
The Company was incorporated on December 22, 1998 for a period of 99 years by its parent company, Crédit Foncier, a French credit institution founded in 1852. Crédit Foncier is licensed and regulated under French law as a bank. See "*– Relationship of the Company with Crédit Foncier de France – Affiliation.*"

On July 23, 1999, the French Credit Institutions and Investment Companies Committee (which merged into the Prudential Control Authority in March 2010) 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.515-13 to L.515-33 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 19 *Banques Populaires* and 17 *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 of Crédit Foncier via the ongoing purchase of assets (mainly real estate assets benefiting from a first-ranking mortgage) generated by Crédit Foncier. 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, 2011, the share capital of the Company, which is not listed on any exchange, consisted of 74,216,246 fully paid ordinary shares of EUR16 nominal value each (for a total capital of EUR1,187,459,936). 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.

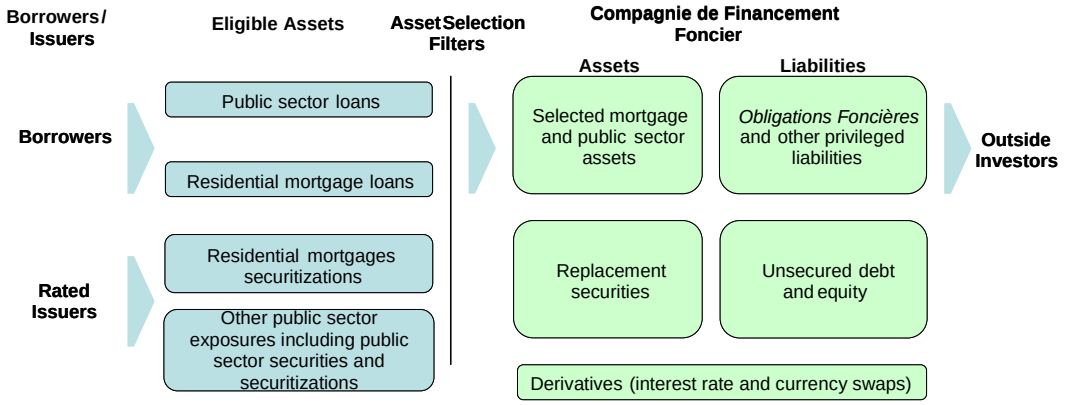
Registered Office

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 B 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 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 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 and securitization positions (tied to a specific asset class) 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 (which is 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 is not engaged 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 and increasingly 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 2011, as a result of increasing concerns on the international credit markets, the Company undertook (as part of the 2012-2016 strategic development plan of Crédit Foncier) to focus its activities on the refinancing of mortgage loans originated in France and the acquisition of assets limited to French public entities. The assets of the Company located outside France represented 32.1% of the total assets of the Company in 2011 (as compared to, 36.9% in 2010, 36.5% in 2009 and 36.2% in 2008).

The composition of the total assets of the Company as of December 31, 2011 and December 31, 2010 is summarized by asset category in the following chart:[*]

Assets	**Dec. 31, 2011**		**Dec. 31, 2010**	
	EUR million	**% balance sheet**	**EUR million**	**% balance sheet**
Mortgage Assets	**46,203**	**43.7%**	**44,909**	**43.3%**
State subsidized mortgage loans	509	0.5%	698	0.7%
Mortgage loans guaranteed by FGAS	9,483	9%	8,365	8.1%
Other mortgage loans	16,438	15.5%	14,364	14.0%
Senior mortgage-backed securitization tranches	10,183	9.6%	14,104	13.6%
Other loans with real estate guarantee	325	0.3%	402	0.2%
Mortgage notes	9,264	8.8%	6,976	6.7%
Public Sector Assets	**41,717**	**39.4%**	**43,964**	**42.3%**
State subsidized public loans	196	0.2%	224	0.2%
Other public loans	19,797	18.7%	20,394	19.6%
Public entity securities	14,371	13.6%	15,750	15.2%
Senior securitization units of public debt	7,354	7%	7,596	7.3%
Other Assets	**3,280**	**3.1%**	**3,135**	**3.0%**
Replacement Securities	**14,579**	**13.8%**	**11,820**	**11.4%**

[*] *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.*

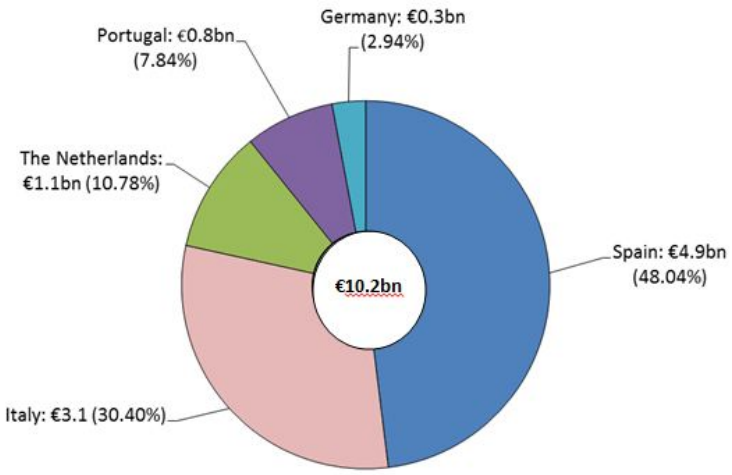
Total Assets	**105,778**	**100.0%**	**103,827**	**100.0%**

Acquisition of Mortgage Assets. The mortgage assets category consists 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. This category also includes loans indirectly purchased by the Company through highly rated senior real estate securitization tranches (composed of prime residential mortgage-backed securities tranches). 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 "state subsidized mortgage loans" and "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.

As of December 31, 2011, only a relatively small portion of the assets of the Company consisted of residential mortgage loans secured by property located outside France (in the form of senior real estate securitization tranches originated abroad in an amount of EUR10.2 billion). In fact, in 2011, the Company almost exclusively acquired mortgage assets (both residential mortgage loans and real estate securitization tranches) originated by Crédit Foncier in France (with the exception of the purchase of a small portfolio of residential mortgage loans originated by Crédit Foncier in Belgium in an amount of EUR0.4 billion). As of December 31, 2011, the Company did not have any direct or indirect exposure to the U.S. mortgage market. The Company typically only purchases securitized portfolios of international mortgage loans on the secondary market as a way to create origination channels in other countries in Europe where lending standards are high.

As of December 31, 2011, the geographic distribution of international mortgage assets held by the Company in the form of senior real estate securitization tranches originated abroad was as follows

Geographical Breakdown of International Mortgage Assets of the Company as of December 31, 2011

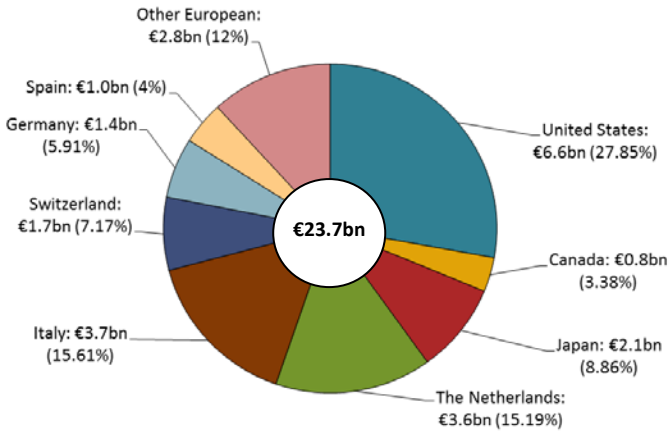


Acquisition of Public Sector Assets. The public sector assets category consists of loans granted to, or other obligations of, public sector entities (*i.e.*, states, regions, municipalities, local government entities) that meet the eligibility criteria of the SFSA Law. Also included in public sector assets are securitization tranches of public debt acquired by the Company. These securitization tranches are investments in the form of senior debt securities issued by French statutory securitization vehicles or similar entities subject to the laws of a Member State of the European Community or a Member State of the European Economic Area (provided that at least 90% of the assets of these French statutory securitization vehicles or similar entities consist of assets that meet the eligibility criteria stipulated by the SFSA Law for direct purchase). In recent periods, the Company

increased significantly its international financing activity through the granting of loans, the acquisition of debt securities and the acquisition of senior securitization tranches of loans granted to, or securities issued or guaranteed by, public sector entities located outside France (in the European Economic Area, Japan, the United States, Switzerland and Canada in particular), while continuing to monitor the specific risks presented by certain markets. However, the Company started reducing its direct exposure to public sector entities located outside France in the third quarter of 2011. As of December 31, 2011, the international public exposure of the Company represented EUR23.7 billion (or 22% of the total assets of the Company), including a direct exposure of the Company to sovereign states in an amount of EUR2.55 billion (a decrease of 47% from December 31, 2010 reflecting, in particular, the fact that the portfolio of sovereign exposure of the Company, excluding France, has been in run off management mode since the second half of 2011). In 2011, the Company sold (at market value) the entirety of its portfolio of public sector assets located in Greece (in an amount of EUR1.1 billion) and Portugal (in an amount of EUR0.1 billion) to Crédit Foncier as well as part of its direct exposure to public sector assets located in Ireland, the Czech Republic, Slovenia and Cyprus (for an aggregate amount of EUR0.3 billion).

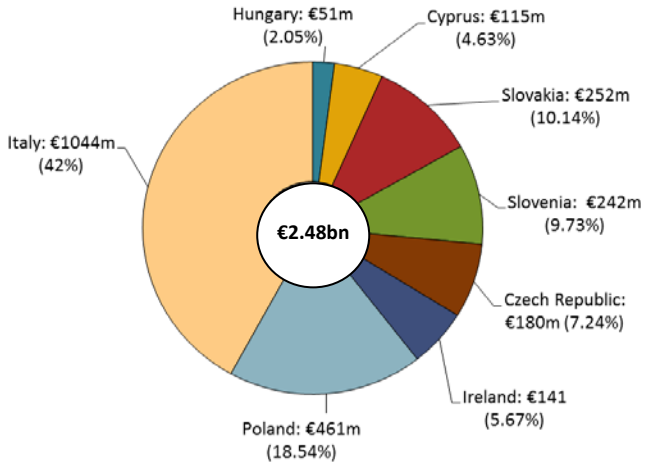
As of December 31, 2011, the geographic distribution of the international public sector exposure of the Company was as follows:

Geographical Breakdown of International Public Sector Exposure of the Company as of December 31, 2011



As of December 31, 2011, the geographic distribution of the international sovereign exposure of the Company was as follows:

Geographical Breakdown of International Sovereign Exposure of the Company as of December 31, 2011



Investment in Replacement Securities. The replacement securities consist of cash-like securities, instruments, deposits and loans that are sufficiently secure and liquid to fall within the permitted categories of

Eligible Assets of a *Société de Crédit Foncier*. 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 via by the European Central Bank).

Other Assets. The other assets of the Company include interest premiums due to the Company pursuant to derivatives arrangements, promissory notes and guaranteed loans.

Issuance of Obligations Foncières

Since its formation in 1999 through December 31, 2011, the Company has issued more than EUR148.4 billion in principal amount of *obligations foncières*, including EUR8.7 billion in 2011. In 2011, EUR2.44 billion (28%) of the Company's total privileged funding was provided by investors in Germany, EUR2.44 billion (28%) by investors in France, EUR0.96 billion (11%) by investors in the United States, EUR0.96 billion (11%) by investors in Switzerland, EUR0.35 billion (4.0%) by investors in the United Kingdom, EUR0.17 billion (2%) by investors in the Benelux countries, EUR0.26 billion (3%) by investors in the other European countries, EUR0.61 billion (7%) by investors in Asia and EUR1 billion (1%) 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) in 2010 and 2011 were purchased by central banks, pension funds, assets managers, banks and insurance companies. In 2011, EUR1.48 billion (17%) of the Company's privileged funding was provided by asset managers, EUR2.44 billion (28%) by insurance companies, EUR3.3 billion (38%) by banks, EUR0.96 billion (11%) by central banks, EUR0.35 billion (4%) by pension funds and EUR0.17 billion (2%) by other types of investors. The Company's issues of *obligations foncières* have been rated in the highest possible category (AAA or equivalent) with stable outlook, by each of Moody's, Standard and Poor's and Fitch Ratings. As of December 31, 2011, the non-privileged debt of the Company represented 13.9% of its total liabilities (as compared to 13.5% as of December 31, 2010).

The composition of the total liabilities of the Company as of December 31, 2011 and December 31, 2010 is summarized by category in the following chart:[*]

Liabilities	**Dec. 31, 2011**		**Dec. 31, 2010**	
	EUR million	**% balance sheet**	**EUR million**	**% balance sheet**
Privileged Debt	**91,074**	**86.1%**	**89,762**	**86.5%**
Obligations Foncières	89,769	84.9%	88,128	84.9%
Other Privileged Debt	1,305	1.2%	1,633	1.6%
Non-Privileged Debt and Equity	**14,705**	**13.9%**	**14,065**	**13.5%**
Unsecured debt	8,836	8.4%	8,308	8.0%
Subordinated debt and related debt	4,027	3.8%	4,116	4.0%
Equity, provisions and fund for general banking risk	1,842	1.7%	1,641	1.6%
Total Liabilities and Equity	**105,778**	**100.0%**	**103,827**	**100.0%**

[*] *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.*

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 (which merged into the Prudential Control Authority in March 2010) 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 a judicial reorganization or liquidation of the Company, 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 Prudential Control Authority 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), 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. 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 Prudential Control Authority. 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 Prudential Control Authority, (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 Prudential Control Authority, (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 Prudential Control Authority, and (v) public agencies or local authorities holding the second best credit rating given by a rating agency recognized by the Prudential Control Authority.

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 by the Prudential Control Authority

Like other licensed credit institutions under the French regulatory framework, the Company is subject to extensive legal and regulatory obligations and is supervised by the Prudential Control Authority (*Autorité de*

Contrôle Prudentiel), an independent supervisory and control authority of banking and insurance activities in France, integrated within the framework of the Banque de France. The Prudential Control Authority is notably 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 Prudential Control Authority. Off-site monitoring by the Prudential Control Authority consists in the examination by the Prudential Control Authority 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 Prudential Control Authority 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 Prudential Control Authority 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 Prudential Control Authority ascertains that the information disclosed by the Company to the Prudential Control Authority accurately reflects its financial condition. As part of its inspection program, the French Banking Commission (as the former supervisory body of French credit institutions before the merger of the French Banking Commission into the Prudential Control Authority in March 2010) completed two audits of the Company in 2008 in addition to the audit of the Company completed between November 2006 and February 2007 (the French Banking Commission did not perform any audit of the Company in 2009 nor did the Prudential Control Authority in 2010 or 2011). The Prudential Control Authority 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 Prudential Control Authority) has made recommendations for improvements as part of its audits but it has never (and neither did the Prudential Control Authority since March 2010) issued an 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 Prudential Control Authority. 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 Prudential Control Authority 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*."

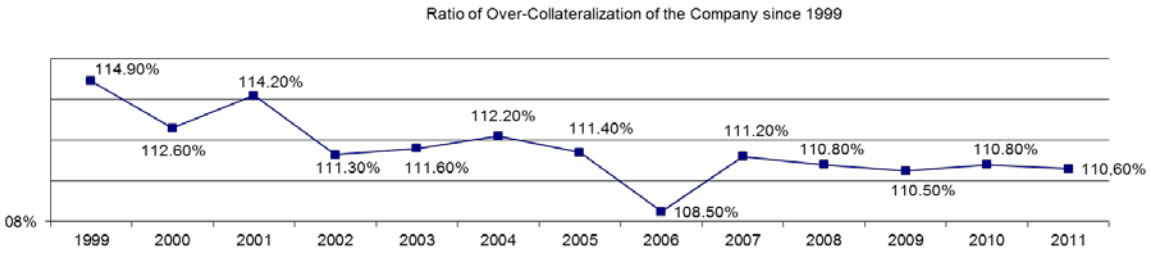
The Specific Controller issues an annual report of activity addressed to the board of directors of the *Société de Crédit Foncier* (evaluating, among other things, the quality of the internal control procedures of the *Société de Crédit Foncier*), a copy of which is sent to the Prudential Control Authority. 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, 2011).*" 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 Prudential Control Authority 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. 2011-205 of February 23, 2011, 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 102% of their privileged debt. Under French rules (including implementing statements 2011-I-06 and 2011-I-07 issued by the Prudential Control Authority on July 1, 2011), the weight given to Eligible Assets for purposes of the calculation of the over-collateralization ratio varies depending on the nature of the assets on balance sheet in order to weight the assets in accordance with their risk profile (notably, the weight attributed to senior mortgage-backed securitization tranches varies depending on the rating of each securitization tranche and the date on which it was acquired by the Company). As of December 31, 2011 and December 31, 2010, the Company's over-collateralization ratio was 110.6% and 110.8% respectively, in each case above the legally required collateralization rate of 102%.



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 regulatory floor of 102%. 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 eight sub-categories (including type of borrower, type of property being financed, collateral) 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 calculation 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 Prudential Control Authority 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, 2011, 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. In 2011, the liquidity ratio of the Company for regulatory purposes averaged 470%, well above the minimum value required by French banking regulation. The Prudential Control Authority may ask the Company to provide additional measures of liquidity if it deems it appropriate in the exercise of its supervision of the Company.

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 was 62.3% as of December 31, 2010 and 61.6% as of December 31, 2011. 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 EUR14.065 billion as of December 31, 2010, or 13.5% of total liabilities, and to EUR14.705 billion as of December 31, 2011, or 13.9% 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 the new 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 will 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.

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, 2011, doubtful loans

represented 1.0% of the value of the mortgage loans to individuals to which the Company was exposed (versus 0.8% as of December 31, 2010). 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 F1+ or AA for Fitch Ratings, P1 or Aa3 for Moody's or AA for Standard & Poor's), then the Company may call for collateral (as of December 31, 2011, the Company held EUR2.9 billion in collateral as a result of these arrangements).

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 "duration gap" 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. The duration gap was insignificant (at 0.2 years) as of December 31, 2011 (as compared to 0.10 years as of December 31, 2010). The average duration for the assets and liabilities of the Company was 6.2 years and 6.4 years respectively as of December 31, 2011 (as compared to an average duration for assets and liabilities of 6.2 years and 6.3 years as of December 31, 2010).

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. As of December 31, 2011, the Company had refinanced a portion of its Eligible Assets via the liquidity system put in place by the ECB for an outstanding amount of EUR1.5 billion. 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, 2011, total assets that could potentially be used as collateral with the ECB amounted to EUR27 billion (EUR18.8 billion in securities and EUR8.2 billion in loans eligible for refinancing). During the year ended December 31, 2011, 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* now 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), 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.

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. As of December 31, 2011, the Company was a party to derivatives transactions representing a notional amount of EUR107 billion for interest rate swaps (which remained stable as compared to EUR107 billion as of December 31, 2010) and EUR49 billion for currency swaps (as compared to EUR47 billion as of December 31, 2010).

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). 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 EUR immediate 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. 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). In addition, 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. Because the Company has elected not to have its own staff and Crédit Foncier is actively administering the control procedures of 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. As a result of this organizational oversight of the Company by BPCE, the annual corporate accounts of the Company are prepared and presented in accordance with the rules defined by BPCE in compliance with French accounting standards.

Special Control by the French Ministry of Economy and Finance

As a result of the Company holding of 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 eight members, including the Chairman of the Board (who also assumed the office of Chief Executive Officer on December 14, 2007) and the Deputy Chief Executive Officer. 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**
Crédit Foncier de France (represented by Mr. Bruno DELETRE) **4 Quai de Bercy, 94220 Charenton-le-Pont, France**	Director	June 25, 1999	2017
Mr. Thierry DUFOUR **Crédit Foncier de France** **4 Quai de Bercy, 94220 Charenton-le-Pont, France**	Director, Chairman and CEO	Director since December 18, 1998 Chairman since July 31, 2007 Chairman and CEO since December 14, 2007	2013
Ms. Sandrine GUERIN **Crédit Foncier de France** **4 Quai de Bercy, 94220 Charenton-le-Pont, France**	Director and Deputy CEO	Director since March 25, 2002 Deputy Chief Executive Officer since May 17, 2002	2012
Mr. Didier PATAULT **Caisse d'Epargne Bretagne Pays de Loire** **4, Place Graslin, 44000 Nantes** **France**	Director	September 26, 2008	2014
Ms. Christine JACGLIN **Banque Populaire d'Alsace** **Immeuble Le Concorde – 4** **Quai Kléber** **67000 Strasbourg, France**	Director	September 29, 2011	2014
BPCE **(represented by Mr. Roland CHARBONNEL)** **BPCE** **50 avenue Pierre Mendès France 75013 Paris, France**	Director	March 28, 2011	2017
Mr. Eric FILLIAT **Crédit Foncier de France** **4 Quai de Bercy, 94220 Charenton-le-Pont, France**	Director	March 28, 2012	2013

Ms. Pascale PARQUET **Caisse d'Epargne et de Prévoyance Ile-de-France** **26/28, rue Neuve-Tolbiac** **75013 Paris**	Director	September 29, 2011	2014

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 *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 six members: Mr. Deletré, Mr. Filliat, Mr. Charbonnel, Ms. Jacglin, Ms. Parquet and Mr. Christophe Pinault. Mr. Dufour 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 17 *Caisses d'Epargne* and 19 *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. Therefore, a significant portion of the Eligible Assets of the Company consists of mortgage loans purchased from Crédit Foncier. Loans purchased by the Company from Crédit Foncier in 2010 totaled, in aggregate, EUR6.1 billion and loans purchased by the Company from Crédit Foncier totaled, in aggregate, EUR6.5 billion for the year ended December 31, 2011.

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 and Assets and Liabilities Management 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, 2011, 210 employees of Crédit Foncier were responsible for monitoring and managing operational risks at the level of the Company. Crédit Foncier conducted 35 internal audits of the Company in 2011.

Twenty-two 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 with 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 under which Crédit Foncier indemnifies the Company from any financial consequences stemming from measures the former took early 2008 in favor of a part of its customer base with variable rate mortgages. Crédit Foncier offered its customers a series of measures designed to protect their monthly repayments in the event of a sharp rise in mortgage rates. It will indemnify the Company for any losses arising out of these renegotiations on the total of outstanding loans held by the Company.

- 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 disbursement agency agreement.

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

- An agreement regarding participation loans.

- An agreement related to redeemable subordinated notes, by which Crédit Foncier on December 28, 2007 acquired EUR2 billion of variable rate subordinated notes issued by the Company and due December 30, 2043.

- An agreement relating to the assignment of mortgage loans.

- An agreement relating to tax integration between Crédit Foncier, the Company and BPCE.

- An agreement relating to business origination with BPCE, the *Caisses d'Epargne* and Crédit Foncier.

- An agreement relating to the assignment of receivables in respect of loans granted to French public sector entities.

- An agreement relating to the sale of the portfolio of public sector assets of the Company originated in Greece and Portugal.

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, 2011, December 31, 2010 and December 31, 2009 are derived from the Company's related audited financial statements as of and for the years ended December 31, 2011, December 31, 2010 and December 31, 2009, English translations of which are incorporated by reference in this Base Prospectus.

Balance Sheet

	As of December 31, 2011	**As of December 31, 2010**	**As of December 31, 2009**
		(EUR thousands)	
Assets			
Cash due from central banks and post office accounts	14,697	5,413	4,421
Due from banks	20,609,849	16,493,215	12,745,566
Customer loans	40,660,039	39,709,142	37,183,708
Bonds and other fixed income securities	41,228,820	44,489,773	45,106,631
Intangible assets			
Other	72,965	93,517	108,248
Prepayments, deferred charges and accrued income	3,191,907	3,035,765	3,095,950
Total Assets	**105,778,277**	**103,826,825**	**98,244,524**
Liabilities			
Due to banks	4,903,513	5,553,791	6,687,428
Customer deposits	7,008	14,867	5,297
Debt securities	89,923,945	88,372,278	82,198,672
Other liabilities	3,184,632	2,157,642	1,552,849
Accruals and deferred income	2,466,759	2,636,729	2,764,267
Provisions for liabilities and charges	7,775	9,119	5,339
Subordinated debt	3,450,452	3,450,270	3,450,250
Fund for general banking risks	20,000	20,000	20,000
Equity other than Fund for General Banking Risks	**1,814,193**	**1,612,129**	**1,560,422**
- Subscribed capital stock, share premiums, reserves, regulated provisions and investment subsidies, retained earnings	1,706,129	1,468,918	1,384,953
- Net income for the year	108,064	143,211	175,469
Total Liabilities and Equity	**105,778,277**	**103,826,825**	**98,244,524**

Income Statement

	For the year ended December 31, 2011	For the year ended December 31, 2010	For the year ended December 31, 2009
		(EUR thousands)	
Interest and similar income	4,516,761	4,712,249	4,450,520
Interest and similar expenses	-4,189,665	-4,432,860	-4,092,210
Commission and fee income	56,410	44,779	41,447
Commission and fee expenses	-4,455	-4,293	-26,350
Gains or losses on investment securities transactions	712	1,338	-223
Gains or losses on investment securities transactions and similar instruments	-41,921	-7,083	1,591
Other income from banking operations	2,798	2,252	2,917
Other expenses on banking operations	-1,815	-2,159	-15,660
Net banking income	**338,825**	**314,223**	**362,032**
General operating expenses	-104,193	-97,065	-97,320
Depreciation, amortization and provisions on tangible and intangible fixed assets			-2,480
Gross Operating Income	**234,632**	**217,158**	**262,232**
Cost of risk	-4,869	-3,316	-4,127
Operating Income	**229,763**	**213,842**	**258,105**
Gains or losses on fixed assets	-58,599	2,980	225
Ordinary Income before Tax	**171,164**	**216,822**	**258,330**
Exceptional items			
Income taxes	-63,100	-73,611	-82,861
Increases and decreases in fund for general banking risks and provisions			
Net Income	**108,064**	**143,211**	**175,469**

RECENT DEVELOPMENTS

Indebtedness

Between January 1, 2012 and May 31, 2012, the Company issued *Obligations Foncières* for an amount of EUR5,786,841,921.81 or its equivalent in other currencies, measured in accordance with French GAAP.

Share Capital Increases

The Company increased its share capital (i) on June 8, 2011, to EUR1,093,459,936 and (ii) on June 28, 2011 to EUR1,187,459,936. Crédit Foncier subscribed to both share capital increases in their entirety. The share capital of the Company is currently divided into 74,216,246 fully paid-up shares with a par-value of EUR16 each.

Financial information as at March 31, 2012 and as at March 31, 2011

The following quarterly financial information, prepared in accordance with French professional accounting standards, is unaudited and has not been reviewed by the statutory auditors.

The unaudited financial information of the Company as at March 31, 2012 and as at March 31, 2011[1] is reproduced in its entirely in the table below.

Assets

	March 31, 2012	**March 31, 2011**
	(Unaudited) (EUR thousands)	
Cash due from central banks and post office accounts	8,710	18,894
Treasury notes and similar securities	-	-
Due from banks	23,425,902	16,331,772
Customer loans	40,279,425	37,888,903
Bonds and other fixed income securities	40,448,526	45,522,980
Shares and other variable income securities	0	-
Other long term securities	0	-
Equity in subsidiary companies	-	-
Intangible fixed assets	-	-
Tangible fixed assets	-	-
Unpaid subscribed capital stock	-	-
Equity	-	-
Other assets	71,230	86,865
Prepayments, deferred charges and accrued income	2,536,805	2,541,737
Total Assets	**106,770,598**	**102,391,151**

[1] Free translation of the French BALO (*Bulletin des Annonces Légales Obligatoires*) published on June 8, 2012 and on June 10, 2011, respectively under number 1203698 and number 1103514.

Liabilities and Equity

	March 31, 2012	March 31, 2011
	(Unaudited) (EUR thousands)	
Cash due to central banks and post office accounts	-	-
Due to banks	5,634,392	4,470,509
Customers deposits	8,998	412
Debt Securities	89,853,507	88,475,404
Other liabilities	3,551,609	1,463,915
Accrual and deferred income*	2,420,123	2,880,261
Provisions for liabilities and charges	7,757	7,792
Subordinated debt	3,460,019	3,460,729
Fund for general banking risks	20,000	20,000
Equity other than fund for general banking risks	1,814,193	1,612,129
Subscribed capital stock	1,187,460	1,008,000
Share premiums	343,002	302,462
Reserves	89,963	82,802
Revaluation variation	-	-
Regulated provisions and investment subsidies	-	-
Retained earnings	85,704	75,654
Net income for the period	108,064	143,211
Total Liabilities and Equity	**106,770,598**	**102,391,151**

* Of which unaudited net income for the first quarterly borrowing of 2011 of EUR20,345 thousand.

* Of which unaudited net income for the first quarterly borrowing of 2011 of EUR47,140 thousand.

Off-Balance Sheet

	March 31, 2012	March 31, 2011
	(Unaudited) (EUR thousands)	
Commitments given:		
Financing commitments		
- Commitments in favor of banks	-	300,000
- Commitments in favor of customers	3,018,131	2,669,440
Guarantee commitments		
- Commitments from banks	-	-
- Commitments from customers	-	-
Securities commitments		
- Other commitments given	170,000	73,833
Commitments given for Insurance activities		
Commitments received:		
Financing commitments		
- Commitments received from the banks	4,064,966	4,160,611
Guarantee commitments		
- Commitments received from banks	6,444,580	7,679,462
Securities commitments		
- Other commitments received	20,000	907,000
- Commitments received from Insurance activities	-	-

Recent credit crisis in the Eurozone

Please refer to page 25 of the Reference Document 2011 (Volume 3) 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 the portfolio of assets used as cover for the issuance of Securities under the Program*").

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. 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 material 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 subject to alternative minimum tax, banks, thrifts, insurance companies, other financial institutions, real estate investment trusts, "S" corporations, entities treated as partnerships, 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, you should consult the applicable Final Terms for any additional discussion regarding U.S. federal income taxation with respect to the specific Securities offered thereunder.

TO COMPLY WITH TREASURY DEPARTMENT CIRCULAR 230, RECIPIENTS OF THIS BASE PROSPECTUS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS BASE PROSPECTUS AND RELATED MATERIALS IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANYONE, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE CODE; (B) ANY SUCH DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) TAXPAYERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

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 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 income 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 and Index Linked Interest Securities

General. Interest on a Floating Rate Security or Index Linked Interest 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 and Index Linked Interest Securities that are VRDIs*," below. A Floating Rate Security or Index Linked Interest 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). Unless otherwise provided in the applicable Final Terms, 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 zero 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 and Index Linked Interest Securities that are VRDIs with OID

The taxation of OID (including interest that does not constitute qualified stated interest) on a Floating Rate Security or an Index Linked Interest 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 or Index Linked Interest Securities that do not constitute a VRDI. Those Securities will be treated as "contingent payment debt instruments" for U.S. federal 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, 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, Dual Currency Securities 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 taxable year).

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

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a 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 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 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, 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.

Legislation Relating to Foreign Accounts

The Company, and other non-U.S. financial institutions through which payments on the Securities are made, may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made after December 31, 2016 on any Securities issued or materially modified on or after January 1, 2013 (and on securities which are treated as equity for U.S. federal income tax purposes, whenever issued) pursuant to the U.S. Foreign Account Tax Compliance Act ("**FATCA**"). The rules governing FATCA have not yet been fully developed in this regard and the future application of FATCA to the Company, the Securities and holders of the Securities is uncertain. This withholding by the Company, and other non-U.S. financial institutions through which payments on the Securities are made, may be required, *inter alia*, where (i) the Company or such other non-U.S. financial institution is a foreign financial institution ("**FFI**") (as defined in FATCA) which enters into and complies with an agreement with the IRS (or an equivalent arrangement provided for under a law implementing an intergovernmental approach to FATCA) to provide certain information on its account holders (making the Company or such other non-U.S. financial institution a "**Participating FFI**"), and (ii)(a) an investor does not provide information sufficient for the relevant participating FFI to determine whether the investor is subject to withholding under FATCA, or (b) an investor (or any entity through which payment on such Securities is made) is an FFI that is not a Participating FFI or otherwise exempt from FATCA withholding.

If an amount of, or in respect of, U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Securities as a result of FATCA, neither the Company nor any other person would, pursuant to the Conditions of the Securities, be required to pay any additional amount as a result of the deduction or withholding of such tax. Investors should consult their tax advisors to determine whether these rules may apply to payments they will receive under the Securities.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE COMPANY, THE SECURITIES AND THE HOLDERS IS UNCERTAIN AT THIS TIME. EACH HOLDER OF SECURITIES SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.

EU TAXATION

Under Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**Savings Directive**"), Member States of the European Union ("**EU**") ("**Member States**") are required to provide to the tax authorities of another Member State, inter alia, with details of interest payments within the meaning of the Savings Directive (interest, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident or certain limited types of entity established in that other Member State, also referred to as the "Disclosure of Information Method."

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

However, for a transitional period, certain Member States (Luxembourg and Austria) may instead apply a withholding system in relation to interest payments, unless during such period they elect otherwise. The end of such transitional period depends upon the conclusion of certain other agreements relating to the exchange of information with certain other countries. The beneficial owner of the interest payment may, on meeting certain conditions, request that no tax be withheld and elect instead for an exchange of information or tax certificate procedure.

A number of non-EU countries (including Switzerland) and dependent or associated territories of certain Member States have adopted similar measures to the Savings Directive.

On November 13, 2008 the European Commission published a detailed proposal for amendments to the Savings Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on April 24, 2009. If any of these proposed changes are made in relation to the Savings Directive they may amend or broaden the scope of the requirements described above. The proposed amendments would extend the scope of the Savings Directive to (i) payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to interest.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Company nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Security as a result of the imposition of such withholding tax. The Company is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Directive.

LUXEMBOURG

The comments below are intended as a basic summary of certain 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 possible exception of interest paid to individual Securityholders or to certain entities, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible

exception of payments made to individual Securityholders or to certain entities, upon repayment of principal in the case of reimbursement, redemption, repurchase or exchange of the Securities.

Luxembourg Non-Resident Individuals

Under the Luxembourg laws dated June 21, 2005 (the "**Laws**"), implementing the Savings Directive and ratifying several agreements concluded between Luxembourg and certain dependent and associated territories of the Member States (the "**Territories**"),, a Luxembourg based paying agent (within the meaning of the Laws) is required since July 1, 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or "residual entity" resident in another Member State or in certain Territories, unless the beneficiary of the interest payments elects for the procedure of exchange of information or, in case of individual beneficiary, for the tax certificate procedure. The "residual entities" within the meaning of article 4.2 of the Savings Directive established in a Member State or in certain Territories are entities which (i) are not legal persons (the Finnish and Swedish companies listed in article 4.5 of the Savings Directive are not considered as legal persons for this purpose), (ii) whose profits are not taxed under the general arrangements for the business taxation, and (iii) that are not and have not opted to be treated as UCITS recognized in accordance with the Council Directive 85/611/EEC, as replaced by the Council Directive 2009/65/EC, or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands.

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

Luxembourg Resident Individuals

As of January 1, 2006, interest payments made by Luxembourg paying agents (defined in the same way as in the Laws) to Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognized in accordance with the Council Directive 85/611/EEC, as replaced by the Council Directive 2009/65/EC, or for the exchange of information regime) are subject to a 10% withholding tax.

Pursuant to the Luxembourg law of December 23, 2005 as amended by the law of July 17, 2008, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10% tax on interest payments made after December 31, 2007 by paying agents (defined in the same way as in the Laws) located in a Member State other than Luxembourg, a member state of the European Economic Area other than a Member State or in a State or territory which has concluded an international agreement directly related to the Savings Directive.

FRANCE

The following is intended as a basic summary of certain French tax considerations that may be relevant to holders of the Securities that (i) are non-French residents for French tax purposes, (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, and (iii) do not hold shares of the Company. Persons who are in any doubt as to their tax position should consult a professional tax advisor.

Payment on the Securities

The Savings Directive was implemented into French law under Article 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* which impose 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 interest payments made to that beneficial owner.

Payments of interest and other 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 50% withholding tax is applicable, subject to certain exceptions and to the more favorable provisions of any applicable double tax treaty.

Furthermore, as from any fiscal years starting on or after January 1, 2011, pursuant to Article 238 A of the French *Code général des impôts*, interest and other revenues on such Securities may no longer be deductible from the taxable income of the Company if they are paid or due to persons domiciled or established in a Non-Cooperative State or paid in any such Non-Cooperative State. Under certain conditions, any such non-deductible interest and other 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* of the French *Code général des impôts*, at a rate of either 30% or 55%, subject to the more favorable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, neither the 50% 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 "**Exception**"), the 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 that of allowing the payment of interest or other revenues to be made in a Non-Cooperative State.

Pursuant to the ruling (*rescrit*) (RES 2010/11) of the *Direction générale des finances publiques* dated February 22, 2010 and the administrative guidelines (*instruction*) (14 A-5-12) of the *Direction générale des finances publiques* dated April 27, 2012, an issue of Securities benefits 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 clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code Monétaire et Financier*, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

Sale, Disposal or Redemption of the Securities

Holders of the Securities will not be subject to any French income tax or capital gains tax on the sale, disposal or redemption 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, disposal or redemption of the Securities.

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 Internal Revenue Code (as defined in the section entitled "*Taxation – Certain United States Federal Income Tax Considerations*") 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 Internal Revenue Code, such as individual retirement accounts (together with ERISA Plans, "**Plans**")) and certain persons (referred to as "**parties in interest**" or "**disqualified persons**") 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 the Internal Revenue Code.

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 Internal Revenue Code to such an investment, and to confirm that such purchase and holding will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA or the Internal Revenue Code.

Governmental plans and certain church plans and other plans, while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA and Section 4975 of the Internal Revenue Code, may nevertheless be subject to other federal, state or local laws or regulations that are substantially similar to the foregoing provisions of ERISA and the Internal Revenue Code ("**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.

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 Company, the Initial Purchasers or certain of their affiliates. Depending on the satisfaction of certain conditions which may include the identity of the Plan fiduciary making the decision to acquire or hold Securities on behalf of a Plan, Prohibited Transaction Class Exemption ("**PTCE**") 84-14 (relating to transactions effected by a "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**") or Section 408(b)(17) of ERISA or Section 4975(d)(20) of the Code (for transactions with certain service providers) could provide an exemption from the prohibited transaction provisions of ERISA and Section 4975 of the Internal Revenue Code. 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 person who acquires or accepts Securities or an interest therein will be deemed by such acquisition or acceptance to have represented and warranted that either: (i) no assets of a 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) the purchase and holding of such Securities or an interest therein by such person are exempt from the prohibited transaction restrictions of ERISA and the Internal Revenue Code, or any provisions of Similar Law, as applicable, pursuant to one or more statutory or administrative exemptions.

Special Considerations Applicable to Insurance Company General Accounts

Any insurance company proposing to invest assets of its general account in the Securities should consider the implications of the United States Supreme Court's decision in John Hancock Mutual Life Insurance Co. v. Harris Trust and Savings Bank, 510 U.S. 86, 114 S.Ct. 517 (1993), which in certain circumstances treats such general account assets as assets of a Plan that owns a policy or other contract with such insurance company, as well as the effect of Section 401(c) of ERISA as interpreted by regulations issued by the United States Department of Labor in January 2000.

EACH PLAN FIDUCIARY (AND EACH FIDUCIARY FOR A GOVERNMENTAL PLAN OR CHURCH PLAN SUBJECT TO SIMILAR LAW) SHOULD CONSULT WITH ITS LEGAL ADVISOR CONCERNING THE POTENTIAL CONSEQUENCES TO THE PLAN UNDER ERISA, THE INTERNAL REVENUE 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 June 26, 2012 (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 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.

Delivery of the Securities will be made against payment therefor on or about a date which may occur more than three (3) 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 three (3) 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 three 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.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the 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; or

(iii) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 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, (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 on or after the date of publication of the prospectus relating to those Securities approved by the *Autorité des Marchés Financiers* ("**AMF**") 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 distribution have been and will be made in France only to (x) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (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 to D. 411-3 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 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 1978, as amended the "Financial Instruments **and Exchange Act**"). Accordingly, each of the Dealers has represented and agreed 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

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Securities may not be circulated or distributed, nor may any Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person 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; or

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

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 three (3) business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in 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) three (3) 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 three (3) 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 three (3) 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 three 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.

Although the Company has appointed an agent for service of process in the United States, the Company has been advised that there is a doubt that a foreign judgment based upon U.S. federal or state securities laws would be enforced in France. The Company has also been advised that there is a doubt that a lawsuit based upon U.S. federal or state securities laws could be brought in an original action 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, 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, enforceable in the United States, 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*). Enforcement in France of such U.S. judgment could be obtained following proper (i.e., *non-ex parte*) proceedings if the 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 court of the merits of the foreign judgment):

- the dispute is clearly connected to the country in which the judgment was rendered (U.S.), 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 defense rights);

- such U.S. judgment is not tainted with fraud; and

- such U.S. judgment does not conflict with a French judgment or a foreign judgment which has become effective in France, there are no proceedings pending before French courts at the time enforcement of the judgment is sought and having the same or similar subject matter as such U.S. judgment and no action is filed before French courts after the enforcement proceedings of the U.S. judgment have been initiated.

In addition, the discovery process under actions filed in the United States could be adversely affected under certain circumstances by French criminal 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 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.

Similarly, French data protection rules (law No. 78-17 of January 6, 1978 on data processing, data files and individual liberties, as last modified by law No. 2011-334 of March 29, 2011) 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.

An enforceable judgment obtained in the courts of England against the Company for a sum of money due in connection with the Securities issued under the Program will be enforced by the courts of France without re-examination of the matters adjudicated, subject to and in accordance with the Council Regulation (EC) No. 44/2001 of December 22, 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters.

Furthermore, if an original action is brought in France, French courts may refuse to apply the designated law if its application contravenes French public policy. Further, 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 articles 14 and 15 of the French Civil Code, a French national (either a company or an individual) can sue a foreign defendant before French courts (article 14) and can be sued by a foreign claimant before French courts (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 recent case law, the French courts' jurisdiction towards French nationals is no longer mandatory to the extent an action has been commenced before a court in a jurisdiction which has sufficient contacts with the litigation and the choice of jurisdiction is not fraudulent. In addition, the French national may waive its rights to benefit from the provisions of articles 14 and 15 of the French Civil Code.

FORM OF FINAL TERMS1

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 ADMITTED TO TRADING ON AN EEA REGULATED MARKET AND/OR OFFERED TO THE PUBLIC ON A NON-EXEMPT BASIS IN THE EEA

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: [●]%

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Securities. Accordingly, any person making or intending to make an offer of the Securities may only do so:

(i) 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; or

(ii) in those Public Offer Jurisdictions mentioned in Paragraph 34 of Part A below, provided such person is one of the persons mentioned in Paragraph 34 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

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 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU. **]***

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Securities. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Securities may only do so 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 2010 PD Amending Directive, to the extent implemented in the Relevant Member State),

* Include this legend where a non-exempt offer of Securities is anticipated.

and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU. **]**[**]

[**] Include this legend where only an exempt offer of Securities is anticipated.

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 June 26, 2012 which has received visa n°12-297 from the *Autorité des marchés financiers* (the "**AMF**") on June 26, 2012 **[**and the supplement(s) to the Base Prospectus dated **[●]** which [has] [have] received visa(s) n°[●] from the AMF on **[●]]** which **[**together**]** constitute**[**s**]** a base prospectus for the purposes 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**").

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) to the Base Prospectus**] [**is**] [**are**]** available for viewing at the office of the Fiscal Agent or each of the Paying Agents during normal business hours and on the website of the AMF (*www.amf-france.org*) **[**and copies may be obtained from Compagnie de Financement Foncier, 4 Quai de Bercy, 94224 Charenton Cedex France**]**.

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the Conditions) contained in the Agency Agreement dated **[***original date***]** and set forth in the Base Prospectus dated **[●]** which has received visa n°[●] from the *Autorité des marchés financiers* (the "**AMF**") on **[●] [***original date***] [**and the supplements to the Base Prospectus dated **[●]** which [has] [have]received visa(s) n°[●] from the AMF on **[●]]**. 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 the Base Prospectus dated June 26, 2012 which has received visa n°12-297 from the AMF **[**and the supplement(s) to the Base Prospectus dated **[●]** which [has] [have] received visa(s) n°[●] from the AMF on **[●]]**, which **[**together**]** constitute**[**s**]** a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated **[***original date***] [**and the supplement(s) to the Base Prospectus dated **[●]** and are attached hereto. 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 dated **[***original date***]** and the Base Prospectus dated June 26, 2012 **[**and the supplement(s) to the Base Prospectuses dated **[●]** and **[●]]**. The Base Prospectuses **[**and the supplement(s) to the Base Prospectuses**]** are available for viewing at the office of the Fiscal Agents or each of the Paying Agents during normal business hours and on the website of the AMF (*www.amf-france.org*) **[**and copies may be obtained from Compagnie de Financement Foncier, 4 Quai de Bercy, 94224 Charenton Cedex France**]**.

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

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

1	**Company:**	**Compagnie de Financement Foncier**
2	**[**(i)**]** Series Number:	**[●]**
	[(ii) Tranche Number: (*If fungible with an existing Series, details of that Series, including the date on which the Securities become fungible*).**]**	**[●]**
3	Specified Currency or Currencies:	**[●]**

4	Aggregate Nominal Amount:	**[●]**
	[(i)**]** Series:	**[●]**
	[(ii) Tranche:	**[●]]**
5	Issue Price:	**[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in case of fungible issues only if applicable*)]**
6	(i) Specified Denominations:	**[●] (*one denomination only*)***
	(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]** **[Index Linked Interest]** **[Other (*specify*)]** **(*further particulars specified below*)**
10	Redemption/Payment Basis**:	**[Redemption at par]** **[Dual Currency]** **[Partly Paid]** **[Installment]** **[Other (*specify*)]**
11	Change of Interest or Redemption / Payment Basis:	**[*Specify details of any provision for convertibility of Securities into another interest or redemption/ payment basis*]**
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	**Decision of the *Conseil d'administration* of the Company dated [●] authorizing the issue of the Securities and**

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* 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).

** If the Final Redemption Amount is less than 100% of the nominal value the Securities will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This form of Final Terms has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

	Securities obtained:	**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. 515-19 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 25 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(j)):	**[30/360 / Actual/Actual (ICMA/ISDA) / Other] [Adjusted/ Unadjusted]**
	(vi) Determination Dates (Condition 5(j)):	**[●] in each year (*insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last Coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)**
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Securities:	**[Not Applicable/*Give details*]**
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/ other (*Give details*)]. *(Note that this item relates to interest period end dates and not to the date and place of payment, to which item 25 relates)***
(v) Interest Period Date:	**[●]** ***(Not applicable unless different from Interest Payment Date)***
(vi) Business Center(s) (Condition 5(j)):	**[●]**
(vii) Manner in which the Rate(s) of Interest is/are to be determined:	**[Screen Rate Determination/ISDA Determination/other (*Give details*)]**
(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)):	
– 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/other (*Give details*)].]**
– Relevant Screen Page:	**[●]**
(x) ISDA Determination (Condition 5(b)(iii)(A)):	
– Floating Rate Option:	**[●]**
– Designated Maturity:	**[●]**
– Reset Date:	**[●]**
– ISDA Definitions:	**[2000/2006]** ***(Note that a choice has to be made in this item as otherwise the Conditions provide for a fall-back to the 2006 ISDA Definitions.)***
(xi) Margin(s):	**[+/-][●] per cent. per annum**
(xii) Minimum Rate of Interest:	**[Not Applicable] /[●] per cent. per annum**
(xiii) Maximum Rate of Interest:	**[Not Applicable]/ [●] per cent. per annum**
(xiv) Day Count Fraction (Condition	**[●]**

5(j)):

	(xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Securities, if different from those set out in the Conditions:	**[●]**
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(j)):]	**[●]**
	(iii) Any other formula/basis of determining amount payable:	**[●]**
18	**Index-Linked Interest Securities/other variable-linked interest Securities Provisions***	**[Applicable/Not Applicable]** **(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)**
	(i) Index/Formula/other variable:	**[*Give or annex details*]**
	(ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	**[●]**
	(iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:	**[●]**
	(iv) Interest Period(s):	**[●]**
	(v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	**[●]**
	(vi) Interest Determination Date(s):	**[●]**
	(vii) Specified Interest Payment Dates:	**[●]**
	(viii) Business Day Convention:	**[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*Give details*)] *(Note that this item relates to interest period end dates and not to the date and place of payment, to which***

* If the Final Redemption Amount is less than 100% of the nominal value the Securities will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This form of Final Terms has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

		item 25 relates)
	(ix) Business Center(s) (Condition 5(j)):	**[●]**
	(x) Minimum Rate of Interest:	**[Not Applicable] / [●] per cent. per annum**
	(xi) Maximum Rate of Interest:	**[Not Applicable] / [●] per cent. per annum**
	(xii) Day Count Fraction (Condition 5(j)):	**[●]**
19	**Dual Currency Securities Provisions**[*]	**[Applicable/Not Applicable]** **(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)**
	(i) Rate of Exchange/Method of calculating Rate of Exchange:	**[*Give details*]**
	(ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Calculation Agent):	**[●]**
	(iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	**[●]** **(*Need to include a description of market disruption or settlement disruption events and adjustment provisions*.)**
	(iv) Person at whose option Specified Currency(ies) is/are payable:	**[●]**

PROVISIONS RELATING TO REDEMPTION

20	**Call Option**	**[Applicable/Not Applicable]** **(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)**
	(i) Optional Redemption Date(s):	**[●]**
	(ii) Optional Redemption Amount(s) of each Security and method, if any, of calculation of such amount(s):	**[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[2]:	**[●]**
	(v) Option Exercise Date(s):	**[●]**

[*] If the Final Redemption Amount is less than 100% of the nominal value the Securities will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This form of Final Terms has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

2 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.

	(vi) Description of any other Company's option:	**[●]**
21	**Put Option**	**[Applicable/Not Applicable]** **(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)**
	(i) Optional Redemption Date(s):	**[●]**
	(ii) Optional Redemption Amount(s) of each Security and method, if any, of calculation of such amount(s):	**[Early Redemption Amount]/ [[●] per Calculation Amount]**
	(iii) Notice Period:	**[●]**
	(iv) Option Exercise Date(s):	**[●]**
	(v) Description of any other Securityholders' option:	**[●]**
22	**Final Redemption Amount of each Securities***	**[●] per [Calculation Amount / Aggregate Nominal Amount/ Other/ *See Appendix*]**
	In cases where the Final Redemption Amount is Index-Linked or other variable-linked:	
	(i) Index/Formula/variable:	**[*Give or annex details*]**
	(ii) Party responsible for calculating the Final Redemption Amount (if not the Calculation Agent):	**[●]**
	(iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:	**[●]**
	(iv) Determination Date(s):	**[●]**
	(v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	**[●]**
	(vi) Payment Date:	**[●]**
	(vii) Minimum Final Redemption Amount:	**[●] per Calculation Amount**
	(viii) Maximum Final Redemption Amount:	**[●] per Calculation Amount**

* If the Final Redemption Amount is less than 100% of the nominal value the Securities will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This form of Final Terms has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

23 Early Redemption Amount

Early Redemption Amount(s) per Calculation Amount payable on any early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	**[Not Applicable/[●]]**

GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

24	**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)]]**
25	Financial Center(s) (Condition 7(d)) or other special provisions relating to Payment Dates:	**[Not Applicable**/***Give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which sub paragraphs 15(ii), 16(iv) and 18(viii) relate*****]**
26	Details relating to Partly Paid Securities: amount of each payment comprising the Issue Price and date on which each payment is to be made **[**and consequences (if any) of failure to pay, including any right of the Company to forfeit the Securities and interest due on late payment**]**:	**[Not Applicable**/***Give details*****]**
27	Details relating to Installment Securities: amount of each installment, date on which each payment is to be made:	**[Not Applicable**/***Give details*****]**
28	Redenomination, renominalization and reconventioning provisions:	**[Not Applicable]/[The provisions in Condition 1(d) [annexed to these Final Terms] apply]**
29	Consolidation provisions:	**[Not Applicable]/[The provisions in Condition 12 [annexed to these Final Terms] apply]**
30	Other final terms:	**[Not Applicable**/***Give details*****]** **[*****(When adding any other final terms consideration should be given as to whether such terms constitute "significant***

***new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*]**

DISTRIBUTION

31	(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) Stabilizing Manager(s) (if any):	**[Not Applicable**/***Give name***]
32	If non-syndicated, name and address of Dealer:	**[Not Applicable**/***Give name and address***]
33	Total commission and concession:	**[●] per cent. of the Aggregate Nominal Amount.**
34	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.**
35	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 relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported*] ("Public Offer Jurisdictions") during the period from [*specify date*] until [*specify date*]**

("Offer Period"). See further Paragraph 3 of Part B below.

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36 Additional selling restrictions: **[Not Applicable/*Give details*]**

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue **[**and**] [**admission to trading on **[***specify relevant regulated market***]** of the Securities described herein**]** pursuant to the USD 10,000,000,000 US Medium Term Securities Program of Compagnie de Financement Foncier.

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) Additional publication of the Base Prospectus and Final Terms:	***Condition 16 which provides that the Base Prospectus and Final Terms of Securities listed and admitted to trading on any Regulated Market will be published on the website of the AMF. Please provide for additional methods of publication in respect of a listing and admission to trading on a Regulated Market other than Euronext Paris S.A.***
(iii) Estimate of total expenses related to admission to trading:	**[●]**
(iv) 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	**[Not Applicable/*Give details*]**

of the offer are to be made public:

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	**[Not Applicable/*Give details*]**
Categories of potential investors to which the Securities are offered and 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*]**
Name(s) and address(es), to the extent known to the Company, of the placers in the various countries where the offer takes place.	**[None/*Give details*]**

3 **RATINGS**

The Program has been rated Aaa by Moody's Investors Service, Inc. ("Moody's") and AAA by Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. ("Standard & Poor's").

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 by Fitch Ratings Limited ("Fitch Ratings")[**].

Each of Standard & Poor's, Fitch Ratings and Moody's is established in the European Union and has registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies.

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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 denote the lowest expectation of credit risk. They are assigned only in cases of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events (Source: Fitch Ratings).*

(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.)

4 [**NOTIFICATION**

The *Autorité des marchés financiers* in France [has been requested to provide/has provided ***- include first alternative for an issue which is contemporaneous with the establishment or update of the Program and the second alternative for subsequent issues*****] the [***include names of competent authorities of host Member States***] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]**

5 **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

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

"Save as discussed in "*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]*** ***(If the Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*** [*]

[*] Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies. See footnote [**] below.

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

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. [Where the underlying is an index need to include the name of the index and a description if composed by the Company and if the index is not composed by the Company need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.] [*]]

[(When completing this paragraph, 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.)]

The Company [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained]*] [does not intend to provide post-issuance information][*].

10 **[***Dual Currency Securities only* **– PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident and any settlement disruption events that affect the underlying. Include details of rules with relation to events concerning the underlying.]

[(When completing this paragraph, 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.)]

11 **[**Derivatives Only **– EXPLANATION OF EFFECT ON VALUE OF INVESTMENT, RETURN ON DERIVATIVES SECURITIES AND INFORMATION CONCERNING THE UNDERLYING*]**

EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

[**] If the Final Redemption Amount is less than 100% of the nominal value the Securities will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

[***] For derivative securities to which Annex XII to the Prospectus Directive Regulation applies, please complete instead paragraph 12 below relating to explanation of effect on value of investment, return on derivatives securities and information concerning the underlying.

Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.

INFORMATION CONCERNING THE UNDERLYING

- a statement setting out the type of the underlying and details of where information on the underlying can be obtained:	**[●]**
- an indication where information about the past and the further performance of the underlying and its volatility can be obtained:	**[●]**
- where the underlying is an index:	**[Applicable/Not Applicable]**
• the name of the index and a description of the index if it is composed by the Company. If the index is not composed by the Company, where information about the index can be obtained	**[●]**
- where the underlying is an interest rate:	**[Applicable/Not Applicable]**
• a description of the interest rate:	**[●]**
- others:	**[Applicable/Not Applicable]**
• where the underlying does not fall within the categories specified above the securities note shall contain equivalent information:	**[●]**
- where the underlying is a basket of underlyings:	**[Applicable/Not Applicable]**
• disclosure of the relevant weightings of each underlying in the basket:	**[●]**
A description of any market disruption or settlement disruption events that affect the underlying:	**[●]**
Adjustment rules with relation to events concerning the underlying:**]**	**[●]**
- an indication of the intent of the Company regarding the providing of post-issuance information and where the intent of the Company is to report such information, an	**[●]**

	indication of the type of information reported and where it can be obtained:	
12	**OPERATIONAL INFORMATION**	
	Unrestricted Securities:	
	ISIN Code:	**[●]**
	Common Code:	**[●]**
	Restricted Securities:	
	ISIN Code:	**[●]**
	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, *société anonyme* 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][No]** **[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.][*include this text if "yes" selected in which case Unrestricted Securities must be held in NSS form*]
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

FORM OF CERTIFICATE OF THE SPECIFIC CONTROLLER RELATING TO THE DEBENTURE ISSUE AMOUNTING TO [•] PURSUANT TO ARTICLES R.515-13 AND L.515-30 OF THE FRENCH MONETARY AND FINANCIAL CODE

[Only applicable if the amount of Securities issued equals or exceeds EUR500,000,000 or its equivalent in any other currency][3]

To the Directors of Compagnie de Financement Foncier,

In our capacity of specific controller (*contrôleur spécifique*) of your company and pursuant to the provisions set forth in Articles L.515-30 and R.515-13 of the French Monetary and Financial Code, we have verified the compliance with the rules provided for in Article L.515-20 and R.515-7-2 pursuant to the French Monetary and Financial Code within the framework of the issuance of Notes of at least [●].

In a decision dated [●], the board of directors of Compagnie de Financement Foncier set the maximum amount of the issuance programme benefiting from the statutory privileged right of payment set forth in Article L.515-19 of the French Monetary and Financial Code at EUR [●] billion, for the period from [●] to [●] , 20[●].

Within the scope of this quarterly issuance programme, in a decision dated [●], 20[●], the [●] of Compagnie de Financement Foncier approved a notes issuance benefiting from the statutory privileged right of payment set forth in Article L.515-19 of the French Monetary and Financial Code, for an amount of [●].

Article L.515-20 of the French Monetary and Financial Code states that the total amount of assets held by *sociétés de crédit foncier* must be greater than the amount of liabilities benefiting from the privileged right of payment mentioned in Article L.515-19 of such code. Furthermore, Article R.515-7-2 of such code provides that *sociétés de crédit foncier* must all the time maintain a cover ratio of at least 102 per cent. of their assets to the total amount of their liabilities benefiting from the statutory privileged right.

It is our responsibility to certify the compliance with such rules for the issuance at stake.

Compliance with these rules, after taking into account the aforementioned note issuance, was verified on the basis of estimated and forecasted financial data, drawn up under your responsibility. The forecasted financial data were drawn up on the basis of assumptions which reflect the position that you deemed to be most likely as of the date of the issuance at hand. This information is presented in an appendix to this report.

We performed our review in accordance with the standards procedures issued in the professional rules and practices of the National Association of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) that are applicable to this type of assessment.

Our work consisted of:

- verifying the conformity of the amount of the note issuance with the decision authorizing this issue,
- examining the process of presenting the forecasted financial data including the aforementioned issue, in light of the fact that, as the forecasts are uncertain by nature, the actual results could differ significantly from the forecasted data presented,
- verifying the methods for calculating the forecasted cover ratio provided for in Regulation no. 99-10 of the French Banking and Financial Regulations Committee and Instruction 2011-I-06 of the *Autorité de Contrôle Prudentiel*,
- verifying compliance with the rules set forth in Articles L.515-20 and R.515-7-2 of the French Monetary and Financial Code, based on the forecasted financial data.

[3] The original French version of the Certificate is appended hereto.

Based on our work, we have no comments with respect to the compliance by Compagnie de Financement Foncier with Articles L.515-20 and R.515-7-2 of the French Monetary and Financial Code, after taking into account the aforementioned notes issuance.

This certificate is established for your attention only and should not be used, transmitted or quoted for any other purposes.

Paris, [●], 20[●]
The Specific Controller

_____

CAILLIAU DEDOUIT ET ASSOCIES
Laurent BRUN

APPENDIX

Figures after taking into account the note issues for the period from [●][●] to [●][●] including the present note issuance of [●] (value date [●][●])

In million of EUR	**Estimated Figures**	**Forecasted Figures**
	As of [●][●]	**As of [●][●]**
Total application of funds	[●]	[●]
Total weighted assets	[●]	[●]
Total sources of funds that qualify for the privileged right mentioned in Article L.515-19 of the French Monetary and Financial Code	[●]	[●]

The original certificate in French reads :

Au Conseil d'administration de la Compagnie de Financement Foncier,

En notre qualité de Contrôleur Spécifique de la Compagnie de Financement Foncier et en exécution des dispositions prévues par les articles L.515-30 et R.515-13 du Code monétaire et financier, nous avons procédé à la vérification du respect des règles relatives au ratio de couverture prévues aux articles L.515-20 et R.515-7-2 du Code monétaire et financier, dans le cadre de l'émission d'obligations foncières d'une valeur unitaire au moins égale à EUR500 millions.

Par décision en date du [●] 20[●], le Conseil d'administration de la Compagnie de Financement Foncier a fixé le plafond maximum du programme d'émissions de ressources bénéficiant du privilège institué par l'article L.515-19 du Code monétaire et financier, à [●] milliards, pour la période allant du [●] au [●] 20[●].

Dans le cadre de ce programme trimestriel d'émissions, par décision en date du [●], le [●] de la Compagnie de Financement Foncier a autorisé le une émission de ressources bénéficiant du privilège institué par l'article L.515-19 du Code monétaire et financier, pour un montant de [●].

L'article L.515-20 du Code monétaire et financier dispose que le montant total des éléments d'actif des sociétés de crédit foncier doit être supérieur au montant des éléments de passif bénéficiant du privilège mentionné à l'article L.515-19 de ce code. En outre, l'article R.515-7-2 de ce code dispose que les sociétés de crédit foncier sont tenues de respecter à tout moment un ratio de couverture des ressources privilégiées par les éléments d'actifs au moins égal à 102%.

Il nous appartient d'attester du respect de ces règles au titre de la présente opération.

Le respect de ces règles, après prise en compte de l'émission susvisée, a été vérifié sur la base d'informations financières estimées et prévisionnelles établies sous votre responsabilité. Les informations financières prévisionnelles ont été établies à partir des hypothèses traduisant la situation future que vous avez estimée la plus probable à la date de la présente émission. Ces informations sont jointes à la présente attestation.

Nous avons mis en œuvre les diligences que nous avons estimé nécessaires au regard de la doctrine professionnelle de la Compagnie Nationale des Commissaires aux Comptes relative à cette mission.

Nos travaux ont consisté à:

- vérifier la conformité du montant de l'émission visée ci-dessus avec le procès-verbal de l'organe autorisant cette émission ;
- examiner le processus d'élaboration des données financières prévisionnelles tenant compte de la présente émission, étant rappelé que, s'agissant de prévisions présentant par nature un caractère incertain, les réalisations différeront parfois de manière significative, des informations prévisionnelles établies ;
- vérifier les modalités de calcul du ratio de couverture issu de ces données prévisionnelles, telles qu'elles sont prévues par les dispositions du règlement 99-10 du CRBF et par l'instruction 2011-I-06 de l'Autorité de Contrôle Prudentiel ;
- vérifier le respect des règles prévues aux articles L.515-20 et R.515-7-2 sur la base de ces données financières prévisionnelles.

Sur la base de nos travaux, nous n'avons pas d'observation à formuler sur le respect, par la Compagnie de Financement Foncier, des dispositions prévues aux articles L.515-20 et R.515-7-2 du Code monétaire et financier après prise en compte de la présente émission visée ci-dessus.

Cette attestation est établie à votre attention dans le contexte décrit ci-avant et ne doit pas être utilisée, diffusée ou citée à d'autres fins.

Paris, le [●] 20[●]
Le Contrôleur Spécifique

CAILLIAU DEDOUIT ET ASSOCIES
Laurent BRUN

ANNEXE

Montants après prise en compte des émissions obligataires réalisées du [●][●] au [●][●], y compris la présente émission de [●] (date de règlement [●][●])

En millions d'euros	Estimé	Prévisionnel
	Au [●] [●]	Au [●][●]
Total des emplois	[●]	[●]
Total des emplois pondérés	[●]	[●]
Total des ressources bénéficiant du privilège mentionné à l'article L.515-19 du Code monétaire et financier	[●]	[●]

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)TO BE LISTED AND ADMITTED TO TRADING ON AN EEA REGULATED MARKET

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 June 26, 2012 which has received visa n°12-297 from the *Autorité des marchés financiers* (the "**AMF**") on June 26, 2012 **[**and the supplement(s) to the Base Prospectus dated [●] which [has] [have] received visa(s) n°[●] from the AMF on **[●]]**which **[**together**]** constitute**[**s**]** a base prospectus for the purposes 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**").

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) to the Base Prospectus**] [**is**] [**are**]** available for viewing at the office of the Fiscal Agent or each of the Paying Agents during normal business hours and on the website of the AMF (*www.amf-france.org*) **[**and copies may be obtained from Compagnie de Financement Foncier, 4 Quai de Bercy, 94224 Charenton Cedex, France**]**.

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the Conditions) contained in the Agency Agreement dated **[***original date***]** and set forth in the Base Prospectus dated **[***original date***]** which has received visa n°[●] from the *Autorité des marchés financiers* (the "**AMF**") on **[***original date***] [**and the supplement(s) to the Base Prospectus dated **[●]** which [has] [have] received visa(s) n°[●] from the AMF on **[●]]**. 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 the Base Prospectus dated June 26, 2012 which has received visa n°12-297 from the AMF on **[**June ●**]**, 2012 **[**and the supplement(s) to the Base Prospectus dated **[●]** which [has] [have] received visa(s) n°[●] from the AMF on **[●]]**, which **[**together**]** constitute**[**s**]** a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated **[***original date***] [**and the supplement(s) to the Base Prospectus dated **[●]]** and are attached hereto. 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 dated **[***original date***]** and the Base Prospectus dated June 26, 2012 **[**and the supplement(s) to the Base Prospectuses dated **[●]** and **[●]]**. The Base Prospectuses **[**and the supplement(s) to the Base Prospectuses**]** are available for viewing at the office of the Fiscal Agent or each of the Paying Agents during normal business

hours and on the website of the AMF (*www.amf-france.org*) **[**and copies may be obtained from Compagnie de Financement Foncier, 4 Quai de Bercy, 94224 Charenton Cedex, France**]**.

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

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

	Company:	**Compagnie de Financement Foncier**
1	**[**(i)**]** Series Number:	**[●]**
2	**[**(ii) Tranche Number: *(If fungible with an existing Series, details of that Series, including the date on which the Securities become fungible).***]**	**[●]**
3	Specified Currency or Currencies:	**[●]**
4	Aggregate Nominal Amount:	**[●]**
	[(i)**]** Series:	**[●]**
	[(ii) Tranche:	**[●]]**
5	Issue Price:	**[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in case of fungible issues only if applicable*)]**
6	(i) Specified Denomination:	**[●]** ***(one denomination only)***[*] ***(N.B. Following the entry into force of the 2010 PD Amending Directive on December 31, 2010, Securities to be admitted to trading on a regulated market within the European Economic Area with a maturity date which will fall after the implementation date of the 2010 PD Amending Directive in the relevant European Economic Area Member State (which is due to be no later than July 1, 2012) must have a minimum denomination of EUR100,000 (or equivalent) in order to benefit from exemptions in respect of wholesale securities under Directive 2004/109/EC. Similarly, Securities issued after the implementation of the 2010 PD Amending Directive in a Member State must have a minimum denomination of EUR100,000 (or equivalent) in order to benefit from the wholesale exemption set out in Article 3.2(d) of the Prospectus Directive in that Member State.)***

[*] 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).

	(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]** **[Index Linked Interest]** **[Other (*specify*)]** ***(further particulars specified below)***
10	Redemption/Payment Basis*:	**[Redemption at par]** **[Dual Currency]** **[Partly Paid]** **[Installment]** **[Other (*specify*)]**
11	Change of Interest or Redemption/Payment Basis	**[*Specify details of any provision for convertibility of Securities into another interest or redemption/ payment basis*]**
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. 515-19 of the French *Code monétaire et financier* up to and including EUR [●] billion for the [●] quarter of 200[●].**
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)***

* If the Final Redemption Amount is less than 100% of the nominal value the Securities will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This form of Final Terms has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

	(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 25 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(j)):	**[30/360 / Actual/Actual (ICMA/ISDA) / Other] [Adjusted/ Unadjusted]**
	(vi) Determination Dates (Condition 5(j)):	**[●] in each year (*insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last Coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)**
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Securities:	**[Not Applicable / *Give details*]**
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/ other (*Give details*)] *(Note that this item relates to interest period end dates and not to the date and place of payment, to which item 25 relates)***
	(v) Interest Period Date:	**[●]** **(*Not applicable unless different from Interest Payment Date*)**
	(vi) Business Center(s) (Condition 5(j)):	**[●]**

	(vii) Manner in which the Rate(s) of Interest is/are to be determined:	**[Screen Rate Determination/ISDA Determination/other (*Give details*)]**
	(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)):	
	– 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/other (*Give details*)].]**
	– Relevant Screen Page:	**[●]**
	(x) ISDA Determination (Condition 5(b)(iii)(A)):	
	– Floating Rate Option:	**[●]**
	– Designated Maturity:	**[●]**
	– Reset Date:	**[●]**
	– ISDA Definitions:	**[2000/2006]** ***(Note that a choice has to be made in this item as otherwise the Conditions provide for a fall-back to the 2006 ISDA Definitions.)***
	(xi) Margin(s):	**[+/-][●] per cent. per annum**
	(xii) Minimum Rate of Interest:	**[Not Applicable] / [●] per cent. per annum**
	(xiii) Maximum Rate of Interest:	**[Not Applicable] / [●] per cent. per annum**
	(xiv) Day Count Fraction (Condition 5(j)):	**[●]**
	(xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Securities, if different from those set out in the Conditions:	**[●]**
17	**Zero Coupon Securities**	**[Applicable / Not Applicable]** **(*If not applicable, delete the remaining sub-paragraphs of***

	Provisions	***this paragraph*)**
	(i) Amortization Yield (Condition 6(b)):	**[●] per cent. per annum**
	[(ii) Day Court Fraction (Condition 5(j)):]	**[●]**
	(iii) Any other formula/basis of determining amount payable:	**[●]**
18	**Index-Linked Interest Securities/other variable-linked interest Securities Provisions***	**[Applicable / Not Applicable]** **(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)**
	(i) Index/Formula/other variable:	**[*Give or annex details*]**
	(ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	**[●]**
	(iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:	**[●]**
	(iv) Interest Period(s):	**[●]**
	(v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	**[●]**
	(vi) Interest Determination Date(s):	**[●]**
	(vii) Specified Interest Payment Dates:	**[●]**
	(viii) Business Day Convention:	**[Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*Give details*)] *(Note that this item relates to interest period end dates and not to the date and place of payment, to which item 25 relates)***
	(ix) Business Center(s) (Condition 5(j)):	**[●]**
	(x) Minimum Rate of Interest:	**[Not Applicable] / [●] per cent. per annum**

* If the Final Redemption Amount is less than 100% of the nominal value the Securities will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This form of Final Terms has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

	(xi) Maximum Rate of Interest:	**[Not Applicable] / [●] per cent. per annum**
	(xii) Day Count Fraction (Condition 5(j)):	**[●]**
19	**Dual Currency Securities Provisions***	**[Applicable / Not Applicable]** **(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)**
	(i) Rate of Exchange/Method of calculating Rate of Exchange:	**[*Give details*]**
	(ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Calculation Agent):	**[●]**
	(iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	**[●] (*Need to include a description of market disruption or settlement disruption events and adjustment provisions.*)**
	(iv) Person at whose option Specified Currency(ies) is/are payable:	**[●]**

PROVISIONS RELATING TO REDEMPTION

20	**Call Option**	**[Applicable / Not Applicable]** **(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)**
	(i) Optional Redemption Date(s):	**[●]**
	(ii) Optional Redemption Amount(s) of each Security and method, if any, of calculation of such amount(s):	**[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):	**[●]**

* If the Final Redemption Amount is less than 100% of the nominal value the Securities will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This form of Final Terms has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

* 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.

	(vi) Description of any other Company's option:	**[●]**
21	**Put Option**	**[Applicable / Not Applicable]** **(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)**
	(i) Optional Redemption Date(s):	**[●]**
	(ii) Optional Redemption Amount(s) of each Security and method, if any, of calculation of such amount(s):	**[Early Redemption Amount]/ [[●] per Calculation Amount]**
	(iii) Notice Period:	**[●]**
	(iv) Option Exercise Date(s):	**[●]**
	(v) Description of any other Securityholders' option:	**[●]**
22	**Final Redemption Amount of each Securities***	**[●] per [Calculation Amount/ Aggregate Nominal Amount/ Other/ *See Appendix*]**
	In cases where the Final Redemption Amount is Index-Linked or other variable-linked:	
	(i) Index/Formula/variable:	**[*Give or annex details*]**
	(ii) Party responsible for calculating the Final Redemption Amount (if not the Calculation Agent):	**[●]**
	(iii) Provisions for determining the Final Redemption Amount where calculated by reference to an Index and/or a Formula and/or other variable:	**[●]**
	(iv) Determination Date(s):	**[●]**
	(v) Provisions for determining the Final Redemption Amount where calculation by reference to an Index and/or a Formula and/or other variable is impossible or impracticable or otherwise disrupted:	**[●]**
	(vi) Payment Date:	**[●]**
	(vii) Minimum Final	**[●] per Calculation Amount**

* If the Final Redemption Amount is less than 100% of the nominal value the Securities will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This form of Final Terms has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

	Redemption Amount:	
	(viii) Maximum Final Redemption Amount:	**[●] per Calculation Amount**
23	**Early Redemption Amount**	
	Early Redemption Amount(s) per Calculation Amount payable on any early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	**[Not Applicable] / [●]]**

GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

24	**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)]]**
25	Financial Center(s) (Condition 7(d)) or other special provisions relating to Payment Dates:	**[Not Applicable] /** ***Give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 15(ii), 16(iv) and 18(viii) relate*****]**
26	Details relating to Partly Paid Securities: amount of each payment comprising the Issue Price and date on which each payment is to be made **[**and consequences (if any) of failure to pay, including any right of the Company to forfeit the Securities and interest due on late payment**]**:	**[Not Applicable] /** ***Give details*****]**
27	Details relating to Installment Securities: amount of each installment, date on which each payment is to be made:	**[Not Applicable /** ***Give details*****]**

28	Redenomination, renominalization and reconventioning provisions:	**[Not Applicable] / [The provisions in Condition 1(d) [annexed to these Final Terms] apply]**
29	Consolidation provisions:	**[Not Applicable] / [The provisions in Condition 12 [annexed to these Final Terms] apply]**
30	Other final terms:	**[Not Applicable / *Give details*]** **[*(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*]**

DISTRIBUTION

31	(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) Stabilizing Manager(s) (if any):	**[Not Applicable / G*ive name*]**
32	If non-syndicated, name and address of Dealer:	**[Not Applicable / *Give name and address*]**
33	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.**

34 Additional selling restrictions: **[Not Applicable / *Give details*]**

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue **[**and**]** **[**admission to trading on **[***specify relevant regulated market***]** of the Securities described herein**]** pursuant to the USD **[***insert Program Amount***]** US Medium Term Securities Program of Compagnie de Financement Foncier.

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)	Additional publication of the Base Prospectus and Final Terms:	***Condition 16 which provides that the Base Prospectus and Final Terms of Securities listed and admitted to trading on any Regulated Market will be published on the website of the AMF. Please provide for additional methods of publication in respect of a listing and admission to trading on a Regulated Market other than Euronext Paris S.A.***
(iii)	Estimate of total expenses related to admission to trading:	**[●]**
(iv)	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 and AAA by Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. ("Standard & Poor's").
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 by Fitch Ratings Limited ("Fitch 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 denote the lowest expectation of credit risk. They are assigned only in cases of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events (Source: Fitch Ratings).*

3 **Each of Standard & Poor's, Fitch Ratings and Moody's is established in the European Union and has registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies.**

(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.)

4 **[NOTIFICATION]**

The *Autorité des marchés financiers* in France [has been requested to provide/has provided - *include first alternative for an issue which is contemporaneous with the establishment or update of the Program and the second alternative for subsequent issues*] the [*include names of competent authorities of host Member States*] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

5 **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

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

"Save as discussed in ["*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 are insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii)**]** Estimated total expenses: **[●]**

[Include breakdown of expenses]

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

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

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. [Where the underlying is an index need to include the name of the index and a description if composed by the Company and if the index is not composed by the Company need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.] [*] ***]***

[(When completing this paragraph, 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.)]

The Company [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained]*] [does not intend to provide post-issuance information] [*].

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

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident and any settlement disruption events that affect the underlying. Include details of rules with relation to events concerning the underlying]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a

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[*] Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies. See footnote [**] below.

[**] If the Final Redemption Amount is less than 100% of the nominal value the Securities will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

[***] For derivative securities to which Annex XII to the Prospectus Directive Regulation applies, please complete instead paragraph 10 below relating to explanation of effect on value of investment, return on derivatives securities and information concerning the underlying.

supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

10 **[Derivatives Only – EXPLANATION OF EFFECT ON VALUE OF INVESTMENT, RETURN ON DERIVATIVES SECURITIES AND INFORMATION CONCERNING THE UNDERLYING*]**

EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.

INFORMATION CONCERNING THE UNDERLYING

- a statement setting out the type of the underlying and details of where information on the underlying can be obtained:	**[●]**
- an indication where information about the past and the further performance of the underlying and its volatility can be obtained	**[●]**
- where the underlying is an index:	**[Applicable/Not Applicable]**
• the name of the index and a description of the index if it is composed by the Company. If the index is not composed by the Company, where information about the index can be obtained:	**[●]**
- where the underlying is an interest rate:	**[Applicable/Not Applicable]**
• a description of the interest rate:	**[●]**
- others:	**[Applicable/Not Applicable]**
• where the underlying does not fall within the categories specified above the securities note shall contain equivalent information:	**[●]**
- where the underlying is a basket of underlyings:	**[Applicable/Not Applicable]**
• disclosure of the relevant weightings of each underlying in the basket:	**[●]**
A description of any market disruption or settlement disruption events that affect the underlying:	**[●]**

	Adjustment rules with relation to events concerning the underlying:**]**	**[●]**
	- an indication of the intent of the Company regarding the providing of post-issuance information and where the intent of the Company is to report such information, an indication of the type of information reported and where it can be obtained:	**[●]**
11	**OPERATIONAL INFORMATION**	
	Unrestricted Securities:	
	ISIN Code:	**[●]**
	Common Code:	**[●]**
	Restricted Securities:	
	ISIN Code:	**[●]**
	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, *société anonyme* 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][No]** **[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.][*include this text if "yes" selected in which case Unrestricted Securities must be held in NSS form*]**
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

FORM OF CERTIFICATE OF THE SPECIFIC CONTROLLER RELATING TO THE DEBENTURE ISSUE AMOUNTING TO [•] PURSUANT TO ARTICLES R.515-13 AND L.515-30 OF THE FRENCH MONETARY AND FINANCIAL CODE

[Only applicable if the amount of Securities issued equals or exceeds EUR500,000,000 or its equivalent in any other currency][4]

To the Directors of Compagnie de Financement Foncier,

In our capacity of specific controller (*contrôleur spécifique*) of your company and pursuant to the provisions set forth in Articles L.515-30 and R.515-13 of the French Monetary and Financial Code, we have verified the compliance with the rules provided for in Article L.515-20 and R.515-7-2 pursuant to the French Monetary and Financial Code within the framework of the issuance of Notes of at least [●].

In a decision dated [●], the board of directors of Compagnie de Financement Foncier set the maximum amount of the issuance programme benefiting from the statutory privileged right of payment set forth in Article L.515-19 of the French Monetary and Financial Code at EUR [●] billion, for the period from [●] to [●] , 20[●].

Within the scope of this quarterly issuance programme, in a decision dated [●], 20[●], the [●] of Compagnie de Financement Foncier approved a notes issuance benefiting from the statutory privileged right of payment set forth in Article L.515-19 of the French Monetary and Financial Code, for an amount of [●].

Article L.515-20 of the French Monetary and Financial Code states that the total amount of assets held by *sociétés de crédit foncier* must be greater than the amount of liabilities benefiting from the privileged right of payment mentioned in Article L.515-19 of such code. Furthermore, Article R.515-7-2 of such code provides that *sociétés de crédit foncier* must all the time maintain a cover ratio of at least 102 per cent. of their assets to the total amount of their liabilities benefiting from the statutory privileged right.

It is our responsibility to certify the compliance with such rules for the issuance at stake.

Compliance with these rules, after taking into account the aforementioned note issuance, was verified on the basis of estimated and forecasted financial data, drawn up under your responsibility. The forecasted financial data were drawn up on the basis of assumptions which reflect the position that you deemed to be most likely as of the date of the issuance at hand. This information is presented in an appendix to this report.

We performed our review in accordance with the standards procedures issued in the professional rules and practices of the National Association of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) that are applicable to this type of assessment.

Our work consisted of:

- verifying the conformity of the amount of the note issuance with the decision authorizing this issue,
- examining the process of presenting the forecasted financial data including the aforementioned issue, in light of the fact that, as the forecasts are uncertain by nature, the actual results could differ significantly from the forecasted data presented,
- verifying the methods for calculating the forecasted cover ratio provided for in Regulation no. 99-10 of the French Banking and Financial Regulations Committee and Instruction 2011-I-06 of the *Autorité de Contrôle Prudentiel*,
- verifying compliance with the rules set forth in Articles L.515-20 and R.515-7-2 of the French Monetary and Financial Code, based on the forecasted financial data.

[4] The original French version of the Certificate is appended hereto.

Based on our work, we have no comments with respect to the compliance by Compagnie de Financement Foncier with Articles L.515-20 and R.515-7-2 of the French Monetary and Financial Code, after taking into account the aforementioned notes issuance.

This certificate is established for your attention only and should not be used, transmitted or quoted for any other purposes.

Paris, [●], 20[●]
The Specific Controller

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CAILLIAU DEDOUIT ET ASSOCIES
Laurent BRUN

APPENDIX

Figures after taking into account the note issues for the period from [●][●] to [●][●] including the present note issuance of [●] (value date [●][●])

In million of EUR	**Estimated Figures**	**Forecasted Figures**
	As of [●][●]	**As of [●][●]**
Total application of funds	[●]	[●]
Total weighted assets	[●]	[●]
Total sources of funds that qualify for the privileged right mentioned in Article L.515-19 of the French Monetary and Financial Code	[●]	[●]

The original certificate in French reads :

Au Conseil d'administration de la Compagnie de Financement Foncier,

En notre qualité de Contrôleur Spécifique de la Compagnie de Financement Foncier et en exécution des dispositions prévues par les articles L.515-30 et R.515-13 du Code monétaire et financier, nous avons procédé à la vérification du respect des règles relatives au ratio de couverture prévues aux articles L.515-20 et R.515-7-2 du Code monétaire et financier, dans le cadre de l'émission d'obligations foncières d'une valeur unitaire au moins égale à EUR500 millions.

Par décision en date du [●] 20[●], le Conseil d'administration de la Compagnie de Financement Foncier a fixé le plafond maximum du programme d'émissions de ressources bénéficiant du privilège institué par l'article L.515-19 du Code monétaire et financier, à [●] milliards, pour la période allant du [●] au [●] 20[●].

Dans le cadre de ce programme trimestriel d'émissions, par décision en date du [●], le [●] de la Compagnie de Financement Foncier a autorisé le une émission de ressources bénéficiant du privilège institué par l'article L.515-19 du Code monétaire et financier, pour un montant de [●].

L'article L.515-20 du Code monétaire et financier dispose que le montant total des éléments d'actif des sociétés de crédit foncier doit être supérieur au montant des éléments de passif bénéficiant du privilège mentionné à l'article L.515-19 de ce code. En outre, l'article R.515-7-2 de ce code dispose que les sociétés de crédit foncier sont tenues de respecter à tout moment un ratio de couverture des ressources privilégiées par les éléments d'actifs au moins égal à 102%.

Il nous appartient d'attester du respect de ces règles au titre de la présente opération.

Le respect de ces règles, après prise en compte de l'émission susvisée, a été vérifié sur la base d'informations financières estimées et prévisionnelles établies sous votre responsabilité. Les informations financières prévisionnelles ont été établies à partir des hypothèses traduisant la situation future que vous avez estimée la plus probable à la date de la présente émission. Ces informations sont jointes à la présente attestation.

Nous avons mis en œuvre les diligences que nous avons estimé nécessaires au regard de la doctrine professionnelle de la Compagnie Nationale des Commissaires aux Comptes relative à cette mission.

Nos travaux ont consisté à:

- vérifier la conformité du montant de l'émission visée ci-dessus avec le procès-verbal de l'organe autorisant cette émission ;
- examiner le processus d'élaboration des données financières prévisionnelles tenant compte de la présente émission, étant rappelé que, s'agissant de prévisions présentant par nature un caractère incertain, les réalisations différeront parfois de manière significative, des informations prévisionnelles établies ;
- vérifier les modalités de calcul du ratio de couverture issu de ces données prévisionnelles, telles qu'elles sont prévues par les dispositions du règlement 99-10 du CRBF et par l'instruction 2011-I-06 de l'Autorité de Contrôle Prudentiel ;
- vérifier le respect des règles prévues aux articles L.515-20 et R.515-7-2 sur la base de ces données financières prévisionnelles.

Sur la base de nos travaux, nous n'avons pas d'observation à formuler sur le respect, par la Compagnie de Financement Foncier, des dispositions prévues aux articles L.515-20 et R.515-7-2 du Code monétaire et financier après prise en compte de la présente émission visée ci-dessus.

Cette attestation est établie à votre attention dans le contexte décrit ci-avant et ne doit pas être utilisée, diffusée ou citée à d'autres fins.

Paris, le [●] 20[●]
Le Contrôleur Spécifique

_____

CAILLIAU DEDOUIT ET ASSOCIES
Laurent BRUN

ANNEXE

Montants après prise en compte des émissions obligataires réalisées du [●][●] au [●][●], y compris la présente émission de [●] (date de règlement [●][●])

En millions d'euros	Estimé	Prévisionnel
	Au [●] [●]	Au [●][●]
Total des emplois	[●]	[●]
Total des emplois pondérés	[●]	[●]
Total des ressources bénéficiant du privilège mentionné à l'article L.515-19 du Code monétaire et financier	[●]	[●]

GENERAL INFORMATION

(1) *AMF visa and admission to trading of the Securities issued under the Program*

This Base Prospectus has received visa n°12-297 from the AMF on June26, 2012. Application has been made to list and admit the Securities to trading on Euronext Paris and/or on any other regulated market in a Member State of the EEA. At the same time, for the sole purpose of admitting to trading Securities on the regulated market of the Luxembourg Stock Exchange, application has been made to the AMF for the notification of a certificate of approval to the *Commission de surveillance du secteur financier* in Luxembourg, both approval and notification being made by the AMF in its capacity as competent authority under the Article 212-2 of its *Règlement Général* which implements the Prospectus Directive. In compliance with Article 18 of the Prospectus Directive, such notification may also be made at the request of the Company to any other competent authority of any other Member State of the EEA.

(2) *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.

(3) *No significant changes in the financial and trading position of the Company*

Except as disclosed in this Base Prospectus, there has been no significant changes in the financial or trading position of the Company since the end of the last financial period for which audited financial information has been published.

(4) *No material adverse changes in the prospects of the Company*

Except as disclosed in this Base Prospectus, there has been no material adverse changes in the prospects of the Company since the date of its last published audited financial statements.

(5) *No governmental, legal or arbitration proceedings involving the Company*

Except as disclosed in this Base Prospectus, 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.

(6) *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.

(7) *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.

(8) *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.

(9) *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 audited financial statements of the Company for the financial years ended December 31, 2011, December 31, 2010 and December 31, 2009 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).

For so long as the Securities may be admitted to trading on Euronext Paris, the documents listed in (v) and (vi) above will be available on the website of the AMF (*www.amf-france.org*) and the documents listed in (vi) above will also be available on the website of the Company (*www.foncier.fr*).

This Base Prospectus and the Final Terms for Securities that are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange will be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

(10) *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.

(11) *Auditors*

PricewaterhouseCoopers Audit, 63, rue de Villiers, 92200 Neuilly sur Seine, France and KPMG Audit, Department of KPMG S.A., 1, Cours Valmy, 92923 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, 2011, December 31, 2010 and December 31, 2009.

(12) *Compliance with the legal over-collateralization ratio*

Pursuant to article R.515-13 IV of the French *Code Monétaire et Financier*, the Specific Controller of the Company certifies quarterly compliance by the Company with the 102% legal over-collateralization ratio set out in articles L.515-20 and R.515-7-2 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.

APPENDIX 1

SPECIFIC CONTROLLER'S CERTIFICATION ON THE VALUATION AND PERIODIC REVIEW METHODS AND RESULTS FOR REAL ESTATE AS FOR DECEMBER 31, 2011

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 99-10 of the CRBF, we proceeded to the assessment of the validity, in accordance with applicable regulations, of the methods used to valuate the real estate assets underlying the loans and their results, and of the methods used to periodically review their value, as published together with the financial statements for the year ended December 31, 2011 and appended hereto.

The valuation methods and their results for real estate assets and the methods used to periodically review 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 December 31, 2011.

We employed 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 of checking the compliance of :

- the procedures, the valuation and periodic review methods and their results, in their design and application, with applicable regulations as of December 31, 2011;

- the information published together with the annual financial statements with, on one hand, the implemented system for valuation and periodic review, and on the other hand, with the results of the valuation system implementation.

Based on our work, we have no observations to make with respect to compliance with the provisions set out in Articles 2 to 4 of the Regulation 99-10 of the CRBF, the valuation methods for the real estate assets and their results, or the methods used to periodically review their value, as published together with the financial statements for the year ended December 31, 2011.

Paris, March 30, 2012
Specific Controller

CAILLIAU DEDOUIT et Associés Laurent BRUN
19, Rue Clément Marot
75008 Paris

COMPAGNIE DE FINANCEMENT FONCIER
4, quai de Bercy
94224 Charenton Cedex

PROCEDURE FOR THE VALUATION AND PERIODIC REVIEW OF THE VALUE OF THE ASSETS UNDERLYING THE LOANS AS OF DECEMBER 31, 2010

I. Valuation method for assets underlying the loans

A. General asset valuation principles

The procedure described below has been determined pursuant to Articles 1 and 2 of CRBF Regulation No. 99-10 as amended by Regulation No. 2002-02 and subsequently by the decrees of 7 May 2007 and February 23, 2011 transposing European Directive 2006/48/EC into French law.

Real estate financed by eligible loans or provided as security for these loans is subject to prudent valuation rules.

The valuation is based on the real estate assets' long-term characteristics, normal and local market conditions, the current use of the asset and other possible uses.

B. Derogation rule used by Compagnie de Financement Foncier

For loans originated between January 1st , 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 28 July 2003, the cost of the transaction without discount is taken as the estimated value of the asset for all transactions involving residential property for individuals where the transaction cost is less than €350,000. Following the amendments made to CRBF Regulation No. 99-10, this principle was extended to :

- for the period of 7 May 2007 to 23 February 2011, all residential property transactions with individuals for which the transaction cost is less than €450,000, or where the outstanding principal amount of the loan acquired or the total amount authorized is less than €360,000 ;

- beginning on 24 February 2011, all residential property transactions with individuals for which the transaction cost is less than €600,000, or where the outstanding principal amount of the loan acquired or the total amount authorized is less than €480,000.

Above these thresholds, the appraised value is considered equivalent to the value of the property.

C. Summary

The above-mentioned rules, applied since February 24, 2011, are summarized in the following table:

Property Type	Cost of transaction is less than €600,000 or acquired loan is less than €480,000	Cost of transaction is greater than €600,000 or more, or acquired loan is €480,000 or more
Residential property for private individuals	Transaction cost	Appraisal
Residential property for professionals	Appraisal	Appraisal
Commercial property [(1)]	Appraisal	Appraisal
[(1)]Commercial property 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.		

Valuations apply to all collateral underlying loans authorized (i.e. signed by the parties) during the year, regardless of whether or not they have been drawn down.

Other collateral (underlying loans authorized before 2011 and already valuated or re-valuated) is mandatorily subject to a periodic valuation review as presented hereafter (see Sections II, III and IV).

II. Periodic review methods for residential property for individuals and professionals

The rules detailed below apply to collateral underlying loans implemented before 2011.

Two periodic review methods are used to determine the value of collateral, as per the following distinction:

– the so-called S1 statistical method:

  • for all residential properties for private individuals;

  • for all residential properties for professionals for which the amount is less than €600,000 or for which the outstanding principal amount of the loan secured by the property is less than €480,000 or greater.

– the so-called S2 statistical method for all residential properties for professionals for which the amount is more than €450,000 or for which the outstanding principal amount of the loan secured by the property is more than €360,000.

A. S1 periodic review method

Principles

This method, which aims to approximate market value as closely as possible, is based on establishing indices. The indices obtained are the changes from one year to the next in market values. In accordance with the law, assets are valued on a prudent basis, and then revalued by applying the indices.

The indices reflect four distinct geographical categories:

i) the 110 urban areas with more than 50,000 inhabitants as per the postal code groups established by the INSEE (French National Institute for Statistics and Economic Studies). The list of these towns and their composition change as the urban fabric and real estate markets evolve.

ii) outside these urban areas, the “non-urban” real estate market is divided into twenty administrative regions, excluding Corsica and Île-de-France (Paris metropolitan area).

iii) Île-de-France excluding the city of Paris is valued separately using specific indices for each of the 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: 110 apartment indices/110 house indices;

– non-urban: 20 house indices;

– Île-de-France (excluding Paris): 7 apartment indices/7 house indices;

– Paris: 1 apartment index.

When the apartment/house 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 located in Corsica or in the French overseas departments or territories, or if its location is unclear, the annual trend indices used for the corresponding type of housing are:

– for apartments: the average of the urban apartment indices;

– for houses: the lower of the two averages for urban and non-urban houses.

Revaluation cycle management

Real estate value indices are updated annually. New indices are established each November based on the period ending September 30.

The revaluation cycle is thus managed on a one year rolling period from September 30 of year "n-1" to September 30 of year "n".

Sources

These indices are based on an ad hoc survey of the network of regional real estate appraisers carried out each year by the real estate research division, quarterly gross statistical real estate information held in its database and regional indicators from "marche-immo.com".

B. S2 periodic review method

For 2011, the S2 revaluation method consisted in applying the annual change in the rental index for residential property to 2010 values, i.e. +1.4% (source: INSEE).

III. Methods for periodic review of commercial real estate (non residential)

In accordance with the provisions of CRBF Regulation No. 99-10, the following three valuation methods are applied to commercial properties depending on their characteristics:

A. The so-called "E1" method

This category covers commercial properties, the value of which is less than €600,000 or for which the outstanding principal amount of the loan secured by the property is more than €480,000.

Assets in this category are individually revalued by means of appraisal every three years, and statistically in the interim years using the S1 method.

B. The so-called "E2" method

This category covers commercial properties, the value of which is more than €600,000 and for which the outstanding principal amount of the loan secured by the property is more than €480,000.

Each property in this category is individually revalued every year by means of appraisal. The appraiser determines a prudential mortgage value based on an in-depth analysis of the type of asset and its specific characteristics and on a prudent, forward-looking view of the market.

C. The so-called "S1" statistical method

This category covers commercial properties where the outstanding principal amount of the loan secured by the property has fallen below 30% of the initial principal amount of the loan.

For real estate in this category, the S1 statistical revaluation method (see section II.A above) is applied to the most recent appraisal value.

IV. Summary table of methods

<table>
<tr><td>Type of asset</td><td>Transaction cost >€600K and total authorised amount ≤ €480K

or

Transaction cost ≤ €600K and total authorized amount >€480K</td><td colspan="2">Transaction cost >€600K and

total

authorized amount >€480K</td><td>Disputed cases</td></tr>
<tr><td rowspan="2">Residential</td><td colspan="3">If private individual customer: S1 method</td><td rowspan="4">Specific individual appraisal</td></tr>
<tr><td>If professional customer: S1 method</td><td colspan="2">If professional customer: S2 method</td></tr>
<tr><td rowspan="3">Non-residential</td><td>Outstanding principal/initial principal < 30% and total authorized amount ≤ €480K</td><td colspan="2">Outstanding principal/initial principal > 30%</td></tr>
<tr><td></td><td>Transaction cost or value of asset ≤ €600K and total authorised amount >€480K</td><td>Transaction cost >€600K and total authorised amount >€480K</td></tr>
<tr><td>S1 method</td><td>E1 method</td><td>E2 method</td></tr>
</table>

V. Specificities of Dutch security

The re-evaluation focused on a volume of 900 securities, associated to 900 credits for a total amount of €77.9 million. The re-evaluation is realized upon the PBK index developed by the Dutch land register. On the “appartments” segment, the average index decreased by 2.6% in 2011.

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