



BNP PARIBAS HOME LOAN SFH

BNP Paribas Home Loan SFH (duly licensed French specialised credit institution) € 35,000,000,000 Covered Bond Programme for the issue of *Obligations de Financement de l'Habitat*

Under the Covered Bond Programme described in this Base Prospectus (the "**Programme**"), BNP Paribas Home Loan SFH (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may issue covered bonds (*obligations de financement de l'habitat*) to be governed either by French law or German law, as specified in the relevant Final Terms (as defined below) (respectively, the "**French Law Covered Bonds**" and the "**German Law Covered Bonds**" and together, the "**Covered Bonds**"). The Issuer is licensed as a *société de financement de l'habitat* ("**SFH**") by the *Autorité de contrôle prudentiel et de résolution*. All French Law Covered Bonds and German Law Covered Bonds will benefit from the statutory *privilège* (priority in right of payment) over all the assets and revenues of the Issuer created by Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*) (the "**Privilège**"), as more fully described herein.

The aggregate nominal amount of Covered Bonds outstanding will not at any time exceed € 35,000,000,000 (or its equivalent in other currencies) at the date of issue.

The minimum denomination of each Covered Bond admitted to trading on a Regulated Market (as defined below) in any member state of the European Economic Area ("**EEA**") (a "**Member State**") in circumstances which require the publication of a prospectus under the Prospectus Directive (as defined below) will be € 1,000 (or its equivalent in any other currency at the issue date), or such higher amount as may be allowed or required from time to time by the relevant monetary authority or any laws or regulations applicable to the relevant Specified Currency (as defined in "Terms and Conditions of the Covered Bonds – Interest and other Calculations").

Application has been made to the *Autorité des marchés financiers* (the "**AMF**") for approval of this Base Prospectus in its capacity as competent authority in France pursuant to Article L.621-8 of the French Monetary and Financial Code (*Code monétaire et financier*) which implements the Directive 2003/71/EC of 4 November 2003, as amended (the "**Prospectus Directive**"). Application may be made to Euronext Paris for the French Law Covered Bonds issued under the Programme during a period of twelve (12) months after the date of the visa granted by the AMF on this Base Prospectus to be listed and admitted to trading on the regulated market of Euronext Paris. The regulated market of Euronext Paris is a regulated market for the purposes of the Directive 2004/39/EC of 21 April 2004 (each such market being a "**Regulated Market**"). French Law Covered Bonds issued under the Programme may also be unlisted or listed and admitted to trading on any other market, including any other Regulated Market in any member state of the EEA. The relevant final terms (a form of which is contained herein) in respect of the issue of any French Law Covered Bonds (the "**Final Terms**") will specify whether or not such Covered Bonds will be listed and admitted to trading on any market and, if so, the relevant market. The German Law Covered Bonds will not be admitted to trading nor listed on any market or stock exchange. Covered Bonds admitted to trading on a Regulated Market of the European Union in circumstances which require the publication of a prospectus under the Prospectus Directive shall have a minimum denomination of at least € 1,000, or such higher amount as may be allowed or required by the relevant monetary authority or any applicable laws or regulations.

Covered Bonds will be issued on a continuous basis in series (each a "**Series**") having one or more issue dates and (except in respect of the first payment of interest) on terms otherwise identical, the Covered Bonds of each Series being intended to be interchangeable with all other Covered Bonds of that Series. Each Series may be issued in tranches (each a "**Tranche**") on different issue dates. The specific terms of each Series will be set forth in the Final Terms.

French Law Covered Bonds may be issued either in dematerialised form ("**Dematerialised Covered Bonds**") or in materialised form ("**Materialised Covered Bonds**") as more fully described herein. Dematerialised Covered Bonds will at all times be in book entry form in compliance with Articles L. 211-3 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*). No physical documents of title will be issued in respect of the Dematerialised Covered Bonds.

Dematerialised Covered Bonds may, at the option of the Issuer, be (i) in bearer form (*au porteur*) inscribed as from the issue date in the books of Euroclear France (acting as central depository) which shall credit the accounts of the Account Holders (as defined in "Terms and Conditions of the Covered Bonds - Form, Denomination, Title and Redenomination") including Euroclear Clearstream, Luxembourg, or (ii) in registered form (*au nominatif*) and, in such latter case, at the option of the relevant Bondholder (as defined in "Terms and Conditions of the Covered Bonds - Form, Denomination, Title and Redenomination"), in either fully registered form (*au nominatif pur*), in which case they will be inscribed in an account maintained by the Issuer or by a registration agent (appointed in the relevant Final Terms) for the Issuer, or in administered registered form (*au nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Bondholder.

Materialised Covered Bonds will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a "**Temporary Global Certificate**") will initially be issued in relation to Materialised Covered Bonds. Such Temporary Global Certificate will subsequently be exchanged for definitive Materialised Covered Bonds with, where applicable, coupons for interest or talons attached (the "**Definitive Materialised Covered Bonds**"), on or after the fortieth (40th) day after the issue date of the Covered Bonds (subject to postponement as described in "Temporary Global Certificate in respect of Materialised Covered Bonds") upon certification as to non-U.S. beneficial ownership as more fully described herein. Temporary Global Certificates will (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depository for Euroclear and Clearstream, Luxembourg, and (b) in the case of a Tranche intended to be cleared through a clearing system

other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer(s) (as defined below).

German Law Covered Bonds will be issued in materialised registered form only.

The Covered Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction in the United States. The Covered Bonds may include Covered Bonds in bearer form (including French Law Covered Bonds which are Materialised Covered Bonds) that are subject to U.S. tax law requirements. Subject to certain exceptions, the Covered Bonds may not be offered or sold or, in the case of Materialised Covered Bonds in bearer form, delivered within the United States or to, or for the account or benefit of, United States persons as defined in the U.S. Internal Revenue Code of 1986, as amended.

The Covered Bonds are being offered and sold only outside the United States in offshore transactions to non-U.S. persons in reliance on Regulation S under the Securities Act ("Regulation S"). See "Plan of Distribution".

Covered Bonds issued under the Programme are expected on issue to be rated AAA by Standard & Poor's Ratings Services and AAA by Fitch Ratings (together, the "**Rating Agencies**"). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. As of the date of this Base Prospectus, each of the Rating Agencies is established in the European Union and is registered under Regulation (EU) No. 1060/2009, as amended and is included in the list of registered credit rating agencies published at the website of the European Securities and Markets Authority (www.esma.europa.eu/page/List-registered-and-certified-CRAs).

This Base Prospectus and the documents incorporated by reference in this Base Prospectus will be available on the websites of BNP Paribas (www.invest.bnpparibas.com/) and the AMF (www.amf-france.org).

See "Risk Factors" below for certain information relevant to an investment in the Covered Bonds to be issued under the Programme.



In accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the *Règlement général* of the *Autorité des marchés financiers* (AMF), in particular Articles 212-31 to 212-33, the AMF has granted to this Base Prospectus its visa n°14-407 on 15 July 2014. This document may be used for the purposes of a financial transaction only if it is supplemented by final terms. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L.621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and understandable, and whether the information it contains is consistent". It does not imply that the AMF has verified the accounting and financial data set out herein. This visa has been granted subject to the publication of final terms in accordance with Article 212-32 of the AMF's *Règlement général*, setting out the terms and conditions of the securities to be issued.

ARRANGER AND PERMANENT DEALER

BNP PARIBAS

This Base Prospectus (together with all supplements thereto from time to time) constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and contains all relevant information concerning the Issuer which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, as well as the base terms and conditions of the French Law Covered Bonds to be issued under the Programme. The terms and conditions applicable to each Tranche not contained herein (including, without limitation, the aggregate nominal amount, issue price, redemption price thereof, and interest, if any, payable thereunder) will be determined by the Issuer and the relevant Dealer(s) at the time of the issue and will be set out in the relevant Final Terms.

This Base Prospectus should be read and construed in conjunction with any document and/or information which is incorporated herein by reference in accordance with Article 212-11 of the *Règlement général* of the AMF implementing the Prospectus Directive in France and Article 28 of the European Commission Regulation no.809/2004 dated 29 April 2004 (see "Documents incorporated by Reference" below) as well as, in relation to any Tranche of Covered Bonds, with the relevant Final Terms.

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

No person is or has been authorised to give any information or to make any representation other than those contained or incorporated by reference in this Base Prospectus in connection with the issue or sale of the Covered Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger or the Dealer (as defined in "General Description of the Programme"). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented, or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented, or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied, or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and the offering or sale of Covered Bonds in certain jurisdictions may be restricted by law. The Issuer and the Dealer do not represent that this Base Prospectus may be lawfully distributed, or that any Covered Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealer which is intended to permit a public offering of any Covered Bonds or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Covered Bond may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Covered Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Covered Bonds. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Covered Bonds in the United States of America, Japan and the European Economic Area (including France, Republic of Italy, the Netherlands and the United Kingdom).

For a description of these and certain further restrictions on offers, sales and transfers of Covered Bonds and on distribution of this Base Prospectus, see "Plan of Distribution".

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

The Arranger and the Dealer have not separately verified the information contained or incorporated by reference in this Base Prospectus. Neither the Arranger nor the Dealer makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information contained or incorporated by reference in this Base Prospectus. Neither this Base Prospectus nor any other information supplied in connection with the Programme (including any information incorporated by reference therein) is intended to provide the basis of any credit or other evaluation and

should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealer that any recipient of this Base Prospectus or any other financial statements should purchase the Covered Bonds. Each prospective investor of Covered Bonds should determine for itself the relevance of the information contained or incorporated by reference in this Base Prospectus and its purchase of Covered Bonds should be based upon such investigation as it deems necessary. Neither the Arranger nor the Dealer undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or prospective investor in the Covered Bonds of any information that may come to the attention of the Dealer or the Arranger.

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

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

Prospective purchasers of Covered Bonds should ensure that they understand the nature of the relevant Covered Bonds and the extent of their exposure to risks and that they consider the suitability of the relevant Covered Bonds as an investment in the light of their own circumstances and financial condition. Covered Bonds involve a high degree of risk and potential investors should be prepared to sustain a total loss of the purchase price of their Covered Bonds. For more information, see "Risk Factors".

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

FORWARD-LOOKING STATEMENTS

Some sections of this Base Prospectus, in particular, "The Issuer", and of the documents incorporated by reference contain forward-looking statements. The Issuer may also make forward-looking statements in their audited annual financial statements, in their interim financial statements, in their offering circulars, in press releases and other written materials and in oral statements made by their officers, directors or employees to third parties. Statements that are not historical facts, including statements about the Issuer beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made, and the Issuer undertakes no obligation to update publicly any of them in light of new information or future events.

SUPPLEMENT TO THE BASE PROSPECTUS

In connection with Covered Bonds admitted to trading on a Regulated Market, unless the Issuer does not intend to issue Covered Bonds under the Programme for the time being, if at any time during the duration of the Programme there is a significant change affecting any matter contained or incorporated by reference in this base prospectus (the "**Base Prospectus**"), including any modification of the terms and conditions or generally any significant new factor, material mistake or inaccuracy relating to information, included in this Base Prospectus which is capable of affecting the assessment of any Covered Bonds, which inclusion would reasonably be required by investors, and would reasonably be expected by them to be found in this Base Prospectus, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the rights attaching to the Covered Bonds, the Issuer shall prepare a supplement to the Base Prospectus in accordance with Article 16 of the Prospectus Directive and Article 212-25 of the AMF's *Règlement général* for use in connection with any subsequent offering of the Covered Bonds, submit such supplement to the Base Prospectus to the AMF for approval and supply each Dealer, Euronext Paris and the AMF with such number of copies of such supplement to the Base Prospectus as may reasonably be requested.

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**PERSONS RESPONSIBLE FOR THE INFORMATION
GIVEN IN THE BASE PROSPECTUS**

In the name of the Issuer

To the best of my knowledge, having taken all reasonable care to ensure that such is the case, I represent that the information relating to the Issuer contained or incorporated by reference in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Paris, 15 July 2014

BNP Paribas Home Loan SFH

1, boulevard Haussmann
75009 Paris
France

duly represented by Mrs Véronique FLOXOLI
in its capacity as *Directeur Général* of the Issuer

SUMMARY OF THE PROGRAMME

Disclaimer:

The summary set out below complies with the requirements of the Directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003, as amended (the "**Prospectus Directive**") and the Commission Regulation No 809/2004 implementing the Prospectus Directive, as amended (the "**PD Regulation**"), including the contents requirements set out in Annex XXII of the PD Regulation. These contents requirements are applicable to the French Law Covered Bonds and the German Law Covered Bonds (the "**Covered Bonds**") to the extent permitted by the terms and conditions (the "**Conditions**") applicable to the French Law Covered Bonds and the German Law Covered Bonds, as applicable, issued under the Covered Bond Programme (the "**Programme**") described in this base prospectus (the "**Base Prospectus**") with a denomination of less than EUR 100,000 (or its equivalent in other currencies), and the summary hereinafter is designed for potential investors in the Covered Bonds.

Summaries are made up of disclosure requirements known as "Elements" required by Annex XXII of the Delegated Regulation (EU) n°486/2012. These Elements are numbered in sections A —E (A.1 —E.7). This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'Not applicable'.

Section A – Introduction and warnings

A.1	General disclaimer regarding the summary	<p>This summary should be read as an introduction to this Base Prospectus and is provided as an aid to investors when considering whether to invest in any Covered Bonds, but is not a substitute for the Base Prospectus. Any decision to invest in the Covered Bonds should be based on a consideration of this Base Prospectus as a whole by the investor, including any documents incorporated by reference, any supplement thereto, as the case may be, and the relevant final terms (the "Final Terms"). Where a claim relating to information contained in this Base Prospectus is brought before a court in a member state of the European Economic Area (a "Member State"), the plaintiff investor, might, under the national legislation of the Member State where the claim is brought, have to bear the costs of translating this Base Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus or it does not provide, when read together with the other parts of this Base Prospectus, key information (as defined in Article 2.1(s) of the Prospectus Directive) in order to aid investors when considering whether to invest in the Covered Bonds.</p>
A.2	Information regarding consent by the Issuer to the use of the Prospectus	Not applicable. There is no consent given by the Issuer to use the Base Prospectus, as supplemented from time to time, and of the applicable Final Terms (together, the " Prospectus ").

Section B – Issuer

B.1	Legal and commercial name of the Issuer	BNP Paribas Home Loan SFH (the " Issuer ").
B.2	Registered	BNP Paribas Home Loan SFH, a limited liability company (<i>société anonyme</i>)

	office/ Legal form/ Legislation/ Country of incorporation	<p>incorporated under French law and a duly licensed in France as specialised credit institution (<i>établissement de crédit spécialisé</i>) with the status of <i>société de financement de l'habitat</i> delivered by the <i>Autorité de contrôle prudentiel et de résolution</i> .</p> <p>The Issuer is governed by the laws and regulations applicable to limited liability companies (<i>sociétés anonymes</i>), to specialized credit institutions (<i>établissements de crédit spécialisés</i>) and in particular to <i>sociétés de financement de l'habitat</i>.</p> <p>The Issuer's registered office is at 1, boulevard Haussmann - 75009 Paris - France.</p>
B.4b	Description of any known trends affecting the Issuer and the industries in which it operates	<p>The measures that were recently adopted that have or are likely to affect the Issuer, include in particular :</p> <ul style="list-style-type: none"> - the Ordinance no. 2013-544 dated 27 June 2013 relating to credit institutions and financing companies (<i>Sociétés de financement</i>) which came into force on 1 January 2014. In particular, as a result of such entry into force on 1st January 2014, the Issuer became a specialised credit institution (<i>établissement de crédit spécialisé</i>) as from 1st January 2014. Such entry into force has not changed the content of the specific legal regime applicable to <i>sociétés de financement de l'habitat</i>. However, as a specialised credit institution (<i>établissement de crédit spécialisé</i>), the Issuer now conducts an activity of receiving funds from the public (<i>réception de fonds remboursables du public</i>). Such a new activity will be conducted by issuing French law Covered Bonds with a denomination of less than € 100,000, which may be considered by French law as an activity of receiving funds from the public (<i>réception de fonds remboursables du public</i>); and - change in the French SFH legal framework : the Decree n°2014-526 dated 23 May 2014 and the <i>Arrêté</i> dated 26 May 2014 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>) relating to improvement of prudential framework which in particular reinforce the minimum overcollateralisation ratio from 102% to 105% and limit exposure on the parent company.
B.5	Description of the Issuer's Group and the Issuer's position within the Group	<p>At the date of this Base Prospectus, the Issuer is an entirely owned subsidiary of BNP Paribas.</p> <p>BNP Paribas is a European leading provider of banking and financial services and has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg. It is present in 75 countries and has almost 185,000 employees, including over 141,000 in Europe. BNP Paribas is the parent company of the BNP Paribas Group.</p> <p>On June 30, 2014 the Bank entered into a comprehensive settlement that included agreements with and orders issued by U.S. federal and New York state government agencies and regulatory authorities comprising the U.S. Department of Justice, the New York County District Attorney's Office, the U.S. Attorney's Office for the Southern District of New York, the Board of Governors of the Federal Reserve System, the Office of Foreign Assets Control of the U.S. Department of the Treasury and the New York State Department of Financial Services, in settlement of investigations into violations of U.S. laws and regulations regarding economic sanctions.</p> <p>The fines and penalties imposed on the Bank as part of this settlement include, among other things, the payment of monetary penalties totaling approximately \$8.97 billion (€6.6 billion), guilty pleas by BNP Paribas S.A., the parent company of the BNP Paribas group, to charges of having violated U.S. federal criminal law (conspiracy to violate the Trading with the Enemy Act and the International Emergency Economic Powers Act) and New York State criminal law (conspiracy and falsifying business records), and the suspension of the New York branch of BNP Paribas for (a) a one-year period (2015) of the USD direct clearing focused mainly on the Oil & Gas Energy and Commodity Finance business line in certain locations and (b) a two-year period of U.S. dollar clearing as a correspondent bank for unaffiliated third party banks in New York and London.</p> <p>Following the settlement, the Bank expects its banking licenses to be maintained where it operates (although this settlement could provide the basis for a regulator to rescind a license), and has received confirmations or assurances in this regard from its principal regulators. The Bank expects that the settlement will have no impact on its operational or business capabilities to serve the vast majority of its clients. There can be no assurance, however, that unanticipated collateral consequences of the settlement will not adversely affect its business. Such unanticipated collateral consequences include the possibility that clients, counter-parties and other persons or entities with whom the Bank does business may choose to limit their future business with the Bank. It also includes for some limited activities, in particular in the United States, the possibility that an authority may refuse to grant the Bank a waiver needed to pursue a specific activity, or may withdraw an authorization to conduct a specific activity. Similarly, the Bank cannot be certain that the</p>

		suspension of U.S. dollar clearing in respect of certain of its business lines will not lead to a loss of business.																								
B.9	Profit forecast or estimate	Not Applicable. The Issuer does not provide any figure of profit forecast or estimate.																								
B.10	Qualifications in the auditors' report	Not applicable. There are no qualifications in any audit report on the historical financial information included in the Base Prospectus.																								
B.12	Selected historical key financial information	<p><u>Comparative Annual Financial Data (in millions of EUR)</u></p> <table border="1"> <thead> <tr> <th>Income Statement</th> <th>31/12/2013</th> <th>31/12/2012</th> </tr> </thead> <tbody> <tr> <td>Net banking income</td> <td>2.441</td> <td>2.099</td> </tr> <tr> <td>Gross operating income</td> <td>1.585</td> <td>1.111</td> </tr> <tr> <td>Net income</td> <td>0.998</td> <td>0.727</td> </tr> <tr> <th colspan="3">Balance sheet</th> </tr> <tr> <td>Total consolidated balance sheet</td> <td>30,970.199</td> <td>32,590.631</td> </tr> <tr> <td>Shareholders equity</td> <td>286.394</td> <td>287.662</td> </tr> <tr> <td>Debt securities</td> <td>25,882.275</td> <td>27,408.012</td> </tr> </tbody> </table> <p>To the best of the Issuer's knowledge, there has been no material adverse change in the prospects of the Issuer since its last financial statements dated 31 December 2013 and there has been no significant change in the financial or trading position of the Issuer.</p>	Income Statement	31/12/2013	31/12/2012	Net banking income	2.441	2.099	Gross operating income	1.585	1.111	Net income	0.998	0.727	Balance sheet			Total consolidated balance sheet	30,970.199	32,590.631	Shareholders equity	286.394	287.662	Debt securities	25,882.275	27,408.012
Income Statement	31/12/2013	31/12/2012																								
Net banking income	2.441	2.099																								
Gross operating income	1.585	1.111																								
Net income	0.998	0.727																								
Balance sheet																										
Total consolidated balance sheet	30,970.199	32,590.631																								
Shareholders equity	286.394	287.662																								
Debt securities	25,882.275	27,408.012																								
B.13	Recent material events relevant to evaluation of the Issuer's solvency	As at the date of this Base Prospectus and to the best of the Issuer's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency since 31 December 2013.																								
B.14	Extent to which the Issuer is dependent upon other Group entities	<p>The Issuer relies on third parties who have agreed to perform services for the Issuer. In particular, the Issuer rely on BNP Paribas or its affiliate (or their successors) for:</p> <ul style="list-style-type: none"> - the management of its operations in accordance with the provisions of Article L. 513-15 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>); - its risk management; - the origination and monitoring of the Home Loans granted as Borrower Collateral Security (as defined hereafter in item B.16); - the hedging of its obligations under the Covered Bonds; - the provision of liquidity; - the opening and operation of certain of its bank accounts. <p>Without prejudice to the Borrower Collateral Security, it is also exposed to the credit risk of BNP Paribas as Borrower under the Borrower Advances granted by the Issuer.</p> <p>Due to the fact that BNP Paribas or any of its affiliates is acting in several capacities in the operation of the Issuer, potential conflicts of interest may arise during the life of the Programme.</p>																								
B.15	Principal activities of the Issuer	<p>The Issuer's exclusive corporate purpose set out in Article 2 of the Issuer's by-laws is to finance home loans (<i>prêts à l'habitat</i>) (the "Home Loans") and other financial assets which are eligible under the legal framework applicable to <i>sociétés de financement de l'habitat</i> and in order to finance such transactions, the Issuer may issue bonds called <i>obligations de financement de l'habitat</i> that benefit from the <i>privilège</i> provided for in Article L. 513-11 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>) (or incur other forms of borrowings benefiting from the <i>privilège</i>) and may also issue ordinary bonds or raise other sources of financing which do not benefit from the <i>privilège</i>.</p> <p>On the date of this Base Prospectus, the sole activity of the Issuer is to issue Covered Bonds from time to time that benefit from the <i>privilège</i> and to use the proceeds thereof to fund advances (each, a "Borrower Advance"), as lender (in such capacity the "Lender"), to BNP Paribas S.A., as borrower (in such capacity, the "Borrower") under a credit facility</p>																								

		<p>agreement (the "Borrower Facility Agreement"), such Borrower Advances being fully secured by the granting in favour of the Issuer of Home Loan receivables as collateral security (<i>remise en garantie financière à titre de sûreté</i>) pursuant to Articles L. 211-36 to L. 211-40 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>) (the "Borrower Collateral Security") and the provisions of a collateral security agreement (the "Borrower Collateral Security Agreement").</p> <p>Please see schedule attached to this summary of the Programme for an explanatory structure diagram.</p>
B.16	Extent to which the Issuer is directly or indirectly owned or controlled	At the date of this Base Prospectus, the Issuer is an entirely owned subsidiary of BNP Paribas.
B.17	Credit ratings assigned to the Issuer or its debt securities	<p>Covered Bonds issued under the Programme are expected on issue to be rated AAA by Standard & Poor's Ratings Services and AAA by Fitch Ratings (together, the "Rating Agencies").</p> <p>The rating of the Covered Bonds will be specified in the relevant Final Terms.</p> <p>As of the date of this Base Prospectus, each of the Rating Agencies is established in the European Union and is registered under Regulation (EU) No. 1060/2009, as amended and is included in the list of registered credit rating agencies published at the website of the European Securities and Markets Authority (www.esma.europa.eu/page/List-registered-and-certified-CRAs). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change, or withdrawal at any time by the assigning rating agency.</p> <p>Issue specific summary:</p> <p>[Not applicable]/[The Covered Bonds to be issued have been rated/are expected to be rated [●] by [●].]</p>

Section C – Securities

C.1	Type, class and identification number of the Covered Bonds	<p>Covered Bonds description</p> <p>The Covered Bonds may be issued on a syndicated or non-syndicated basis.</p> <p>The Covered Bonds will be issued in series (each a "Series") having one or more issue dates and on terms otherwise identical. Each Series may be issued in tranches (each a "Tranche") on the same or different issue dates. The specific terms of each Tranche will be set out in the relevant Final Terms.</p> <p>Form of the Covered Bonds</p> <p><i>(i) French Law Covered Bonds</i></p> <p>French Law Covered Bonds may be issued either in dematerialised form ("Dematerialised Covered Bonds") or in materialised form ("Materialised Covered Bonds").</p> <p>Dematerialised Covered Bonds may, at the option of the Issuer, be issued in bearer form (<i>au porteur</i>) or in registered form (<i>au nominatif</i>) and, in such latter case, at the option of the relevant holder, in either fully registered form (<i>au nominatif pur</i>) or administered form (<i>au nominatif administré</i>). No physical documents of title will be issued in respect of Dematerialised Covered Bonds.</p> <p>Materialised Covered Bonds will be in bearer form only. A temporary global certificate in bearer form without interest coupons attached will initially be issued in respect of each Tranche of Materialised Covered Bonds. Materialised Covered Bonds may only be issued outside France.</p>
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		<p>French Law Covered Bonds may not be offered or resold within the United States or to, or for the account or benefit of, U.S. persons.</p> <p>The French Covered Bonds will be accepted for clearance through Euroclear France as central depository in relation to Dematerialised Covered Bonds and Clearstream Banking, société anonyme ("Clearstream, Luxembourg"), Euroclear Bank S.A./N.V. ("Euroclear") or any other clearing system that may be agreed between the Issuer, the fiscal agent in respect of the Programme (the "Fiscal Agent") and the relevant dealer in relation to Materialised Covered Bonds.</p> <p><i>(ii) German Law Covered Bonds</i></p> <p>German Law Covered Bonds will be issued in materialised registered form. They will not be accepted for clearing nor admitted to trading nor listed on any market or stock exchange.</p> <p>French Law Covered Bonds identification number The ISIN code of the French Law Covered Bonds will be specified in the relevant Final Terms.</p> <p>Issue specific summary:</p> <p>Covered Bonds description [The Covered Bonds will be issued on a [syndicated / non-syndicated] basis, under Series No. [●], Tranche No. [●].]</p> <p>The Covered Bonds will be issued in the form of [Dematerialised/Materialised] Covered Bonds.</p> <p>The central depository is: [Euroclear France]/[Not Applicable] The common depository is: [[●]]/[Not Applicable]</p> <p>French Law Covered Bonds identification number The identification number of the French Law Covered Bonds to be issued (ISIN) is: [●]. The common code of the French Law Covered Bonds to be issued is: [●].</p>
C.2	Currency	<p>Subject to the hedging strategy to be implemented, as the case may be, from time to time by the Issuer (the "Hedging Strategy") and to compliance with all relevant laws, regulations and directives, Covered Bonds may be issued in Euros, U.S. dollars, Japanese yen, Swiss francs and, subject to prior Rating Affirmation (of Standard & Poor's only), in any other currency agreed between the Issuer and the relevant Dealer(s).</p> <p>"Rating Affirmation" means, with respect to any specified action, determination or appointment and except as otherwise specified herein and/or in any programme documents, notification by the Issuer (or the relevant Representative) to the relevant Rating Agencies, for so long as any Covered Bonds are rated by them, of such specified action, determination or appointment which does not result in the downgrading, or withdrawal, of the ratings then assigned to the Covered Bonds.</p> <p>Issue specific summary:</p> <p>The currency of the issue is:[●].</p>
C.5	Transferability	<p>Not Applicable. There is no restriction on the free transferability of the Covered Bonds (subject to the applicable selling restrictions in various jurisdictions).</p>
C.8	Description of the rights attached to the Covered Bonds	<p>Issue price The issue price will be determined in the relevant Final Terms. The Covered Bonds may be issued at their nominal amount or at a discount or premium to their nominal amount.</p>

Denomination per unit

Covered Bonds will be issued in the specified denomination(s) set out in the relevant Final Terms, provided that all Covered Bonds admitted to trading on a regulated market for the purposes of the Directive 2004/39/EC of 21 April 2004 (each such market being a "**Regulated Market**") and/or offered to the public in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive shall have a minimum denomination of € 1,000 (or its equivalent in any other currency at the time of issue) or such higher amount as may be allowed or required from time to time in relation to the relevant specified currency. Dematerialised Covered Bonds will be issued in one (1) denomination only.

Status of the Covered Bonds

Subject to the Priority Payments Orders (as defined below), the Covered Bonds, and, where appropriate, any related interest coupons (the "**Coupons**") will constitute direct, unconditional, unsubordinated and privileged obligations of the Issuer and will rank *pari passu* without any preference among themselves. The Covered Bonds are issued under Articles L. 513-28 to L. 513-32 of the French Monetary and Financial Code (*Code monétaire et financier*). Any holder of Covered Bonds ("**Bondholder**") benefit from a *privilège* (priority in right of payment) provided for in Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*) over all the assets and revenues of the Issuer.

Negative Pledge

Except in accordance with programme documents, the Issuer will not create or permit to subsist any privilege, mortgage, charge, pledge or other form of security interest (*sûreté réelle*) upon any of its assets or revenues, present or future, to secure any Relevant Undertaking (as defined below) of, or guaranteed by, the Issuer;

where "**Relevant Undertaking**" means any present or future (i) indebtedness for borrowed money and (ii) undertaking in relation to interest or currency swap transactions.

Events of default

Subject to the legal framework applicable to *sociétés de financement de l'habitat*, if an Issuer Event of Default occurs in respect of any Series of Covered Bonds, the Representative (as defined hereafter in item C.9) (i) may, at its discretion, or (ii) shall, if so directed by the Majority Bondholders or if such Issuer Event of Default is a Covered Bonds Cross Acceleration Event, upon written notice (an "**Issuer Enforcement Notice**") to the Fiscal Agent and the Issuer (with copy to the administrator and to the Rating Agencies) given before all defaults have been cured, cause the principal amount of all Covered Bonds of such Series to become due and payable (but subject to the relevant Payment Priority Order (as defined below)), together with any accrued interest thereon, as of the date on which such notice for payment is received by the Fiscal Agent.

For the purpose of this paragraph:

"**Issuer Event of Default**" means the occurrence of any of the following events:

- (a) at any relevant time following the service of a borrower enforcement notice, a breach of amortisation test occurs; or
- (b) the Issuer is in default in the payment of principal of, or interest on, any Covered Bond when due and payable, unless such default has arisen by reason of technical default or error and payment is made within three (3) Business Days of the due date thereof; or
- (c) the Issuer is in default in the performance or observance of any of its other material obligations under any Covered Bond and such default has not been cured within thirty (30) calendar days after the receipt by the Fiscal Agent (with copy to the Issuer, and, when applicable, the specific controller) of the written notice of such default by (i) in the case of any French Law Covered Bonds, the

		<p>Representative, and (ii) in the case of German Law Covered Bonds, a Bondholder, requiring such default to be remedied and indicating that this provision may be invoked if it is not so remedied; or</p> <p>(d) any other present or future indebtedness of the Issuer (including any Covered Bonds of any other Series (including German Law Covered Bonds)) becomes or becomes capable of being declared due and payable prior to its stated maturity as a result of a default thereunder, or any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period (a "Covered Bonds Cross Acceleration Event"); or</p> <p>(e) an order is made or an effective resolution passed for the liquidation or winding up of the Issuer (except in the case of a liquidation or winding up for the purpose of a reconstruction, amalgamation, merger or following the transfer of all or substantially all of the assets of the Issuer, the terms of which have previously been approved by the Majority Bondholders of all Series for which Covered Bonds (including German Law Covered Bonds) or, if applicable, any Coupons relating to them, are outstanding, and such liquidation or winding up being subject to prior Rating Affirmation); or</p> <p>(f) the Issuer makes any proposal for a general moratorium in relation to its debt or applies for, or is subject to, any insolvency or bankruptcy proceedings set out in Book VI of the French Commercial Code (<i>Code de commerce</i>), it being understood that the Issuer applying for the appointment of an <i>ad hoc</i> representative (<i>mandataire ad hoc</i>) or entering into a conciliation procedure (<i>procédure de conciliation</i>) or being subject to such application with its principal creditors will not constitute an event of default pursuant to new Article L. 611-16 of the French Commercial Code (<i>Code de commerce</i>). Pursuant to such new Article L. 611-16 of the French Commercial Code (<i>Code de commerce</i>), any contractual provision to the contrary shall be null and void; or</p> <p>(g) the Issuer ceases to carry on all or a material part of its business (except in the case of a cessation for the purpose of a reconstruction, amalgamation, merger or following the transfer of all or substantially all of the assets of the Issuer, in each case the terms of which have previously been approved by the Majority Bondholders of all Series for which Covered Bonds (including German Law Covered Bonds) or, if applicable, any Coupons relating to them, are Outstanding and such liquidation or winding up being subject to prior Rating Affirmation); or</p> <p>(h) upon the occurrence of a hedging rating trigger event, the Issuer (or the administrator on its behalf) fails to enter into the relevant hedging agreements within the required timeframe; or</p> <p>(i) the license of the Issuer as a <i>société de financement de l'habitat</i> is withdrawn.</p> <p>"Majority Bondholders" means:</p> <p>(i) in relation to any Series of French Law Covered Bonds, a decision of the General Meeting (as defined hereafter in item C.9) of such Series; and</p> <p>(ii) in relation to any Series of German Law Covered Bonds, an approval of one or more German law Bondholders holding at least two-thirds (2/3) of the then outstanding principal amount of such German Law Covered Bonds.</p> <p>Consolidation clause The Issuer may from time to time without the consent of the Bondholders or holders of Coupons create and issue further Covered Bonds to be consolidated with the Covered Bonds provided such Covered Bonds and the further Covered Bonds carry rights identical in all respects (or identical in all respects save as to the principal amount thereof and the first payment of interest as specified in the relevant Final Terms) and that the terms of such Covered Bonds provide for such consolidation.</p>
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		<p><i>Taxation</i> All payments of principal and interest by or on behalf of the Issuer in respect of the Covered Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.</p> <p><i>Governing law</i> French law or German law</p> <p><i>Issue specific summary:</i></p> <p><i>Issue price</i> The issue price of the Covered Bonds is:[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●] (if applicable)].</p> <p>Specified Denomination: [●]</p> <p><i>Priority Payment Orders:</i> Payments to the Bondholders by the Issuer are subject to the priority payment orders applicable to the Issuer.</p>
C.9	<p>Interest, maturity and redemption provisions, yield and representation of the Bondholders</p>	<p>Please also refer to the information provided in item C.8 above.</p> <p><i>Nominal Interest rate</i> The Covered Bonds may or may not bear interest. The interest, if any, may be fixed interest or floating interest, or at a rate which varies during the duration of the relevant tranche.</p> <p><i>Due date and maturity date of interests</i> The due date and the maturity date of each Covered Bonds issue will be specified in the relevant Final Terms.</p> <p><i>Description of the underlying on which the rate is based, in case of a non-fixed rate</i> Not Applicable, interest, if any, will be based on fixed rate or floating rate or at a rate which varies during the duration of the relevant Tranche.</p> <p><i>Maturity date and conditions of amortization of the issue, including the redemption procedures</i> Subject to compliance with all relevant laws, regulations and directives, the Covered Bonds may have any maturity as specified in the relevant Final Terms (the "Final Maturity Date"), subject to such minimum maturity as may be required by the applicable legal and/or regulatory requirements</p> <p>An extended final maturity date (the "Extended Final Maturity Date") may be specified in the relevant Final Terms of a Series of Covered Bonds in accordance with the applicable Conditions, each such Covered Bonds being referred to as "Soft Bullet Covered Bonds".</p> <p><i>Redemption at the maturity date</i> Subject to any laws and regulations applicable from time to time, the relevant Final Terms will specify the redemption amounts payable calculated on the basis of the applicable Conditions.</p> <p><i>Optional redemption</i> The Final Terms issued in respect of each issue of Covered Bonds will state whether such Covered Bonds may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Bondholders, and if so the terms applicable to such redemption in accordance with the provisions of the relevant Conditions.</p> <p><i>Early Redemption</i></p>

	<p>Except as provided in "Optional Redemption" above, Covered Bonds will be redeemable at the option of the Issuer prior to their stated maturity only for tax reasons or illegality.</p> <p>Yield The yield of the fixed rate Covered Bonds will be specified in the relevant Final Terms. It is not an indication of future yield.</p> <p>Representative of the French law Bondholders French law Bondholders will, in respect of all Tranches in any Series be grouped automatically for the defence of their common interests in a <i>masse</i> (in each case, the "Masse"), provided that:</p> <p>(a) If the relevant Final Terms specify "Full Masse", the Masse will be governed by all the provisions of the French Commercial Code (<i>Code de commerce</i>), and</p> <p>(b) If the relevant Final Terms specify "Contractual Masse", the Masse will be governed by the provisions of the French Commercial Code (<i>Code de commerce</i>) subject to certain exceptions.</p> <p>The <i>Masse</i> will be a separate legal entity and will act in part through a representative (the "Representative") and in part through a general meeting of the French law Bondholders (the "General Meeting").</p> <p>The names and addresses of the initial Representative and its alternate are: BNP Paribas Securities Services, Les Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France, represented by Mr. Sylvain THOMAZO, Head of Corporate Trust Services of BNP Paribas Securities Services and Mr. Frédéric KRANTZ, Head of Sales France & Benelux of BNP Paribas Securities Services, 8 rue de Friscaty, 57100 Thionville, France. The Representative appointed in respect of the first Tranche of any Series of Covered Bonds will be the representative of the single Masse of all Tranches in such Series.</p> <p>Issue specific summary:</p> <p>Nominal Interest rate [To be specified/Fixed Rate/Floating Rate] [If Floating Rate: Interest Basis: [●] Margin: [Not applicable]/[To be specified] Maximal or minimal interest rate: [Not applicable]/[To be specified]]</p> <p>Due date and maturity date of interests The due date is [●]. The maturity date is [●].</p> <p>Maturity Date and conditions of amortization of the issue, including the redemption procedures The Final Maturity Date of the Covered Bonds is [●]. The Extended Final Maturity Date of the Covered Bonds is [●].</p> <p>Redemption at the Maturity Date [To be specified]</p> <p>Optional redemption [To be specified]</p> <p>Early Redemption: [To be specified]</p> <p>Yield [The yield of the Covered Bonds is [●]] [Only if Fixed Rate Covered Bonds]/[Not applicable]</p>
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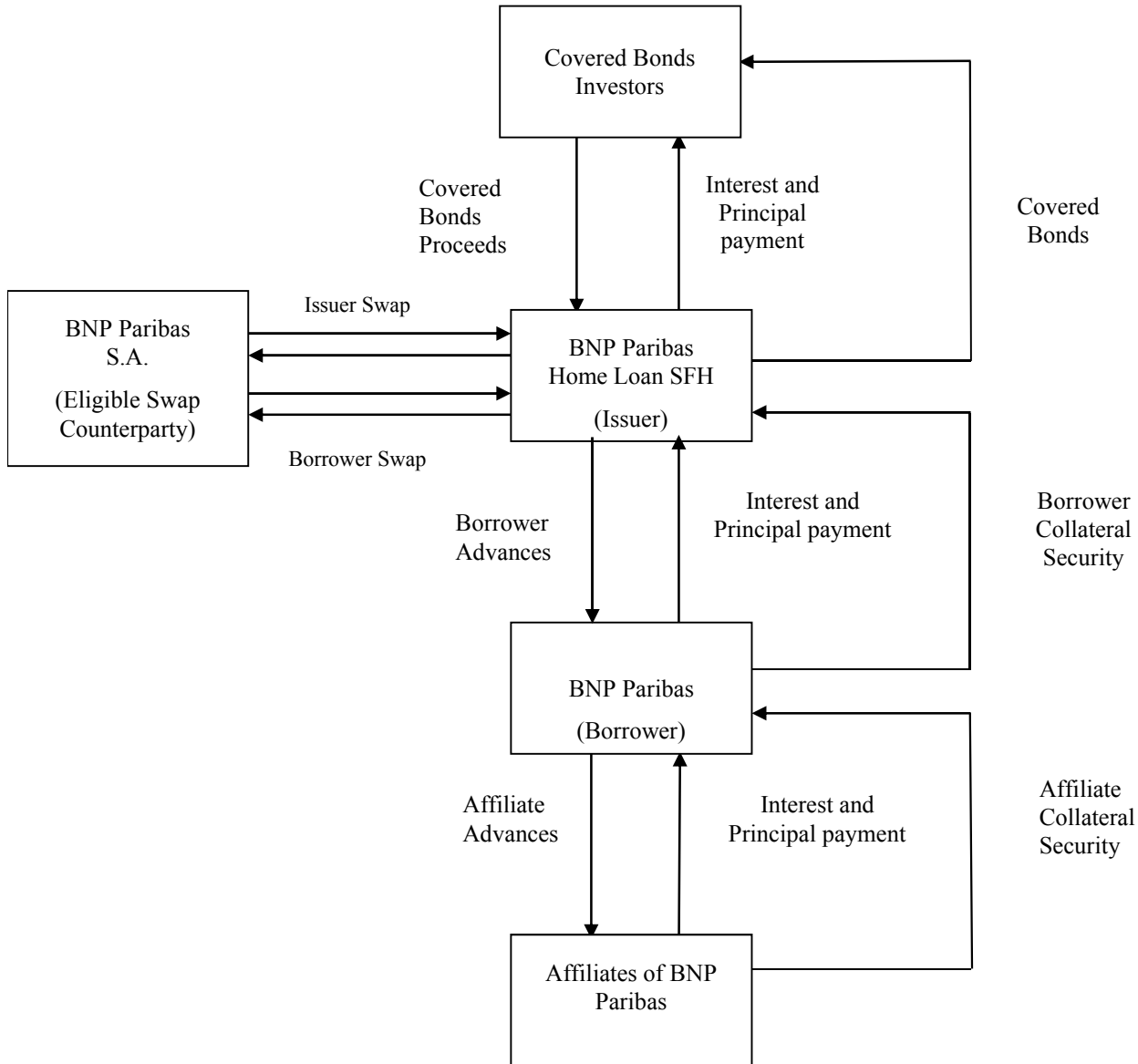
		<p>Representative of the Bondholders</p> <p>Bondholders are grouped automatically for the defence of their common interests in a Masse.</p> <p>[Full Masse]/[Contractual Masse] shall apply.</p> <p>The initial Representative for all Series of Covered Bonds is: [BNP Paribas Securities Services, Les Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France, represented by Mr. Sylvain THOMAZO, Head of Corporate Trust Services of BNP Paribas Securities Services.]</p> <p>The alternate Representative at this date is: [Mr. Frédéric KRANTZ, Head of Sales France & Benelux of BNP Paribas Securities Services, 8 rue de Friscaty, 57100 Thionville, France.]</p>
C.10	Derivative component in the interest payment of the Covered Bonds	Not applicable: The Covered Bonds do not have any derivative component in the interest payment.
C.11/ C.21	Listing and admission to trading	<p>Application may be made for French Law Covered Bonds to be listed and admitted to trading on Euronext Paris and/or on any other Regulated Market in the EEA in accordance with the Prospectus Directive and/or any other market as specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of French Law Covered Bonds may be unlisted.</p> <p>The German Law Covered Bonds will not be admitted to trading nor listed on any market or stock exchange .</p> <p>Issue specific summary:</p> <p>[Not Applicable]/[[Application has been made]/[Application is expected to be made] by the Issuer (or on its behalf) for the French Law Covered Bonds to be listed and admitted to trading on [●] with effect from [●].]</p>
Section D – Risks		
D.2	Key risks regarding the Issuer	<p>Risks factors linked to the Issuer and its activity include the following:</p> <ul style="list-style-type: none"> - the Issuer has sole liability under the Covered Bonds; - the Issuer relies on BNP Paribas or its successors for its operations and to administer the Programme Documents, for the monitoring of the collateral security assets, for the hedging of any interests rate or currency risks between its assets and its liabilities under the Covered Bonds and for the provision of liquidity; - when the Issuer shall replace a counterparty, it is exposed to a substitution risk, i.e. a risk of delay or inability to appoint a substitute entity in the required timeframe; - as some counterparties (including BNP Paribas) act as several capacities, the Issuer is exposed to conflicts of interest; - the Bondholders are exposed to a risk of modification, alteration or amendment of the Programme Documents without their prior consent; - insolvency and examinership laws in France could limit the ability of the Bondholders to enforce their rights under the Covered Bonds; - some risks may exist in relation to the implementation of the EU Resolution and Recovery Directive; - the Issuer filing for bankruptcy will not give rise to the right on the part of holders of the Covered Bonds to declare the Covered Bonds immediately due and payable; - the Issuer has limited resources available to meet its obligations under the Covered Bonds;

		<ul style="list-style-type: none"> - the recourse and enforcement with respect to the Issuer is subject to significant limitations; - there is no guarantee on the market value of the permitted investments; - the Issuer is exposed to interest and currency risks and has put in place a hedging strategy; - the Issuer is exposed to liquidity risks; - the Issuer is exposed to the Borrower’s risk, the affiliate’s risk and in case of default, to the home loans credit risk; - the collateral security over the home loan receivables is governed by French legal provisions that are new and have not yet been interpreted by French judges, may be subject to hardening period (<i>période suspecte</i>) rules and to limitation for disproportionate guarantee; - the Issuer is ultimately exposed to the risk of the debtors of the home loans, including risk of set-off, breach of representations and warranties, risk relating to enforcement, risk of value of the home loan receivables and the property, risk of prepayment.
<p>D.3</p>	<p>Key risks regarding the Covered Bonds</p>	<p>There are certain risk factors which are material for the purpose of assessing the risks related to the Covered Bonds issued under the Programme including the following:</p> <ul style="list-style-type: none"> - investment risks, the Covered Bonds may not be a suitable investment for all investors; - risks related to the structure of a particular issue of Covered Bonds including (i) Covered Bonds subject to optional redemption by the Issuer, (ii) the fact that Soft Bullet Covered Bonds may be redeemed after their Final Maturity Date (iii) Fixed Rate Covered Bonds, (iv) Floating Rate Covered Bonds, (v) Inverse Floating Rate Covered Bonds, (vi) Fixed/Floating Rate Covered Bonds, (vii) Covered Bonds issued at a substantial discount or premium, (viii) the fact that certain decisions of majority holders of French Law Covered Bonds may bind all holders of the relevant Series, (ix) Ratings of the Covered Bonds and Rating Affirmation and (x) Forecasts and estimates; - risks related to the Covered Bonds generally including (i) modification of the conditions applicable to the French Law Covered Bonds, (ii) changes of law, (iii) impact of regulatory changes, (iv) taxation, (v) EU Saving Directive, (vi) the proposed financial transactions tax, (vii) the fact that the Covered Bonds are not registered under the Securities Act and (viii) U.S. Foreign Account Compliance Act (FATCA) withholding; - risks related to the market generally including (i) the fact that an active market for the Covered Bonds may not develop, (ii) exchange rate risk and exchange controls, (iii) interest rate risks and (iv) the fact that legal investment considerations may restrict certain investments. <p>Prospective investors shall take their decision to invest in the Covered Bonds after a thorough reading of the information contained in the Base Prospectus and are invited to seek advice from their own advisers as regard to the legal, taxation and related aspects.</p> <p>Issue specific summary:</p> <p>There are certain risk factors which are material for the purpose of assessing the risks related to the Covered Bonds including the following:</p> <ul style="list-style-type: none"> - investment risks, the Covered Bonds may not be a suitable investment for all investors; - risks related to the structure of the Covered Bonds including [Covered Bonds subject to optional redemption by the Issuer/the fact that Soft Bullet Covered Bonds may be redeemed after their Final Maturity Date/Fixed Rate Covered

		<p>Bonds/Floating Rate Covered Bonds/Covered Bonds with caps and floors/Inverse Floating Rate Covered Bonds/Fixed/Floating Rate Covered Bonds/Covered Bonds issued at a substantial discount or premium/the fact that certain decisions of majority holders of French Law Covered Bonds may bind all holders of the relevant Series/Ratings of the Covered Bonds and Rating Affirmation/Forecasts and estimates];</p> <ul style="list-style-type: none"> - risks related to the Covered Bonds generally including (i) modification of the conditions applicable to the French Law Covered Bonds, (ii) changes of law, (iii) impact of regulatory changes, (iv) taxation, (v) EU Saving Directive, (vi) the proposed financial transactions tax, (vii) the fact that the Covered Bonds are not registered under the Securities Act and (viii) U.S. Foreign Account Compliance Act (FATCA) withholding; - risks related to the market generally including (i) the fact that an active market for the Covered Bonds may not develop, (ii) exchange rate risk and exchange controls, (iii) interest rate risks and (iv) the fact that legal investment considerations may restrict certain investments. <p>Prospective investors shall take their decision to invest in the Covered Bonds after a thorough reading of the information contained in the Base Prospectus and are invited to seek advice from their own advisers as regard to the legal, taxation and related aspects.</p>
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Section E – Offer		
E.2b	Reasons for the offer and use of proceeds	<p>The net proceeds of the issue of Covered Bonds will be used to fund the Borrower Advances that the Issuer (as Lender) will make available to BNP Paribas (as Borrower) under the Borrower Facility Agreement. Such net proceeds may also fund the purchase by the Issuer in the future of eligible assets other than Borrower Advances and Home Loan receivables provided that such assets are eligible to the Issuer pursuant to the legal framework applicable to <i>sociétés de financement de l'habitat</i>.</p> <p>Issue specific summary:</p> <p>[The net proceeds of the issue of Covered Bonds will be used to fund the Borrower Advances that the Issuer (as Lender) will make available to BNP Paribas (as Borrower) under the Borrower Facility Agreement (as defined in B.15 above). Such net proceeds may also fund the purchase by the Issuer in the future of eligible assets other than Borrower Advances and Home Loan receivables provided that such assets are eligible to the Issuer pursuant to the legal framework applicable to <i>sociétés de financement de l'habitat</i>.][Other (to be specified)].</p>
E.3	Terms and conditions of the offer	Not Applicable.
E.4	Interest of natural and legal persons involved in the issue	<p>Interest or potential conflict of interests which may have a noticeable influence on the issue of the Covered Bonds will be described in the relevant Final Terms.</p> <p>Issue specific summary:</p> <p>[Not Applicable, so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the issue.][The Dealer(s) will be paid aggregate commissions equal to [●] per cent. of the nominal amount of the Covered Bonds. So far as the Issuer is aware, no other person involved in the issue of the Covered Bonds has an interest material to the issue.]</p>
E.7	Estimated expenses charged to the investor by the Issuer	<p>An estimate of the expenses charged by the Issuer to the investor will be included in the relevant Final Terms.</p> <p>Issue specific summary:</p> <p>[Not Applicable]/[The estimated expenses charged to the investor amount to [●].]</p>

Schedule to the summary of the Programme
Structure diagram



This program consists in the issuance by the Issuer, licensed as a *société de financement de l'habitat*, of covered bonds. Payment of principal and interests due under such covered bonds benefits from a statutory *privilege* (priority in right of payment) in accordance with the provisions of the French Monetary and Financial Code (*Code monétaire et financier*).

The subscription proceeds of the covered bonds are used by the Issuer to grant loans to BNP Paribas. Such loans are secured by a financial guarantee granted by BNP Paribas to the benefit of the Issuer and pursuant to which BNP Paribas grants home loan receivables as collateral security.

BNP Paribas uses the funds received from the Issuer to grant loans to subsidiaries of its group, it being specified that such loans are also secured by home loan receivables granted as collateral security.

RESUME DU PROGRAMME

Avertissement :

Le résumé qui suit est conforme aux exigences de la directive 2003/71/CE du Parlement européen et du Conseil en date du 4 novembre 2003, telle que modifiée (la "**Directive Prospectus**") et du Règlement n° 809/2004 de la Commission mettant en œuvre la Directive Prospectus, tel que modifié (le "**Règlement DP**"), y compris les exigences de contenu spécifiées à l'Annexe XXII au Règlement DP. Ces exigences de contenu s'appliquent aux obligations sécurisées de droit français comme de droit allemand (les "**Obligations Sécurisées**") dans la mesure autorisée par les conditions (les "**Conditions**") applicables aux obligations sécurisées de droit français et/ou de droit allemand, selon le cas, émises dans le cadre du programme d'émission d'obligations sécurisées (le "**Programme**") décrit dans le présent prospectus de base (le "**Prospectus de Base**"), ayant une valeur nominale de moins de 100 000 euros (ou l'équivalent dans une autre devise). Le résumé qui suit s'adresse aux investisseurs potentiels dans les Obligations Sécurisées.

Les résumés doivent contenir des informations désignées sous le terme "**Éléments**", requises en vertu de l'annexe XXII du Règlement délégué (UE) n° 486/2012. Ces Éléments figurent dans les sections A à E (A.1 – E.7). Le présent résumé contient tous les Éléments devant être inclus dans un résumé pour ce type de titres et d'Émetteur. Par ailleurs, quand bien même un Éléments pourrait devoir être inséré dans le résumé en raison du type de titres et d'Émetteur, il est possible qu'aucune information pertinente ne puisse être donnée à son propos. Dans ce cas, une brève description de l'Éléments concerné est incluse dans le résumé avec la mention « Sans objet ».

<i>Section A – Introduction et avertissements</i>		
A.1	Avertissement général relatif au résumé	<p>Le présent résumé doit être lu comme une introduction au présent Prospectus de Base. Bien que fourni afin d'aider les investisseurs à décider de l'opportunité d'investir dans les Obligations Sécurisées, il ne saurait toutefois remplacer le Prospectus de Base. Toute décision d'investir dans les Obligations Sécurisées doit s'appuyer sur un examen exhaustif du Prospectus de Base, des documents qui lui sont incorporés par référence, de tous les suppléments y afférents, le cas échéant, et des conditions définitives applicables (les "Conditions Définitives"). Lorsqu'une action concernant l'information contenue dans le présent Prospectus de Base est intentée devant un tribunal d'un État membre de l'Espace Economique Européen (un "État Membre"), l'investisseur plaignant peut, selon la législation nationale de l'État Membre où l'action est engagée, avoir à supporter les frais de traduction de ce Prospectus de Base avant le début de la procédure judiciaire.</p> <p>Une responsabilité civile n'est engagée que contre les personnes qui ont présenté le résumé, y compris sa traduction éventuelle, mais uniquement si le contenu du résumé est trompeur, inexact ou contradictoire par rapport aux autres parties du Prospectus de Base, ou s'il ne fournit pas, lu en combinaison avec les autres parties du Prospectus de Base, les informations clés (telles que définies à l'Article 2.1(s) de la Directive Prospectus) destinées à aider les investisseurs à décider de l'opportunité d'investir dans les Obligations Sécurisées.</p>
A.2	Information relative au consentement de l'Émetteur concernant l'utilisation du Prospectus	<p>Sans objet. L'Émetteur ne donne pas son consentement pour l'utilisation du Prospectus de Base, tel que complété par le(s) supplément(s) y afférent(s) et les Conditions Définitives concernées (ensemble, le "Prospectus").</p>

<i>Section B – Émetteur</i>		
B.1	Raison sociale et nom commercial de l'Émetteur	BNP Paribas Home Loan SFH ("l'Émetteur").
B.2	Siège social/ Forme juridique/ Législation/ Pays d'immatriculation	<p>BNP Paribas Home Loan SFH, société anonyme de droit français, dûment autorisée à exercer en France en tant qu'établissement de crédit spécialisé avec le statut de société de financement de l'habitat accordé par l'Autorité de contrôle prudentiel et de résolution.</p> <p>L'Émetteur est soumis aux lois et règlements applicables aux sociétés anonymes, aux établissements de crédit spécialisés et en particulier aux sociétés de financement de l'habitat.</p> <p>Le siège social de l'Émetteur se trouve 1, boulevard Haussmann - 75009 Paris - France.</p>
B.4b	Description de toutes les tendances connues ayant des répercussions sur l'Émetteur et sur ses secteurs d'activité	<p>Les mesures récemment adoptées ayant des répercussions sur l'Émetteur, ou susceptibles d'en avoir, comprennent notamment :</p> <ul style="list-style-type: none"> - l'ordonnance n° 2013-544 du 27 juin 2013 relative aux établissements de crédit et aux sociétés de financement, entrée en vigueur le 1^{er} janvier 2014. En particulier, suite à l'entrée en vigueur de cette ordonnance le 1^{er} janvier 2014, l'Émetteur est devenu à compter de cette date un établissement de crédit spécialisé. Bien que l'entrée en vigueur de l'ordonnance n'ait aucunement modifié le contenu du régime juridique spécifique des sociétés de financement de l'habitat, l'Émetteur, en tant qu'établissement de crédit spécialisé, exerce dorénavant une activité de réception de fonds remboursables du public. Cette nouvelle activité sera exercée à travers l'émission d'obligations de droit français d'une valeur nominale inférieure à 100 000 euros, et pourra être considérée par la loi française comme une activité de réception de fonds remboursables du public ; - une modification du cadre juridique français des sociétés de financement de l'habitat : le décret n°2014-526 du 23 mai 2014 et l'arrêté du 26 mai 2014 du Code monétaire et financier relatifs à l'amélioration du cadre prudentiel des régimes d'obligations sécurisées, qui prévoient en particulier un renforcement du ratio de liquidité de 102 % à 105 % et une limitation de l'exposition à la maison mère.
B.5	Description du Groupe de l'Émetteur et de la position de l'Émetteur au sein du Groupe	<p>A la date du présent Prospectus de Base, l'Émetteur constitue une filiale à 100 % de BNP Paribas.</p> <p>BNPP est un leader européen des services bancaires et financiers et possède quatre marchés domestiques de banque de détail en Europe : la Belgique, la France, l'Italie et le Luxembourg. Il est présent dans 75 pays et compte près de 185.000 collaborateurs, dont plus de 141.000 en Europe. BNPP est la société mère du Groupe BNP Paribas.</p> <p>BNP Paribas a conclu le 30 juin 2014 un accord global composé de divers accords passés avec - et de décisions prises par - des agences gouvernementales fédérales et de l'Etat de New York ainsi que différentes autorités de supervision, parmi lesquelles le US Department of Justice, le District Attorney's Office du comté de New York, le US Attorney's Office pour le district sud de New York, le Conseil des Gouverneurs de la Réserve fédérale américaine, l'Office of Foreign Assets Control du Département du Trésor américain et le Département des Services financiers de l'Etat de New York, et ce, afin de mettre un terme aux enquêtes menées pour avoir enfreint des lois et réglementations des Etats-Unis relatives à des sanctions économiques.</p> <p>Les amendes et pénalités imposées à la Banque dans le cadre de ce règlement global, incluent notamment le paiement d'une amende s'élevant au total à environ 8,97 milliards de dollars (6,6 milliards d'euros), la reconnaissance de responsabilité (guilty plea) de BNP Paribas S.A., la société mère du groupe BNP Paribas, pour avoir enfreint la loi pénale fédérale (« <i>conspiracy to violate the Trading with the Enemy Act et l'International Emergency Economic Powers Act</i> ») et la loi pénale de l'Etat de New York (« <i>conspiracy and falsifying business records</i> »), ainsi que la suspension, pour la succursale de New York de BNP Paribas, (a) de certaines opérations directes de compensation en dollars US pour une période d'un an (2015), portant principalement sur le périmètre de l'activité de financement du négoce international de matières premières, pour la partie pétrole et gaz, dans certaines implantations, et (b) de l'activité de compensation en dollars exercée en tant que banque correspondante pour des banques tierces à New York et Londres pour une période de deux ans.</p> <p>A la suite de cet accord, la Banque s'attend à conserver ses licences bancaires là où elle opère (même si l'accord pourrait constituer un motif d'annulation d'une licence pour un régulateur), et a reçu des confirmations ou assurances dans ce sens de ses principaux</p>

		<p>régulateurs bancaires. La Banque ne s'attend pas à ce que l'accord ait une incidence sur sa capacité opérationnelle ou commerciale à répondre aux besoins de la quasi-totalité de ses clients. Cependant, il ne peut être exclu que des conséquences collatérales imprévisibles de cet accord impactent de manière négative son activité. Ces conséquences collatérales imprévisibles incluent le risque que des clients, contreparties et toute autre personne ou entité contractant avec la Banque, décident de limiter leur activité future avec la Banque. Cela inclut également pour certaines activités limitées, en particulier aux Etats-Unis, le risque qu'une autorité refuse d'accorder à la Banque une dispense nécessaire à la poursuite d'une activité déterminée ou ne retire une autorisation nécessaire à l'exercice d'une activité déterminée. De même, la Banque ne peut savoir avec certitude si la suspension de la compensation en dollars dans certains de ses activités conduira à une perte d'activité.</p>																								
B.9	Prévisions ou estimations du bénéfice	Sans objet. L'Émetteur ne fournit aucune prévision ni estimation de son bénéfice.																								
B.10	Réserves formulées dans le rapport d'audit	Sans objet. Il n'existe aucune réserve dans tout rapport d'audit éventuel relatif aux informations financières historiques mentionnées dans le Prospectus de Base.																								
B.12	Sélection d'informations financières historiques clés	<p><u>Données financières annuelles comparées (en millions d'euros)</u></p> <table border="1"> <thead> <tr> <th>Compte de résultat</th> <th>31/12/2013</th> <th>31/12/2012</th> </tr> </thead> <tbody> <tr> <td>Produit net bancaire</td> <td>2,441</td> <td>2,099</td> </tr> <tr> <td>Résultat brut d'exploitation</td> <td>1,585</td> <td>1,111</td> </tr> <tr> <td>Résultat net</td> <td>0,998</td> <td>0,727</td> </tr> <tr> <td colspan="3">Bilan</td> </tr> <tr> <td>Total du bilan consolidé</td> <td>30 970,199</td> <td>32 590,631</td> </tr> <tr> <td>Fonds propres</td> <td>286,394</td> <td>287,662</td> </tr> <tr> <td>Titres de créance</td> <td>25 882,275</td> <td>27 408,012</td> </tr> </tbody> </table> <p>À la connaissance de l'Émetteur, aucun changement défavorable significatif influant sur ses perspectives d'activité n'a eu lieu depuis la date des derniers états financiers au 31 décembre 2013, et il n'est survenu aucun changement significatif dans la situation financière et commerciale de l'Émetteur.</p>	Compte de résultat	31/12/2013	31/12/2012	Produit net bancaire	2,441	2,099	Résultat brut d'exploitation	1,585	1,111	Résultat net	0,998	0,727	Bilan			Total du bilan consolidé	30 970,199	32 590,631	Fonds propres	286,394	287,662	Titres de créance	25 882,275	27 408,012
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B.13	Événements récents relatifs à l'Émetteur et présentant un intérêt significatif pour l'évaluation de sa solvabilité	A la date du présent Prospectus de Base, et à la connaissance de l'Émetteur, aucun événement récent n'est susceptible d'avoir eu un effet significatif sur l'évaluation de sa solvabilité depuis le 31 décembre 2013.																								
B.14	Dépendance de l'Émetteur vis-à-vis d'autres entités du Groupe	<p>L'Émetteur dépend de tierces parties ayant accepté d'exercer des prestations de services pour son compte. En particulier, l'Émetteur dépend de BNP Paribas ou de ses sociétés affiliées (ou de celles qui leur succéderaient) pour les activités suivantes :</p> <ul style="list-style-type: none"> - la gestion de ses opérations conformément aux dispositions de l'Article L. 513-15 du Code monétaire et financier ; - la gestion de ses risques ; - le montage et le contrôle des prêts à l'habitat qu'il accorde en tant qu'Emprunteur de titres sécurisés (tel que défini <i>infra</i> au point B.16) ; - la couverture de ses engagements au titre des Obligations Sécurisées ; - l'apport de liquidités ; - l'ouverture et le fonctionnement de certains de ses comptes bancaires. <p>Sans préjudice de la Garantie de l'Emprunteur, l'Émetteur est également exposé au risque de crédit de BNP Paribas en tant qu'Emprunteur, au titre des Avances à l'Emprunteur consenties par l'Émetteur.</p>																								

		BNP Paribas ou ses sociétés affiliées intervenant à plusieurs titres dans les activités de l'Émetteur, des conflits d'intérêts sont susceptibles de survenir pendant la durée du Programme.
B.15	Principales activités de l'Émetteur	<p>L'unique objet commercial de l'Émetteur, tel qu'énoncé à l'article 2 de ses statuts, consiste à financer des prêts à l'habitat (les "Prêts à l'Habitat") et d'autres actifs financiers entrant dans le cadre juridique des sociétés de financement de l'habitat. Afin de financer de telles opérations, l'Émetteur peut procéder à l'émission d'obligations dites « obligations de financement de l'habitat », et profiter ainsi du privilège prévu à l'Article L. 513-11 du Code monétaire et financier (ou contracter d'autres formes d'emprunts bénéficiant de ce privilège), mais aussi émettre des obligations ordinaires ou faire appel à d'autres sources de financement ne bénéficiant pas dudit privilège.</p> <p>A la date du présent Prospectus de Base, l'unique activité de l'Émetteur consistait à émettre de temps à autre des Obligations Sécurisées bénéficiant de ce privilège, et à consacrer le produit de ces émissions au financement d'avances (les "Avances à l'Emprunteur"), en tant que prêteur (agissant à ce titre, le "Prêteur") auprès de BNP Paribas S.A., en tant qu'emprunteur (agissant à ce titre, "l'Emprunteur") dans le cadre d'une convention de crédit (la "Convention de Crédit"), lesdites Avances à l'Emprunteur étant totalement sécurisées par l'octroi, en faveur de l'Émetteur, de créances à recevoir sur les prêts à l'habitat remises en garantie financière à titre de sûreté, conformément aux Articles L. 211-36 à L. 211-40 du Code monétaire et financier (la "Garantie de l'Emprunteur") et aux dispositions de la convention de garantie (la "Convention de Garantie de l'Emprunteur").</p> <p>Un diagramme de structure explicatif est présenté en annexe de ce résumé du Programme.</p>
B.16	Entité(s) ou personne(s) détenant ou contrôlant directement ou indirectement l'Émetteur	A la date du présent Prospectus de Base, l'Émetteur constitue une filiale à 100 % de BNP Paribas.
B.17	Notation accordée à l'Émetteur ou à ses titres de créance	<p>A l'émission, il est prévu que les Obligations Sécurisées émises dans le cadre du Programme soient notées AAA par Standard & Poor's Ratings Services et AAA par Fitch Ratings (désignées ensemble comme les "Agences de Notation").</p> <p>La notation des Obligations Sécurisées sera précisée dans les Conditions Définitives applicables.</p> <p>A la date du présent Prospectus de Base, chacune des Agences de Notation était établie dans l'Union Européenne et immatriculée conformément au Règlement (UE) n° 1060/2009, tel que modifié, et inscrite sur la liste des agences de notation publiée sur le site internet de l'Autorité Européenne des Marchés Financiers (www.esma.europa.eu/page/List-registered-and-certified-CRAs). Une notation ne constitue aucunement une recommandation d'acheter, de vendre ou de détenir des titres et peut faire l'objet à tout moment d'une suspension, d'un changement ou d'un retrait par l'agence de notation qui l'a attribuée.</p> <p>Résumé spécifique à l'émission :</p> <p>[Sans objet.]/[Les Obligations Sécurisées à émettre [sont/devraient être] notées [●] par [●].]</p>

Section C – Titres concernés par le Programme

C.1	Nature, catégorie et numéro d'identification des Obligations Sécurisées	<p>Description des Obligations Sécurisées</p> <p>Les Obligations Sécurisées peuvent être émises sur une base syndiquée ou non syndiquée.</p> <p>Les Obligations Sécurisées seront émises par souches (chacune une "Souche"), ayant une ou plusieurs dates d'émissions, les autres modalités étant communes à toutes. Chaque Souche pourra être émise par tranches (chacune une "Tranche"), ayant la même date d'émission ou des dates d'émission différentes. Les conditions particulières applicables à chaque Tranche seront indiquées dans les Conditions Définitives applicables.</p>
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		<p>Forme des Obligations Sécurisées</p> <p><i>(i) Obligations Sécurisées de Droit Français</i></p> <p>Les Obligations Sécurisées de Droit Français peuvent être émises soit sous forme dématérialisée (les "Obligations Sécurisées Dématérialisées"), soit sous forme matérialisée (les "Obligations Sécurisées Matérialisées").</p> <p>Les Obligations Sécurisées Dématérialisées pourront, au gré de l'Émetteur, être émises au porteur ou au nominatif et, dans ce dernier cas, au gré du porteur concerné, soit au nominatif pur, soit au nominatif administré. Aucun document physique ne sera émis en représentation des Obligations Sécurisées Dématérialisées.</p> <p>Les Obligations Sécurisées Matérialisées seront uniquement émises au porteur. Un certificat global temporaire relatif à chaque Tranche d'Obligations Sécurisées Matérialisées sera initialement émis sans coupon d'intérêt. Les Obligations Sécurisées Matérialisées pourront uniquement être émises hors de France.</p> <p>Les Obligations Sécurisées de Droit Français ne pourront être proposées ni revendues aux États-Unis, ni pour le compte ou au bénéfice de ressortissants américains.</p> <p>Les Obligations Sécurisées de Droit Français pourront être compensées par Euroclear France agissant en tant que dépositaire central, pour les Obligations Sécurisées Dématérialisées, et par Clearstream Banking, société anonyme ("Clearstream, Luxembourg"), par Euroclear Bank S.A./N.V. ("Euroclear") ou par tout autre système de compensation convenu entre l'Émetteur, l'agent financier responsable du Programme ("l'Agent Financier") et l'agent placeur compétent, pour les Obligations Sécurisées Matérialisées.</p> <p><i>(ii) Obligations Sécurisées de Droit Allemand</i></p> <p>Les Obligations Sécurisées de Droit Allemand seront émises au nominatif sous forme matérialisée. Elles ne pourront être compensées ni négociées ni cotées sur aucun marché ni place boursière.</p> <p>Numéro d'identification des Obligations Sécurisées de Droit Français Le code ISIN des Obligations Sécurisées de Droit Français sera précisé dans les Conditions Définitives applicables.</p> <p>Résumé spécifique à l'émission :</p> <p>Nature et catégorie des Obligations Sécurisées [Les Obligations Sécurisées seront émises sur une base [syndiquée / non syndiquée], sous la Souche n° [●], Tranche n° [●].]</p> <p>Les Obligations Sécurisées seront émises sous forme [dématérialisée/matérialisée].</p> <p>Le dépositaire central est : [Euroclear France]/[Sans objet] Le dépositaire commun est : [[●]]/[Sans objet]</p> <p>Numéro d'identification des Obligations Sécurisées de Droit Français Le numéro d'identification des Obligations Sécurisées de Droit Français à émettre (code ISIN) est : [●]. Le code commun des Obligations Sécurisées de Droit Français à émettre est : [●].</p>
C.2	Devise	<p>Sous réserve de la stratégie de couverture qui sera éventuellement appliquée de temps à autre, selon les cas, par l'Émetteur (la "Stratégie de Couverture"), et du respect de toutes les lois, réglementations et directives applicables, les Obligations Sécurisées pourront être émises en euros, en dollars des États-Unis, en yens, en francs suisses et,</p>

		<p>sous condition préalable d'une Confirmation de la Notation (de la part de Standard & Poor's uniquement), dans toute autre devise convenue entre l'Émetteur et le ou les agent(s) placeur(s) compétent(s).</p> <p>On entend par "Confirmation de la Notation", pour toute action, décision ou nomination spécifique, et sous réserve de mention contraire dans le présent document et/ou dans tout autre document du Programme, la notification par l'Émetteur (ou par le Représentant compétent) aux Agences de Notation concernées, si tant est qu'elles notent au moins certaines Obligations Sécurisées, d'une telle action, décision ou nomination, sans que cela n'entraîne de révision en baisse, ni de retrait, de la notation déjà attribuée aux Obligations Sécurisées.</p> <p>Résumé spécifique à l'émission :</p> <p>La monnaie d'émission est : [●].</p>
C.5	Négociabilité	<p>Sans objet. Il n'y a pas de restriction à la libre négociabilité des Obligations Sécurisées (sous réserve de l'application de restrictions de vente dans certains pays ou territoires).</p>
C.8	Description des droits attachés aux Obligations Sécurisées	<p>Prix d'émission Le prix d'émission sera déterminé dans les Conditions Définitives applicables. Les Obligations Sécurisées peuvent être émises soit au pair, soit avec une décote ou avec une prime par rapport à leur valeur nominale.</p> <p>Valeur nominale Les Obligations Sécurisées seront émises à la valeur nominale ou aux valeurs nominales énoncée(s) dans les Conditions Définitives, sous réserve que toutes les Obligations Sécurisées négociables sur un marché réglementé au sens de la directive 2004/39/CE du 21 avril 2004 (chacun de ces marchés étant un "Marché Réglementé") et/ou offertes au public d'un État Membre de l'EEE dans des circonstances exigeant la publication d'un prospectus conformément à la Directive Prospectus aient une valeur nominale de 1 000 euros au minimum (ou l'équivalent dans une autre devise) ou de tout montant supérieur susceptible d'être autorisé ou exigé de temps à autre pour la devise concernée. Les Obligations Sécurisées Dématérialisées n'auront qu'une seule (1) valeur nominale d'émission.</p> <p>Statut des Obligations Sécurisées Sous réserve des Ordres de Paiement Prioritaires tels que définis <i>infra</i>, les Obligations Sécurisées et, le cas échéant, tout coupon d'intérêt rattaché à ces dernières (les "Coupons") constitueront des obligations directes, inconditionnelles, non subordonnées et privilégiées de l'Émetteur et auront toutes le même rang entre elles, sans préférences des unes sur les autres. Les Obligations Sécurisées seront émises conformément aux Articles L. 513-28 à L. 513-32 du Code monétaire et financier. Tout porteur d'Obligations Sécurisées (un "Porteur") bénéficie du privilège (droit de remboursement prioritaire) sur tous les actifs et revenus de l'Émetteur prévu à l'Article L. 513-11 du Code monétaire et financier.</p> <p>Maintien des Obligations Sécurisées à leur rang Sauf mention contraire des documents du Programme, l'Émetteur ne créera, ni ne laissera subsister aucun privilège, hypothèque, charge, nantissement ou autre forme de sûreté réelle sur aucun de ses actifs ou revenus, présents ou futurs, à des fins de garantie de l'Engagement Concerné (tel que défini <i>infra</i>) de l'Émetteur, ou garanti par ce dernier ;</p> <p>étant entendu que "l'Engagement Concerné" désigne (i) tout endettement présent ou futur au titre de l'emprunt de fonds et (ii) tout engagement présent ou futur lié à des transactions sur des contrats d'échange de taux d'intérêt ou de devises.</p> <p>Cas de défaut Dans le respect du cadre juridique applicable aux sociétés de financement de l'habitat, à</p>

	<p>la survenance d'un Cas de Défaut de l'Émetteur sur toute Souche d'Obligations Sécurisées, le Représentant (tel que défini <i>infra</i> au point C.9) (i) pourra, à sa discrétion, ou (ii) devra, si la Majorité des Porteurs lui en font la demande, ou si un tel Cas de Défaut de l'Émetteur constitue un Cas d'Exigibilité Croisée des Obligations Sécurisées, et en informant par écrit (constituant un "Avis de Mesure d'Exécution Envers l'Émetteur") l'Agent Financier et l'Émetteur (avec copie à l'administrateur central et aux Agences de Notation) avant la régularisation de tous les défauts, déclarer exigible et dû le principal de toutes les Obligations Sécurisées (sous réserve toutefois de l'Ordre de Paiement Prioritaires tel que défini <i>infra</i>), augmenté des intérêts courus, à la date de réception d'un tel avis de paiement par l'Agent Financier.</p> <p>Aux fins du présent paragraphe :</p> <p>Constitue un "Cas de Défaut de l'Émetteur" chacun des événements décrits ci-après :</p> <ul style="list-style-type: none"> (a) à tout moment pertinent suite à la notification d'un avis de mesure d'exécution envers l'emprunteur, en cas de défaillance du test d'amortissement ; ou (b) l'Émetteur se trouve dans l'incapacité de rembourser le principal de toute Obligation sécurisée, ou les intérêts qui s'y rapportent, à la date d'échéance et d'exigibilité, à moins que cette incapacité ne résulte d'un défaut ou d'une erreur technique et sous réserve que le paiement ait lieu dans les trois (3) Jours Ouvrables suivant la date d'exigibilité ; ou (c) l'Émetteur se trouve dans l'incapacité de réaliser ou d'honorer tout autre engagement significatif qu'il aurait contracté au titre de toute Obligation sécurisée, et cette incapacité n'a pas été résolue dans les trente (30) jours calendaires suivant la réception par l'Agent Financier (avec copie à l'Émetteur et, le cas échéant, au contrôleur financier compétent) de l'avis écrit d'une telle incapacité par (i) le Représentant, pour les Obligations Sécurisées de Droit Français ou par (ii) un Porteur, pour les Obligations Sécurisées de Droit Allemand, exigeant la résolution de cette incapacité et mentionnant la possibilité d'invoquer la présente disposition en l'absence de résolution ; ou (d) tout autre engagement financier présent ou futur de l'Émetteur (y compris toute Obligation sécurisée de toute autre Souche, parmi lesquelles les Obligations Sécurisées de Droit Allemand) devient, ou est susceptible de devenir, exigible et dû avant son échéance prévue en conséquence d'un défaut de paiement sur de tels engagements, ou si toute dette de ce type n'est pas remboursée à la date prévue ou, selon le cas, dans le délai de grâce applicable (un "Cas d'Exigibilité Croisée des Obligations Sécurisées") ; ou (e) la demande ou l'adoption d'une décision suivie d'effet visant à la liquidation ou à la dissolution de l'Émetteur (sauf si cette liquidation ou dissolution a lieu à des fins de restructuration, d'absorption, de fusion ou suite au transfert de tout ou d'une grande partie des actifs de l'Émetteur, et dont les conditions auraient été préalablement approuvées par la Majorité des Porteurs de toutes les Souches d'Obligations Sécurisées en circulation (y compris de droit allemand) ou, le cas échéant, de tout Coupon qui leur serait rattaché, ladite liquidation ou dissolution ayant fait l'objet préalablement d'une Confirmation de la Notation) ; ou (f) l'Émetteur propose, de quelque manière que ce soit, un moratorium général de sa dette ou entame ou fait l'objet d'une procédure d'insolvabilité ou d'une procédure collective conformément au Livre VI du Code de commerce français, étant entendu que si l'Émetteur demande la nomination d'un mandataire <i>ad hoc</i> ou entame une procédure de conciliation, ou s'il fait l'objet d'une telle demande à travers ses principaux créanciers, la situation ne constituera pas un cas de défaut conformément au nouvel Article L. 611-16 du Code de commerce, réputé entrer en vigueur à cette date (ordonnance n° 2014-326 du 12 mars 2014). En vertu de ce nouvel Article L. 611-16 du Code de commerce, toute disposition contractuelle contraire sera réputée nulle et de nul effet ; ou (g) l'Émetteur cesse d'exercer tout ou une grande partie de son activité (sauf en cas
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		<p>de cessation d'activité à des fins de restructuration, d'absorption, de fusion ou suite au transfert de tout ou d'une grande partie des actifs de l'Émetteur, et dont les conditions auraient été préalablement approuvées par la Majorité des Porteurs de toutes les Souches d'Obligations Sécurisées en circulation (y compris de droit allemand) ou, le cas échéant de tout Coupon qui leur serait rattaché, ladite liquidation ou dissolution ayant fait l'objet préalablement d'une Confirmation de la Notation ; ou</p> <p>(h) en cas d'événement de notation sur les couvertures, l'Émetteur (ou l'administrateur agissant pour le compte de ce dernier) ne conclut aucune convention de couverture dans les délais requis ; ou</p> <p>(i) l'Émetteur perd son autorisation d'exercice en tant que société de financement de l'habitat.</p> <p>On entend par "Majorité des Porteurs" :</p> <p>(i) concernant toute Souche d'Obligations Sécurisées de Droit Français, une résolution de l'Assemblée Générale (telle que définie <i>infra</i> au point C.9) portant sur une telle Souche ; et</p> <p>(ii) concernant toute Souche d'Obligations Sécurisées de Droit Allemand, l'approbation d'au moins un Porteur d'Obligations Sécurisées de Droit Allemand représentant au moins les deux tiers (2/3) du principal desdites Obligations Sécurisées de Droit Allemand en circulation à ce moment.</p> <p>Clause de consolidation De temps à autre, et sans l'approbation des Porteurs ou des porteurs de Coupons, l'Émetteur pourra créer et émettre de nouvelles Obligations Sécurisées, qui feront l'objet d'une consolidation avec les Obligations Sécurisées existantes, sous réserve que toutes ces Obligations Sécurisées s'accompagnent des mêmes droits à tous égards (sous réserve, éventuellement, d'une différence quant au montant de leur principal et à leur premier paiement d'intérêts, tels que spécifiés dans les Conditions Définitives applicables), et que les conditions applicables à ces Obligations Sécurisées prévoient une telle consolidation.</p> <p>Fiscalité Tous les remboursements de principal ou paiements d'intérêts pour ou pour le compte de l'Émetteur au titre des Obligations Sécurisées seront réputés nets et dégagés de toute retenue ou déduction au titre de toute taxe, droit, impôt ou redevance publique de toute nature, imposée, prélevée, collectée, retenue à la source ou incluse dans le paiement de l'assiette par la France ou sur le territoire français, ou par toute instance française ou de France ayant la faculté de lever un impôt, à moins qu'une telle retenue ou déduction ne soit prescrite par la loi.</p> <p>Droit applicable Droit français ou droit allemand</p> <p>Résumé spécifique à l'émission :</p> <p>Prix d'émission Le prix d'émission des Obligations Sécurisées s'élève à [●] % du Montant Nominal Total [plus un montant correspondant aux intérêts courus à compter du [●] (s'il y a lieu)].</p> <p>Valeur nominale spécifique : [●]</p> <p>Ordres de Paiement Prioritaire : Les paiements aux Porteurs par l'Émetteur sont soumis aux ordres de paiement prioritaires applicables à ce dernier.</p>
C.9	Intérêts,	Se reporter également aux informations fournies au point C.8 <i>supra</i> .

<p>échéance et de modalités de remboursement, rendement et représentation des Porteurs</p>	<p>Taux d'intérêt nominal Les Obligations Sécurisées pourront ou non donner droit à la perception d'intérêts. Les intérêts perçus le cas échéant pourront être à taux fixe ou variable, ou encore à un taux qui varie pendant la durée de la tranche concernée.</p> <p>Date d'exigibilité et date d'échéance des intérêts La date d'exigibilité et la date d'échéance des intérêts applicables à chaque émission d'Obligations Sécurisées seront stipulées dans les Conditions Définitives applicables.</p> <p>Description du sous-jacent sur lequel est calculé le taux si celui-ci n'est pas fixe Sans objet ; les intérêts, le cas échéant, seront à taux fixe, ou à taux variable ou à un taux qui varie pendant la durée de la Tranche concernée.</p> <p>Date d'échéance et modalités d'amortissement de l'émission, y compris procédures de remboursement Sous réserve du respect de toutes les lois, réglementations et directives applicables, les Obligations Sécurisées pourront être émises pour toute échéance telle que spécifiée dans les Conditions Définitives (la "Date d'Echéance Finale"), sous réserve de la durée minimum éventuellement requise par les dispositions légales et/ou réglementaires applicables.</p> <p>Une date d'échéance finale prolongée (la "Date d'Echéance Finale Prolongée") pourra être spécifiée dans les Conditions Définitives applicables à la Souche d'Obligations Sécurisées concernée, conformément aux Conditions applicables, chacune des Obligations Sécurisées concernée étant alors qualifiée d'"Obligation Sécurisée à Date de Maturité Extensible".</p> <p>Remboursement à la date d'échéance Sous réserve des lois et règlements applicables de temps à autre, les Conditions Définitives applicables définiront la base de calcul du montant des remboursements dus sur la base des Conditions applicables.</p> <p>Remboursement optionnel Les Conditions Définitives relatives à chaque émission d'Obligations Sécurisées indiqueront si celles-ci peuvent être remboursées (en totalité ou en partie) avant la date d'échéance prévue au gré de l'Émetteur et/ou des Porteurs et, si tel est le cas, quelles sont les modalités applicables à ce remboursement, conformément aux dispositions des Conditions applicables.</p> <p>Remboursement anticipé Sous réserve des dispositions du paragraphe « Remboursement optionnel » <i>supra</i>, les Obligations Sécurisées ne pourront faire l'objet, au gré de l'Émetteur, d'un remboursement avant la date d'échéance prévue que pour des raisons fiscales ou en cas d'illégalité.</p> <p>Rendement Le rendement des Obligations Sécurisées à taux fixe sera précisé dans les Conditions Définitives applicables, cette mention ne constituant aucunement une indication de rendement futur.</p> <p>Représentants des Porteurs d'Obligations Sécurisées de Droit Français Les Porteurs d'Obligations Sécurisées de Droit Français seront groupés automatiquement, au titre de toutes les Tranches d'une même Souche, pour la défense de leurs intérêts communs en une masse (la "Masse"), étant entendu que :</p> <p>(a) si les Conditions Définitives applicables spécifient « Masse Complète », la Masse sera régie par les dispositions du Code de commerce ; et</p> <p>(b) si les Conditions Définitives applicables spécifient « Masse Contractuelle », la Masse sera régie par les dispositions du Code de commerce, sous réserve de certaines exceptions.</p> <p>La Masse agira en tant qu'entité juridique distincte, en partie par l'intermédiaire d'un</p>
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		<p>représentant (le "Représentant") et en partie par l'intermédiaire d'une assemblée générale des Porteurs d'Obligations Sécurisées de Droit Français ("l'Assemblée Générale").</p> <p>Les noms et adresses du Représentant initial et de son suppléant sont : BNP Paribas Securities Services, Les Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France, représenté par M. Sylvain THOMAZO, responsable des services de titrisation de créances privées de BNP Paribas Securities Services, et par M. Frédéric KRANTZ, responsable des ventes pour la France et le Benelux de BNP Paribas Securities Services, 8 rue de Friscaty, 57100 Thionville, France. Le Représentant désigné au titre de la première Tranche de toute Souche sera le représentant de la Masse unique de toutes les autres Tranches de cette Souche.</p> <p>Résumé spécifique à l'émission :</p> <p>Taux d'intérêt nominal [À spécifier/Taux fixe/Taux variable]. [Si Taux variable : Base d'intérêt : [●] Marge : [Sans objet]/[À spécifier] Taux d'intérêt maximal ou minimal : [Sans objet]/[À spécifier]]</p> <p>Date d'exigibilité et date d'échéance des intérêts La date d'exigibilité est le [●]. La date d'échéance est le [●].</p> <p>Date d'Echéance et modalités d'amortissement de l'émission, y compris procédures de remboursement La Date d'Echéance Finale des Obligations Sécurisées est le [●]. La Date d'Echéance Finale Prolongée des Obligations Sécurisées est le [●].</p> <p><i>Remboursement à la Date d'Echéance</i> [À spécifier]</p> <p><i>Remboursement optionnel</i> [À spécifier]</p> <p><i>Remboursement Anticipé</i> [À spécifier]</p> <p>Rendement [Le rendement des Obligations Sécurisées est de [●].] [Pour les Obligations Sécurisées à Taux fixe uniquement]/[Sans Objet.]</p> <p>Représentants des Porteurs Les Porteurs sont groupés automatiquement pour la défense de leurs intérêts communs en une Masse. La [Masse complète]/[Masse contractuelle] s'applique. Le Représentant initial pour toutes les Souches d'Obligations Sécurisées est : [BNP Paribas Securities Services, Les Grands Moulins de Pantin, 9, rue du Débarcadère, 93500 Pantin, France, représenté par M. Sylvain THOMAZO, responsable des services de titrisation de créances privées de BNP Paribas Securities Services.] Le Représentant suppléant, à cette date, est : [M. Frédéric KRANTZ, responsable des ventes pour la France et le Benelux de BNP Paribas Securities Services, 8 rue de Friscaty, 57100 Thionville, France.]</p>
C.10	Dérivé auquel est lié le paiement des intérêts sur les Obligations Sécurisées	Sans objet : le paiement des intérêts produits par les Obligations Sécurisées n'est lié à aucun instrument dérivé.
C.11/ C.21	Cotation et admission à la négociation	Une demande pourra être présentée pour la cotation des Obligations Sécurisées de Droit Français et leur admission aux négociations sur Euronext Paris et/ou sur tout autre Marché Réglementé de l'EEE conformément à la Directive Prospectus et/ou sur toute autre bourse ou tout autre marché de valeurs, comme indiqué dans les Conditions Définitives

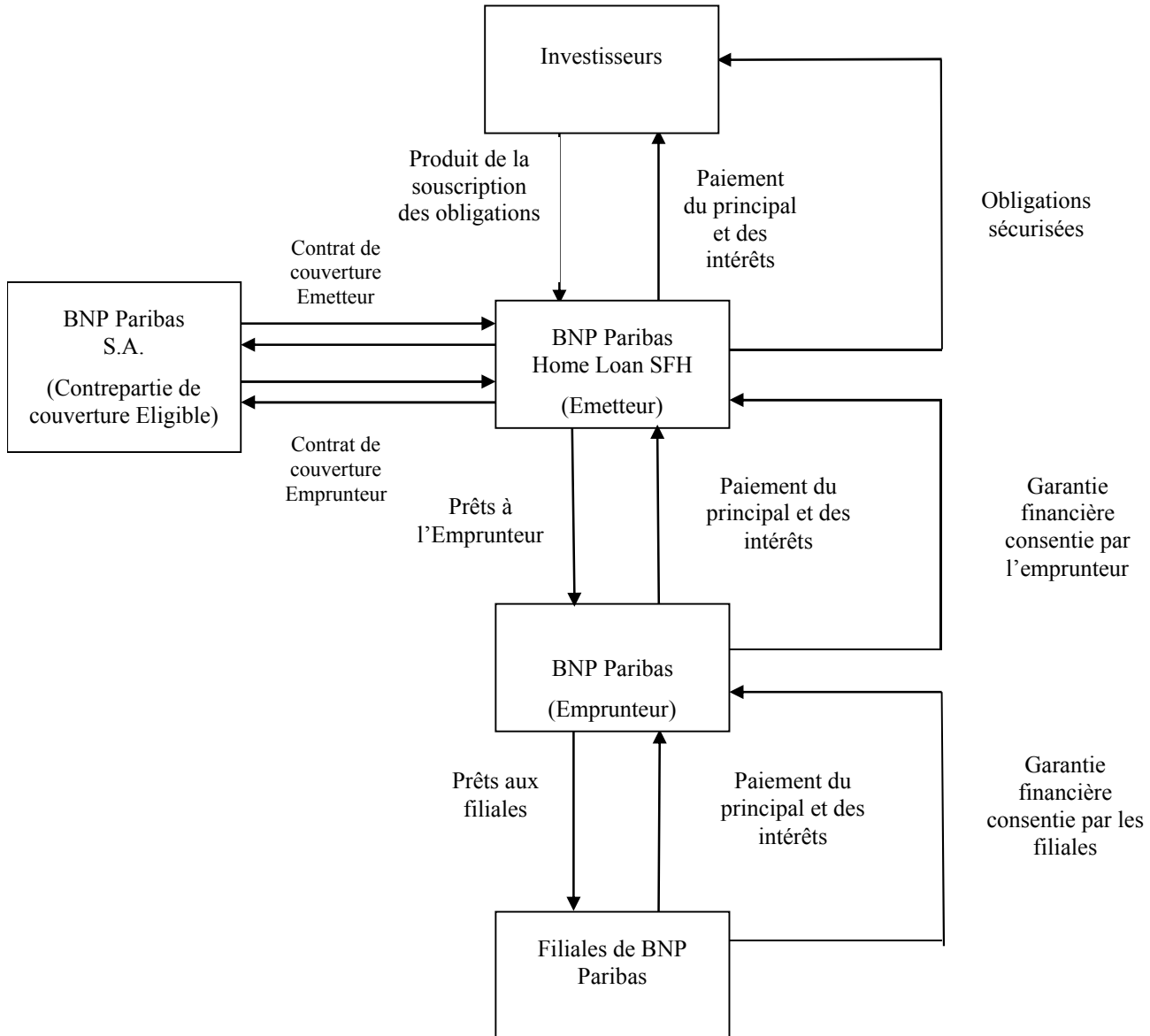
		<p>applicables. Une Souche d'Obligations Sécurisées de Droit Français pourra ne pas être cotée, si les Conditions Définitives applicables le prévoient.</p> <p>Les Obligations Sécurisées de Droit Allemand ne seront admises aux négociations ou cotées sur aucune bourse ni aucun autre marché de valeurs.</p> <p>Résumé spécifique à l'émission :</p> <p>[Sans objet.]/[[Une demande a été faite]/[Une demande doit être faite] par l'Émetteur (ou au nom et pour le compte de l'Émetteur) en vue de la cotation et de l'admission des Obligations Sécurisées de Droit Français aux négociations sur [●] à compter de [●].]</p>
Section D – Risques		
D.2	Risques clés propres à l'Émetteur	<p>Les facteurs de risques liés à l'Émetteur et à son activité incluent notamment :</p> <ul style="list-style-type: none"> - l'Émetteur assume la responsabilité exclusive des Obligations Sécurisées ; - l'Émetteur dépend de BNP Paribas ou de ses successeurs pour ses opérations et pour administrer les Documents du Programme, ainsi que pour le contrôle des actifs affectés à titre de sûretés, pour la couverture de tous risques de taux d'intérêt ou de taux de change entre ses actifs et ses passifs en vertu des Obligations Sécurisées et pour l'apport de liquidités ; - s'il remplace une contrepartie, l'Émetteur est exposé au risque de substitution, c'est-à-dire au risque de retard ou d'impossibilité de nomination d'une entité de substitution dans le délai requis ; - étant donné que certaines contreparties (y compris BNP Paribas) agissent en plusieurs qualités, l'Émetteur est exposé à des conflits d'intérêts ; - les Porteurs sont exposés au risque de modification, de remaniement ou d'amendement des Documents du Programme sans leur accord préalable ; - les lois françaises sur les procédures d'insolvabilité et la sauvegarde des entreprises en difficulté pourraient limiter la capacité des Porteurs à exercer leurs droits par voie d'exécution forcée en vertu des Obligations Sécurisées ; - certains risques peuvent exister en relation avec la mise en application de la Directive de l'UE sur le redressement et la résolution des crises bancaires ; - en cas d'ouverture d'une procédure collective à l'initiative de l'Émetteur, les porteurs des Obligations Sécurisées n'auront pas le droit de déclarer l'exigibilité immédiate des Obligations Sécurisées ; - l'Émetteur dispose de ressources limitées pour honorer ses obligations en vertu des Obligations Sécurisées ; - les recours et mesures d'exécution forcée à l'encontre de l'Émetteur sont soumis à des limitations significatives ; - il n'existe aucune garantie de la valeur de marché des investissements permis ; - l'Émetteur est exposé à des risques de taux d'intérêt et de taux de change et a mis en place une stratégie de couverture de ces risques ; - l'Émetteur est exposé à des risques de liquidité ; - l'Émetteur est exposé au risque de l'Emprunteur, au risque de ses sociétés liées et, en cas de défaut, au risque de crédit lié aux prêts à l'habitat ; - les sûretés garantissant les créances au titre de prêts à l'habitat sont régies par des dispositions légales françaises qui sont nouvelles, n'ont pas encore été interprétées par les magistrats français, peuvent être soumises aux règles relatives à la période

		<p>suspecte et peuvent être limitées si elles sont considérées comme des garanties disproportionnées ;</p> <ul style="list-style-type: none"> - l'Emetteur est enfin exposé au risque des débiteurs de prêts à l'habitat, y compris le risque de compensation, le risque de violation de déclarations et garanties, le risque lié à des procédures d'exécution forcée, le risque de fluctuations ou de perte de valeur des créances pour prêts à l'habitat et des biens immobiliers sous-jacents, et le risque de remboursement anticipé.
D.3	Risques propres Obligations Sécurisées	<p>clés aux</p> <p>Il existe certains facteurs de risques importants pour évaluer les risques relatifs aux Obligations Sécurisées émis dans le cadre du Programme, notamment :</p> <ul style="list-style-type: none"> - les risques d'investissement, les Obligations Sécurisées peuvent ne pas être un investissement approprié pour tous les investisseurs ; - les risques liés à la structure d'une émission particulière d'Obligations Sécurisées, incluant (i) les Obligations Sécurisées faisant l'objet d'une option de remboursement par l'Emetteur, (ii) le fait que les Obligations Sécurisées à Date de Maturité Extensibles peuvent être remboursées après leur Date d'Echéance Finale, (iii) les Obligations Sécurisées à Taux Fixe, (iv) les Obligations Sécurisées à Taux Variable, (v) les Obligations Sécurisées à Taux Variable Inversé, (vi) les Obligations Sécurisées à Taux Fixe/Variable, (vii) les Obligations Sécurisées émises en dessous du pair ou assorties d'une prime d'émission importante, (viii) le fait que certaines décisions de la majorité des porteurs des Obligations Sécurisées de Droit Français peuvent lier tous les porteurs de la Souche concernée, (ix) les Notes de crédit des Obligations Sécurisées et la Confirmation de la Notation et (x) les Prévisions et estimations ; - les risques généraux liés aux Obligations Sécurisées incluant (i) la modification des conditions applicables aux Obligations Sécurisées de Droit Français, (ii) les changements de loi, (iii) l'impact de changements réglementaires, (iv) la fiscalité, (v) la Directive de l'UE en matière de fiscalité des revenus de l'épargne, (vi) le projet de taxe sur les transactions financières, (vii) le fait que les Obligations Sécurisées ne sont pas enregistrées en vertu du <i>Securities Act</i> (loi américaine sur les valeurs mobilières), et (viii) la retenue à la source en vertu de la loi américaine dite FATCA (<i>U.S. Foreign Account Compliance Act</i>). - les risques liés au marché incluant généralement (i) le fait qu'un marché actif pour les Obligations Sécurisées puisse ne pas se développer, (ii) les risques de taux de change et de contrôles des changes, (iii) les risques de taux d'intérêt, et (iv) le fait que des considérations juridiques tenant à l'investissement puissent restreindre certains investissements. <p>Les investisseurs potentiels ne devront prendre leur décision d'investissement dans les Obligations Sécurisées qu'après une lecture approfondie des informations contenues dans le Prospectus de Base et sont invités à consulter leurs propres conseillers quant aux aspects juridiques, fiscaux et connexes.</p> <p>Résumé spécifique à l'émission :</p> <p>Il existe certains facteurs de risques qui sont importants afin d'évaluer les risques relatifs aux Obligations Sécurisées, notamment :</p> <ul style="list-style-type: none"> - les risques d'investissement, les Obligations Sécurisées peuvent ne pas être un investissement approprié pour tous les investisseurs ; - les risques liés à la structure des Obligations Sécurisées, incluant [les Obligations Sécurisées faisant l'objet d'une option de remboursement par l'Emetteur/ le fait que les Obligations Sécurisées à Date de Maturité Extensible peuvent être remboursées après leur Date d'Echéance Finale/les Obligations Sécurisées à Taux Fixe/les Obligations Sécurisées à Taux Variable/les Obligations Sécurisées assorties d'une garantie de taux plafond et d'une garantie de taux plancher/ les Obligations Sécurisées à Taux Variable Inversé/les Obligations Sécurisées à Taux Fixe/Variable/les Obligations Sécurisées émises en dessous du pair ou assorties d'une prime d'émission importante/le fait que certaines décisions de la majorité des porteurs des Obligations Sécurisées de Droit Français peuvent lier tous les porteurs de la Souche concernée/les Notes de crédit des Obligations Sécurisées et

		<p>la Confirmation de la Notation/les Prévisions et estimations ;</p> <ul style="list-style-type: none"> - les risques généraux liés aux Obligations Sécurisées incluant (i) la modification des modalités applicables aux Obligations Sécurisées de Droit Français, (ii) les changements de loi, (iii) l'impact de changements réglementaires, (iv) la fiscalité, (v) la Directive de l'UE en matière de fiscalité des revenus de l'épargne, (vi) le projet de taxe sur les transactions financières, (vii) le fait que les Obligations Sécurisées ne sont pas enregistrées en vertu du <i>Securities Act</i> (loi américaine sur les valeurs mobilières), et (viii) la retenue à la source en vertu de la loi américaine dite FATCA (<i>U.S. Foreign Account Compliance Act</i>). - les risques liés au marché incluant généralement (i) le fait qu'un marché actif pour les Obligations Sécurisées puisse ne pas se développer, (ii) les risques de taux de change et de contrôles des changes, (iii) les risques de taux d'intérêt, et (iv) le fait que des considérations juridiques tenant à l'investissement puissent restreindre certains investissements. <p>Les investisseurs potentiels ne devront prendre leur décision d'investissement dans les Obligations Sécurisées qu'après une lecture approfondie des informations contenues dans le Prospectus de Base et sont invités à consulter leurs propres conseillers quant aux aspects juridiques, fiscaux et connexes.</p>
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Section E – Offre		
E.2b	Raisons de l'offre et utilisation du produit de l'offre	<p>Le produit net de l'émission des Obligations Sécurisées servira à financer les Avances à l'Emprunteur que l'Emetteur (en qualité de Prêteur) mettra à la disposition de BNP Paribas (en qualité d'Emprunteur) en vertu de la Convention de Crédit. Ce produit net pourra également financer l'achat futur par l'Emetteur d'actifs éligibles autres que des Avances à l'Emprunteur et des créances pour Prêts à l'Habitat, sous réserve que ces actifs soient éligibles à l'achat par l'Emetteur en vertu du cadre légal applicable aux sociétés de financement de l'habitat.</p> <p>Résumé spécifique à l'émission :</p> <p>[Le produit net de l'émission des Obligations Sécurisées servira à financer les Avances à l'Emprunteur que l'Emetteur (en qualité de Prêteur) mettra à la disposition de BNP Paribas (en qualité d'Emprunteur) en vertu de la Convention de Crédit (comme définie au point B.15). Ce produit net pourra également financer l'achat futur par l'Emetteur d'actifs éligibles autres que des Avances à l'Emprunteur et des créances pour Prêts à l'Habitat, sous réserve que ces actifs soient éligibles à l'achat par l'Emetteur en vertu du cadre légal applicable aux sociétés de financement de l'habitat.]/[Autre (<i>à préciser</i>)].</p>
E.3	Modalités et conditions de l'offre	Sans objet.
E.4	Intérêt des personnes physiques ou morales pouvant influencer sensiblement sur l'émission	<p>L'intérêt ou les éventuels intérêts conflictuels pouvant influencer sensiblement sur l'émission des Obligations Sécurisées seront décrits dans les Conditions Définitives applicables.</p> <p>Résumé spécifique à l'émission :</p> <p>[Sans objet, à la connaissance de l'Émetteur, aucune personne participant à l'émission des Obligations Sécurisées n'y a d'intérêt significatif.]/[Le ou les Agent(s) Placeur(s) percevra/percevront des commissions d'un montant de [●]% du montant en principal des Obligations Sécurisées. A la connaissance de l'Émetteur, aucune autre personne participant à l'émission des Obligations Sécurisées n'y a d'intérêt significatif.]</p>
E.7	Estimation des dépenses facturées à l'investisseur par l'Émetteur	<p>Une estimation des dépenses facturées à l'investisseur par l'Émetteur sera incluse dans les Conditions Définitives applicables.</p> <p>Résumé spécifique à l'émission :</p> <p>[Sans objet]/[Les dépenses mises à la charge de l'investisseur sont estimées à [●].]</p>

Annexe au résumé du Programme
Diagramme de structure



Le présent programme consiste en l'émission par l'Emetteur, agréée en qualité de société de financement de l'habitat, d'obligations sécurisées. Le paiement du principal et des intérêts dus au titre de ces obligations bénéficie d'un privilège légal prévu par le Code monétaire et financier.

Le produit de la souscription des obligations émises est utilisé par l'Emetteur pour consentir des prêts à BNP Paribas. Ces prêts sont garantis par une garantie financière consentie par BNP Paribas au profit de l'Emetteur et aux termes de laquelle BNP Paribas remet en garantie des créances de prêt à l'habitat.

BNP Paribas utilise les fonds reçus de la part de l'Emetteur pour consentir, à son tour, des prêts aux filiales de son groupe, étant précisé que lesdits prêts sont également garantis par une remise en garantie de créances de prêt à l'habitat.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus shall be read and construed in conjunction with the sections referred to in the table below which are incorporated in, and shall be deemed to form part of, this Base Prospectus (the "**Documents Incorporated by Reference**") and which are included in the following documents, which have been previously published and filed with the AMF:

- the free English translation of the "*BNP Paribas Home Loan SFH Etats Financiers au 31 décembre 2013*" which contains the audited financial statements of the Issuer for the financial year ended 31 December 2013 together with the free English translation of the statutory auditors' report thereon (together the "**2013 Financial Statements**");
- the free English translation of the "*BNP Paribas Home Loan SFH Etats Financiers au 31 décembre 2012*" which contains the audited financial statements of the Issuer for the financial year ended 31 December 2012 together with the free English translation of the statutory auditors' report thereon (together the "**2012 Financial Statements**");
- the free English translations of the "*BNP Paribas Home Loan SFH Tableau des Flux de Trésorerie au 31 décembre 2013*" which contains the audited cash flow statements of the Issuer for the financial years ended 31 December 2013 and 31 December 2012 together with the free English translation of the statutory auditor's report thereon (together the "**2013 Cash Flow Statements**"); and
- the sections "Terms and Conditions of the Covered Bonds" of the following base prospectuses relating to the Programme: (i) Base Prospectus dated 18 June 2013 (pages 57 to 92) (the "**2013 Covered Bonds Conditions**"), (ii) Base Prospectus dated 15 June 2012 (pages 63 to 100) (the "**2012 Covered Bonds Conditions**"), (iii) Base Prospectus dated 15 June 2011 (pages 60 to 97) (the "**2011 Covered Bonds Conditions**") and (iv) Base Prospectus dated 27 July 2010 (pages 45 to 80) (the "**2010 Covered Bonds Conditions**" and, together with the 2011 Covered Bonds Conditions, the 2012 Covered Bonds Conditions and the 2013 Covered Bonds Conditions, the "**Covered Bonds Previous Conditions**").

All Documents Incorporated by Reference in this Base Prospectus may be obtained, without charge on request, at the principal office of the Issuer and the Paying Agents set out at the end of this Base Prospectus during normal business hours so long as any of the Covered Bonds are outstanding. Such documents will be published on the website of the AMF (www.amf-france.org). The 2013 Financial Statements, the 2012 Financial Statements and the 2013 Cash Flow Statements are published on the website of the Issuer (www.invest.bnpparibas.com/ - heading BNP Paribas Debt) and www.info-financière.fr.

Any information not listed in the cross reference list but included in the documents mentioned is given for information purposes only and is not required by the relevant schedules of the Commission Regulation No 809/2004 of 29 April 2004, as amended.

Cross-reference list

INFORMATION INCORPORATED BY REFERENCE (Annex XI of the European Regulation 809/2004/EC)	REFERENCE
11. FINANCIAL INFORMATION CONCERNING BNP PARIBAS HOME LOAN SFH'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
11.1 Historical Financial Information	
<i>2012 Financial Statements</i>	
Profit and Loss Account	Page 3
Balance sheet	Page 4
Summary of Financial Principles applied by BNP Paribas Home Loan SFH	Pages 5 to 7
Notes to the Profit and Loss Account	Pages 8 to 9
Notes to the Balance Sheet	Pages 9 to 10
Additional information	Pages 11 to 12
Statutory Auditors' Report	Pages 14 to 16
<i>2013 Financial Statements</i>	
Profit and Loss Account	Page 3
Balance sheet	Page 4
Summary of Financial Principles applied by BNP Paribas Home Loan SFH	Pages 5 to 6
Notes to the Profit and Loss Account	Pages 7 to 8
Notes to the Balance Sheet	Pages 9 to 11
Additional information	Page 12 to 13
Statutory Auditors' Report	Pages 14 to 16
<i>2013 Cash Flow Statements</i>	
Cash Flow Statements	Page 2
Statutory Auditors' Report	Pages 3 to 5

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

Cross-reference list in respect of the Covered Bonds Previous Conditions

INFORMATION INCORPORATED BY REFERENCE	REFERENCE
2010 Covered Bonds Conditions	
Terms and Conditions of the Covered Bonds	Pages 45 to 80
2011 Covered Bonds Conditions	
Terms and Conditions of the Covered Bonds	Pages 60 to 97
2012 Covered Bonds Conditions	
Terms and Conditions of the Covered Bonds	Pages 63 to 100
2013 Covered Bonds Conditions	
Terms and Conditions of the Covered Bonds	Pages 57 to 92

Non-incorporated parts of the base prospectus of the Issuer dated 27 July 2010, the base prospectus of the Issuer dated 15 June 2011, the base prospectus of the Issuer dated 15 June 2012 and the base prospectus of the Issuer dated 18 June 2013 are not relevant for investors.

GENERAL DESCRIPTION OF THE PROGRAMME

Words and expressions defined in the section entitled "Terms and Conditions of the Covered Bonds" below shall have the same meanings in this general description. The expression "Covered Bonds" refers to the French Law Covered Bonds and the German Law Covered Bonds to the extent permitted by the terms and conditions applicable to the French Law Covered Bonds and the German Law Covered Bonds, as applicable.

1. THE PARTIES UNDER THE PROGRAMME

Issuer:	BNP Paribas Home Loan SFH, a limited liability company (<i>société anonyme</i>) incorporated under French law and a duly licensed in France as specialised credit institution (<i>établissement de crédit spécialisé</i>) with the status of <i>société de financement de l'habitat</i> delivered by the <i>Autorité de contrôle prudentiel et de résolution</i> (see the section entitled " The Issuer "). The Issuer's assets are exclusively composed of assets that are eligible to <i>sociétés de financement de l'habitat</i> pursuant to the French legal framework applicable to <i>société de financement de l'habitat</i> (see section entitled " Summary of the SFH Legal Framework "). The contracts entered into by the Issuer as of the date of the Base Prospectus are further described in the section entitled " The main Programme Documents ".
Arranger:	BNP Paribas.
Administrator:	BNP Paribas.
Borrower:	BNP Paribas.
Affiliates:	BNP Paribas Personal Finance and, as the case may be, any other Affiliates of BNP Paribas located within the EEA and/or relevant special purpose entities.
Cash Collateral Provider:	BNP Paribas.
Issuer Calculation Agent:	BNP Paribas.
Issuer Accounts Bank:	BNP Paribas.
Asset Monitor:	KPMG LLP.
Specific Controller:	Fides Audit, represented by Stéphane Massa.
Substitute Specific Controller:	M.B.V. & Associés, represented by Martine Leconte.
Dealer:	BNP Paribas. The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional dealers either in respect of one (1) or more Tranches or in respect of the whole Programme. References in this Base Prospectus to " Permanent Dealers " are to the person referred to above as Dealer and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to " Dealers " are to all Permanent Dealers and all persons appointed as a dealer in respect of one (1) or more Tranches. At the date of this Base Prospectus, only credit institutions and investment firms incorporated in a member state of the European Union ("EU") and which are authorised by the relevant authority of such member home state to lead-manage bond issues in such Member State may act (a) as Dealers with respect to non-syndicated issues of Covered Bonds denominated in Euro and (b) as lead manager of issues of Covered Bonds denominated in Euro issued on a syndicated basis.
Fiscal Agent, Principal Paying Agent and	French Law Covered Bonds:

Calculation Agent: BNP Paribas Securities Services

2. THE PROGRAMME

Description: Programme for the continuous offer of Covered Bonds called "*obligations de financement de l'habitat*" within the meaning of Article L. 513-30 of the French Monetary and Financial Code (*Code monétaire et financier*), the principal and interest of which benefit from a statutory *Privilège* (priority in right of payment) created by Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*) (see section entitled "**Summary of the SFH Legal Framework**").

Programme Limit: Up to € 35,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Covered Bonds outstanding at any one (1) time.

Method of Issue: The Covered Bonds will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (except in respect of the first payment of interest) and may be distributed on a syndicated or non-syndicated basis.

3. THE COVERED BONDS

Issuable in Series; Tranches: The Covered Bonds will be issued in Series. Each Series may be issued in Tranches on the same or different issue dates.

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

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

An extended final maturity date (the "**Extended Final Maturity Date**") may be specified in the relevant Final Terms of a Series of Covered Bonds in accordance with the applicable Conditions, each such Covered Bonds being referred to as "**Soft Bullet Covered Bonds**".

Currencies: Subject to the Hedging Strategy (as defined herein) and to compliance with all relevant laws, regulations and directives, Covered Bonds may be issued in Euros, U.S. dollars, Japanese yen, Swiss francs and, subject to prior Rating Affirmation (as defined in Condition 1 of the "**Terms and Conditions of Covered Bonds**") (of Standard & Poor's only), in any other currency agreed between the Issuer and the relevant Dealer(s).

Denomination(s): Covered Bonds will be issued in the Specified Denomination(s) (as defined herein) set out in the relevant Final Terms, provided that all Covered Bonds admitted to trading on a Regulated Market in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive shall have a minimum denomination of € 1,000 (or its equivalent in any other currency at the time of issue) or such higher amount as may be allowed or required from time to time in relation to the relevant Specified Currency. Dematerialised Covered Bonds will be issued in one (1) denomination only.

Status: Subject to the Priority Payments Orders (as defined herein), the Covered Bonds, and, where appropriate, any related Coupons will constitute direct, unconditional, unsubordinated and privileged obligations of the Issuer and will rank *pari passu* without any preference among themselves. The Covered Bonds are issued under Articles L. 513-28 to L. 513-32 of the French Monetary and Financial Code (*Code monétaire et financier*). Bondholders benefit from a *Privilège* (priority in right of payment) provided for in Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*) over all the assets and revenues of the Issuer.

See "**Terms and Conditions of the Covered Bonds - *Privilège (Statutory Priority in Right of Payment)***".

Negative Pledge:	There will be a negative pledge as set out in Condition 5(a) of the "Terms and Conditions of the Covered Bonds".
Issuer Events of Default:	Under certain circumstances, subject to the legal framework applicable to an SFH, upon the occurrence of an Issuer Event of Default (as set out in Condition 10 under "Terms and Conditions of the Covered Bonds"), Bondholders may be able to cause the principal amount of all Covered Bonds of such Series to become immediately due and payable (but subject to the relevant Priority Payment Order), together with any accrued interest thereon, as of the date on which the notice for payment is received by the Fiscal Agent.
Redemption Amount:	Subject to any laws and regulations applicable from time to time, the relevant Final Terms will specify the redemption amounts payable calculated on the basis of the applicable Conditions.
Optional Redemption:	The Final Terms issued in respect of each issue of Covered Bonds will state whether such Covered Bonds may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Bondholders, and if so the terms applicable to such redemption in accordance with the provisions of the relevant Conditions.
Early Redemption:	Except as provided in "Optional Redemption" above, Covered Bonds will be redeemable at the option of the Issuer prior to their stated maturity only for tax reasons (as provided in Condition 7(f)) or illegality (as provided in Condition 7 (g)).
Taxation:	All payments of principal and interest by or on behalf of the Issuer in respect of the Covered Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.
Additional Amounts	If French law should require that payments of principal or interest in respect of any Covered Bond or Coupon be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts, subject to exceptions all as specified in Condition 9(b) of the "Terms and Conditions of the Covered Bonds".
Interest Periods and Interest Rates:	The length of the interest periods for the Covered Bonds and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Covered Bonds may have a maximum interest rate, a minimum interest rate or both. The use of interest accrual periods permits the Covered Bonds to bear interest at different rates in the same interest period. All such information (except the method of calculation) will be set out in the relevant Final Terms.
Fixed Rate Covered Bonds:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
Floating Rate Covered Bonds:	Floating Rate Covered Bonds will bear interest determined separately for each Series as follows: <ul style="list-style-type: none"> (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by the 2001 FBF Master Agreement relating to the transactions on forward financial instruments as supplemented by the Technical Schedules (<i>Additifs Techniques</i>) as published by the <i>Fédération Bancaire Française</i> (together, the "2001 FBF Master Agreement"), or (b) on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service (including, without limitation, EURIBOR, EONIA, LIBOR, CMS or TEC or any other reference rate, as specified in the applicable Final Terms)

in each case plus or minus any applicable margin, if any, and calculated and payable as indicated in the applicable Final Terms. Floating Rate Covered Bonds may also have a maximum rate of interest, a minimum rate of interest or both.

Redenomination:	Covered Bonds issued in the currency of any Member State of the EU which participates in the third stage (or any further stage) of the European Monetary Union may be redenominated into Euro, all as more fully provided in Condition 2(d).
Consolidation:	Covered Bonds of one (1) Series may be consolidated with Covered Bonds of another Series as more fully provided in Condition 16.
Form of Covered Bonds:	<p><i>(i) French Law Covered Bonds</i></p> <p>French Law Covered Bonds may be issued either in dematerialised form ("Dematerialised Covered Bonds") or in materialised form ("Materialised Covered Bonds").</p> <p>Dematerialised Covered Bonds may, at the option of the Issuer, be issued in bearer form (<i>au porteur</i>) or in registered form (<i>au nominatif</i>) and, in such latter case, at the option of the relevant holder, in either fully registered form (<i>au nominatif pur</i>) or administered form (<i>au nominatif administré</i>). No physical documents of title will be issued in respect of Dematerialised Covered Bonds.</p> <p>Materialised Covered Bonds will be in bearer form only. A Temporary Global Certificate will initially be issued in respect of each Tranche of Materialised Covered Bonds. Materialised Covered Bonds may only be issued outside France.</p> <p>French Law Covered Bonds may not be offered or resold within the United States or to, or for the account or benefit of, U.S. persons.</p> <p><i>(ii) German Law Covered Bonds</i></p> <p>German Law Covered Bonds will be issued in materialised registered form. They will not be admitted to trading nor listed on any market or stock exchange.</p>
Representation of French law Bondholders:	<p>French law Bondholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a <i>masse</i> (in each case, the "Masse").</p> <p>The <i>Masse</i> will be a separate legal entity and will act in part through a representative (the "Representative") and in part through a general meeting of the French law Bondholders (the "General Meeting").</p>
Governing Law:	<p>The Covered Bonds will be governed by, and construed in accordance with French law, as specified in the relevant Final Terms.</p> <p>The Issuer may from time to time issue Covered Bonds governed by, and construed in accordance with, German law (except for the <i>Privilège</i>, which will be governed by French law).</p> <p>The French Law Covered Bonds and German Law Covered Bonds will benefit from the same security and rights. The terms and conditions of the German Law Covered Bonds are contained in the Agency Agreement.</p>
Central Depository for French Law Covered Bonds:	Euroclear France in respect of Dematerialised Covered Bonds.
Clearing Systems for French Law Covered Bonds:	Euroclear France as central depository in relation to Dematerialised Covered Bonds and, in relation to Materialised Covered Bonds, Clearstream, Luxembourg and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent in respect of French Law Covered Bonds and the relevant Dealer(s).
Initial Delivery of French law Dematerialised Covered Bonds:	At least one (1) Paris business day before the issue date of each Tranche of Dematerialised Covered Bonds, the <i>Lettre comptable</i> relating to such Tranche shall be deposited with Euroclear France as central depository.
Initial Delivery of	On or before the issue date for each Tranche of Materialised Covered Bonds, the

French law Materialised Covered Bonds:	Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent in respect of French Law Covered Bonds and the relevant Dealer(s).
Issue Price:	Covered Bonds may be issued at their nominal amount or at a discount or premium to their nominal amount.
Listing and Admission to Trading:	<p>Application may be made for French Law Covered Bonds to be listed and admitted to trading on Euronext Paris and/or on any other Regulated Market in the EEA in accordance with the Prospectus Directive and/or any other market as specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of Covered Bonds may be unlisted.</p> <p>The German Law Covered Bonds will not be admitted to trading nor listed on any market or stock exchange.</p>
Rating:	<p>Covered Bonds issued under the Programme are expected on issue to be rated AAA by Standard & Poor's Ratings Services and AAA by Fitch Ratings.</p> <p>The rating of the Covered Bonds will be specified in the relevant Final Terms.</p> <p>As of the date of this Base Prospectus, each of the Rating Agencies is established in the European Union and is registered under Regulation (EU) No. 1060/2009, as amended and is included in the list of registered credit rating agencies published at the website of the European Securities and Markets Authority (www.esma.europa.eu/page/List-registered-and-certified-CRAs). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change, or withdrawal at any time by the assigning rating agency.</p>
Selling Restrictions:	<p>There are restrictions on the offer and sale of Covered Bonds and the distribution of offering materials in various jurisdictions. See "Plan of Distribution". In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed in the relevant supplement to the Base Prospectus.</p> <p>The Issuer is Category 2 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.</p> <p>Materialised Covered Bonds will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) and any successor regulation issued under the U.S. Internal Revenue Code of 1986, as amended (the "Code") containing rules identical to those applying under Code section 163(f)(2)(B) (the "D Rules") unless (i) the relevant Final Terms states that such Covered Bonds are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) and any successor regulation issued under Code section 4701 containing rules identical to those applying under Code section 163(f)(2)(B) (the "C Rules") or (ii) such Covered Bonds are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Covered Bonds will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.</p>

4. GENERAL INFORMATION

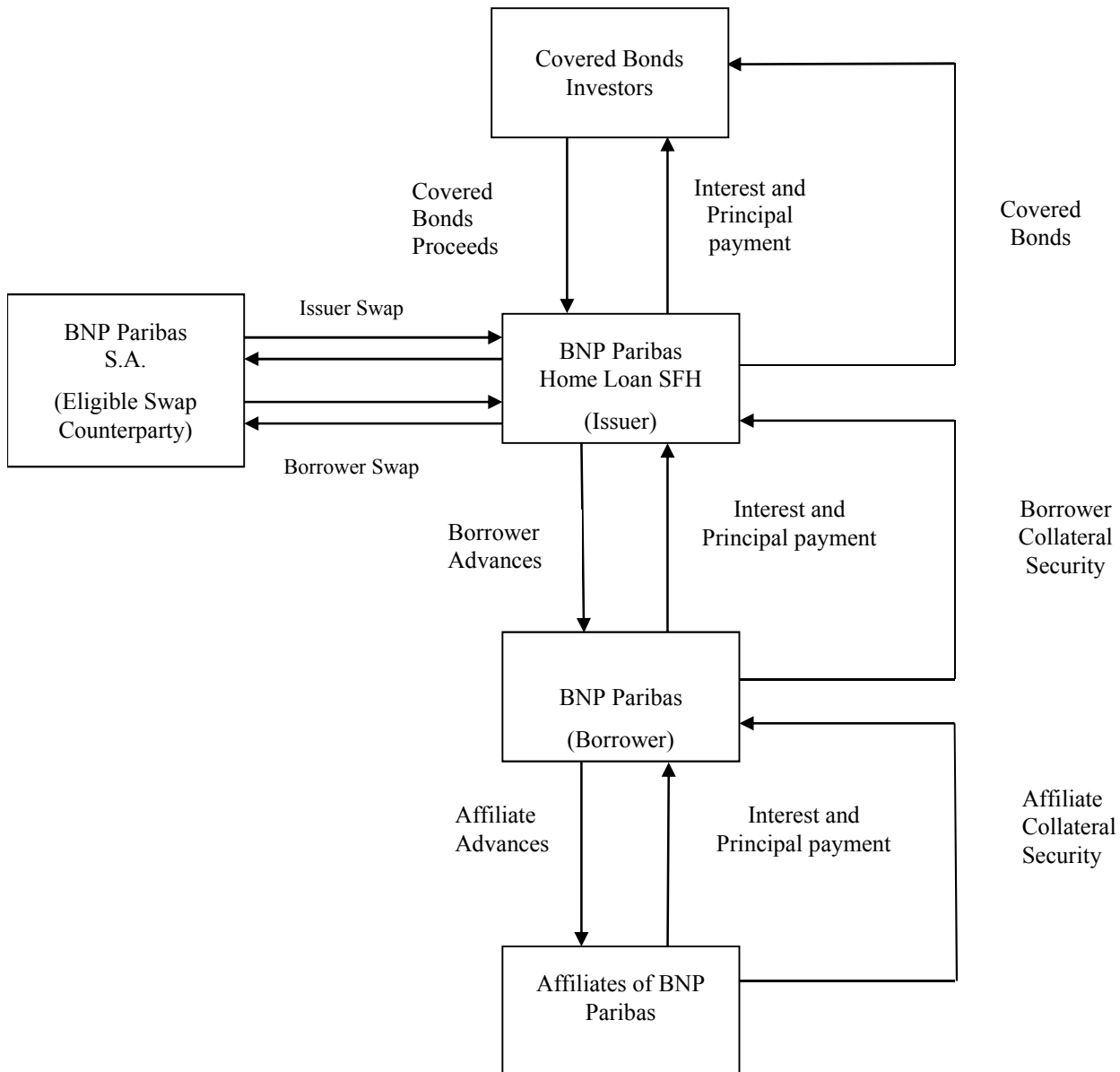
General Information:	This Base Prospectus and any supplements thereto will be published on the websites of BNP Paribas (www.invest.bnpparibas.com/ - heading BNP Paribas Debt) and of the AMF (www.amf-france.org). The Final Terms related to Covered Bonds traded on any Regulated Market in accordance with the Prospectus Directive will be published, so long as such Covered Bonds are admitted to trading on any Regulated Market, on the websites of BNP Paribas (www.invest.bnpparibas.com/ - heading BNP Paribas
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Debt) and of the AMF (www.amf-france.org).

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

All documents incorporated by reference in this Base Prospectus may be obtained, without charge on request, at the principal office of the Issuer and the Paying Agents set out at the end of this Base Prospectus during normal business hours so long as any of the Covered Bonds are outstanding. Such documents will be published on the website of the AMF (www.amf-france.org). The 2013 Financial Statements and the 2012 Financial Statements of the Issuer are available on the website of the Issuer (www.invest.bnpparibas.com/ - heading BNP Paribas Debt).

STRUCTURE DIAGRAM



For a description of the main terms of the Programme Documents entered into by the Issuer as of the date of this Base Prospectus, please refer to section "**The main Programme Documents**".

RISK FACTORS

This section only applies to French Law Covered Bonds. The risk factors set out in this Base Prospectus may also apply to German Law Covered Bonds. However, this Base Prospectus does not describe all of the risks of an investment in German Law Covered Bonds and investors or potential investors should take their own advice, and consult their own financial, legal, tax and other advisers in relation to the risks attached to, or associated with, the German Law Covered Bonds or an investment in any of them including in light of such investors' particular circumstances.

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

In addition, factors which are material as to the market risk associated with Covered Bonds issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent to investing in Covered Bonds issued under the Programme. However, the Issuer does not represent that the factors below are exhaustive. Investors must be aware that other risks and uncertainties which, as of the date of this Base Prospectus, are not known to the Issuer, or are considered immaterial, may have a significant impact on the Issuer, its activities, its financial condition, or the Covered Bonds. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents deemed to be incorporated by reference herein) and form their own opinions as to potential risk prior to making any investment decision. Investors should, in particular, conduct their own analysis and evaluation of risks relating to the Issuer, its financial condition and issued Covered Bonds issued under this Programme and consult their own financial and legal advisers about risks associated with investment in a particular Series of Covered Bonds and the suitability of investing in the Covered Bonds in light of their particular circumstances.

The Issuer's view is that the Covered Bonds should only be purchased by investors that are (or are advised by) financial institutions or other professional investors who have the knowledge and experience sufficient to appropriately evaluate the risks involved with the Covered Bonds.

Words and expressions defined elsewhere in this Base Prospectus shall have the meanings described in the risk factors description below.

I. RISKS RELATED TO THE ISSUER

The Issuer has sole liability under the Covered Bonds

The Issuer is the only entity with the obligation to pay principal and interest with respect to the Covered Bonds. The Covered Bonds are not and will not be the obligation or responsibility of any other entity, including (but not limited to) BNP Paribas (in any capacity but in particular in its capacity as Borrower, Administrator, Cash Collateral Provider or Issuer Calculation Agent), the Dealers, the Representative, the Paying Agents, the Affiliates (if any), the Asset Monitor, any participant to the Hedging Strategy (as applicable) or any company in the same group of companies as any of the foregoing entities, or the shareholders, directors, or agents of any company in the same group of companies as the foregoing entities.

In making an investment decision, investors must rely upon their own examination of the Issuer, the Borrower Collateral Security Assets, the terms of the Covered Bonds issued under the Programme and the financial information incorporated in this Base Prospectus. In the case of a Borrower Event of Default, there can be no assurance that the Borrower Collateral Security Assets will be sufficient to pay in full the amounts payable under the Covered Bonds.

The Issuer relies on BNP Paribas or its successors for its operations and to administer the Programme Documents

The Issuer has entered into a number of agreements with BNP Paribas, who has agreed to perform services for the Issuer. In particular, but without limitation:

- BNP Paribas has been appointed as Administrator to provide the Issuer with necessary advice, assistance and know-how, whether technical or otherwise in connection with the day to day management and corporate administration of the Issuer and to ensure that the Issuer exercises each of its rights and perform each of its obligations under the Programme Documents;
- BNP Paribas has been appointed as Issuer Calculation Agent, as defined below, to make calculations as provided under the Programme Documents and in particular to make calculations relating to the Asset Cover Test, the Pre-Maturity Test, the Legal Liquidity Reserve and the Amortisation Test.

Upon certain events occurring, a new entity would have to be appointed to act as Issuer Calculation Agent and Administrator.

Under the relevant Programme Documents, the Issuer may in certain circumstances terminate the appointment of BNP Paribas or any other BNP Paribas Entity that may be appointed (such termination not being effective until a substitute servicer with the required rating shall have replaced BNP Paribas), in which case the transfer of the servicing function to a new servicer outside the BNP Paribas Group may result in delays, increased costs and/or losses in collection of sums due to the Issuer under its assets, could create operational and administrative difficulties for the Issuer, and could adversely affect its ability to perform its obligations under the Covered Bonds.

The Issuer relies on third parties including BNP Paribas and entities of the Group and their successors for the monitoring of the Collateral Security Assets

The Issuer has entered into the Borrower Collateral Security Agreement and the Affiliate Collateral Security Agreement with BNP Paribas and the Affiliates, who have agreed to administer and monitor the Collateral Security Assets and/or the Collateral Security.

Under the relevant Programme Documents, the Issuer may terminate the appointment of BNP Paribas or any other entity of the Group that may be appointed (such termination not being effective until a substitute servicer with the required rating shall have replaced BNP Paribas or the relevant entity of the Group), in which case the transfer of the monitoring function to any entity outside the Group may result in delays, increased costs and/or losses for the Issuer, could create operational and administrative difficulties for the Issuer and could adversely affect its ability to perform its obligations under the Covered Bonds. In addition, if the Affiliates and/or the BNP Paribas fail to adequately administer the Collateral Security Assets and/or the Collateral Security, this may lead to diminished value of the Collateral Security or any part thereof, and in turn, the ability of the Issuer to make payments under the Covered Bonds.

The Issuer relies on third parties including BNP Paribas and entities of the Group and their successors for the hedging of any interests rate or currency risks between its assets and its liabilities under the Covered Bonds

Under the Hedging Strategy, the Issuer is reliant on the entities of the Group (only until a Borrower Event of Default is enforced, subject to, and in accordance with the relevant terms of the Borrower Facility Agreement) and/or any relevant Eligible Hedging Provider(s), as defined below, to provide it with the funds matching its obligations under the Covered Bonds (see "**The Hedging Strategy**").

Failure of entities of the Group and/or any relevant Eligible Hedging Provider(s) to enter into any hedging agreement contemplated by the Hedging Strategy may adversely affect the Issuers' ability to perform its obligations under the Covered Bonds.

The Issuer relies on BNP Paribas and its successors for the provision of liquidity

The Issuer has entered into the Cash Collateral Agreement with BNP Paribas (as Cash Collateral Provider), who has agreed to provide liquidity to the Issuer under certain conditions (see sections entitled "**The main**

Programme Documents – The Cash Collateral Agreement - The Cash Collateral Account", "Asset Monitoring - The Legal Liquidity Reserve" and "Asset Monitoring - The Pre-Maturity Test").

Failure of BNP Paribas to provide liquidity where required under the Cash Collateral Agreement may adversely affect the Issuers' ability to perform its obligations under the Covered Bonds.

Substitution risk

In the event of a downgrading of the short-term and/or long-term debt of one (1) or more parties to the Programme Documents (such as the Eligible Hedging Providers, the Issuer Calculation Agent, the Cash Collateral Provider, the Administrator, or the Issuer Accounts Bank), or if under certain other circumstances the substitution of one (1) or more of these parties is appropriate pursuant to the terms of the Programme Documents, no assurance can be given that a substitute entity will be found.

If there is a downgrading of the long-term debt of the Administrator, or another Administrator Termination Event, as defined below, occurs pursuant to the terms of the Administrative Agreement, as defined below, the Issuer will be entitled to terminate the appointment of the Administrator and appoint a new administrator in its place. There can be no assurance that a substitute administrator with sufficient experience would be found who would be willing and able to serve on the same or similar terms found in the Administrative Agreement. In particular, upon the occurrence of any Borrower Event of Default and the subsequent enforcement of the Borrower Collateral Security and the transfer to the Issuer of the Borrower Collateral Security Assets, there can be no assurance that a substitute administrator with sufficient experience of servicing such transferred Borrower Collateral Security Assets could be found who could be willing and able to serve on the same or similar terms found in the Administrative Agreement. The ability of a substitute administrator to perform the required services fully would depend, among other things, on the information, software and records available at the time of the appointment. Any delay or inability to appoint a substitute administrator may affect the realisable value of the Issuer Security or any part thereof, and/or the ability of the Issuer to make payments under the Covered Bonds. No Administrator has (nor will have, as applicable) any obligation itself to advance payments that the Borrower fails to make in a timely manner. The Representative is not obliged under any circumstance to act as an Administrator or to monitor the proper performance of obligations by any Administrator.

Certain conflicts of interest

The Issuer is a specialised credit institution (*établissement de crédit spécialisé*) with the status of *société de financement de l'habitat*, and is intended to be a ring-fenced entity that will be unaffected by the insolvency of the Group. Moreover, the Programme Documents include limited recourse and non-petition wording.

Nonetheless, conflicts of interest may arise during the life of the Programme as a result of various factors involving certain parties to the transaction. For example, potential conflicts may arise when BNP Paribas acts in several capacities under the Programme, as it is allowed to do provided that its rights and obligations under the Programme Documents are not contractually conflicting and are independent from one another. During the course of their business activities, the Programme parties and/or any respective affiliates may operate, service, acquire or sell properties, or finance loans secured by properties, which are in the same markets as the Home Loans. In such case, the interest of any of those parties or their affiliates or the interest of other parties for whom they perform services may differ from, and compete with, the interests of the Issuer or of the Bondholders.

Modification, alteration or amendment of the Programme Documents without Bondholder prior consent

Subject to the qualifications described in the relevant Programme Document(s) to which it is a party, the Issuer may, with prior Rating Affirmation, as defined below, and without the prior consent or sanction of any of the Bondholders, concur with any person in making or sanctioning any modifications, alterations or supplements to any Programme Document to which it is a party. Such modifications, alterations or supplements may materially and adversely affect the interest of the Issuer or the Bondholders but shall be made with prior Rating Affirmation.

Subject to the qualifications described in the relevant Programme Document(s) to which it is a party, the Issuer may, without prior Rating Affirmation and without the prior consent or sanction of any of the Bondholders, concur with any person in making or sanctioning any modifications, alterations or supplements to any Programme Document to which it is a party if the same is:

- to cure any ambiguity, omission, defect or inconsistency;
- to evidence or effect the transition of any party to a Programme Document to which it is a party to any successor;
- to add to the undertakings and other obligations of any party (except the Issuer) under a Programme Document to which it is a party; or

to comply with any mandatory requirements of applicable laws and regulations.

Insolvency and examinership laws in France could limit the ability of the Bondholders to enforce their rights under the Covered Bonds

The Issuer, as a *société anonyme*, is subject to French laws and proceedings affecting creditors (including conciliation proceedings (*procédure de conciliation*), safeguard proceedings (*procédure de sauvegarde*), accelerated financial safeguard proceedings (*procédure de sauvegarde financière accélérée*), accelerated safeguard proceedings (*procédure de sauvegarde accélérée*) and judicial reorganisation or liquidation proceedings (*procédure de redressement ou de liquidation judiciaires*)).

The Issuer, as a specialised credit institution (*établissement de crédit spécialisé*), is also subject to the provisions of Articles L. 613-25 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*). These provisions include in particular specific rules on the opening of an insolvency proceeding against the Issuer, the involvement of the *Autorité de contrôle prudentiel et de résolution* in the event of bankruptcy of the Issuer, specific concepts of suspension of payment (*cessation des paiements*) for the Issuer and some specific rules of liquidation for the Issuer.

As a general principle, the above mentioned insolvency and reorganisation rules favour the continuation of a business and protection of employment over the payment of creditors.

However, the Issuer, as a *société de financement de l'habitat*, benefits from a regime which derogates in many ways from the French legal provisions relating to insolvency proceedings, in particular:

- in accordance with Article L. 513-31 of the French Monetary and Financial Code (*Code monétaire et financier*), the provisions of Article L. 632-2 of the French Commercial Code (*Code de commerce*) (*nullités facultatives de la période suspecte*) are not applicable to contracts concluded by a *société de financement de l'habitat*, or to legal transactions made by or in favour of *société de financement de l'habitat*, as far as such contracts or transactions are directly related to the transactions referred to in Articles L. 513-28 to L. 513-30 of the French Monetary and Financial Code (*Code monétaire et financier*);
- the bankruptcy proceedings (*procédure de sauvegarde, de sauvegarde financière accélérée, de sauvegarde accélérée, de redressement ou de liquidation judiciaires*) of a shareholder of the Issuer cannot be extended to the Issuer;
- any service/loan agreement pursuant to which the Issuer has delegated to another company the management or the recovery of loans, exposures, assimilated receivables, securities, instruments, bonds or other sources of financing may be immediately terminated upon the opening of bankruptcy proceedings (*procédure de sauvegarde, de redressement ou de liquidation judiciaires*) affecting that company;
- in case of bankruptcy proceedings (*procédure de sauvegarde, de sauvegarde financière accélérée, de sauvegarde accélérée, de redressement ou de liquidation judiciaires*) or conciliation proceedings (*procédure de conciliation*) of the Issuer, all cash flows generated by the assets of the Issuer are allocated as a matter of absolute priority to servicing liabilities of the Issuer which benefit from the *Privilège* as they fall due, in preference to all other claims, whether or not secured or statutorily preferred and, until

payment in full of the liabilities of the Issuer which benefit from the *Privilège*, no other creditors may take any action against the assets of the Issuer.

As a result of the operation of the SFH Legal Framework, in the case of a bankruptcy or insolvency proceedings in respect of the Issuer, the ability of holders of Covered Bonds to enforce their rights under the Covered Bonds may be limited.

EU Resolution and Recovery Directive

The Directive 2014/59/EU of the European Parliament and of the Council establishes an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**RRD**").

The full scope of the RRD and its impact on the Issuer is currently unclear but its implementation or the taking of any action under it could materially affect the value of any Covered Bonds.

The stated aim of the RRD is to provide resolution authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' contributions to bank bail-outs and/or exposure to losses. The powers provided to authorities in the RRD are divided into three categories: (i) preparatory steps and plans to minimize the risks of potential problems (preparation and prevention); (ii) in the event of incipient problems, powers to arrest a firm's deteriorating situation at an early stage so as to avoid insolvency (early intervention); and (iii) if insolvency of a firm presents a concern as regards the general public interest, a clear means to reorganize or wind down the firm in an orderly fashion while preserving its critical functions and limiting to the maximum extent any exposure of taxpayers to losses.

The RRD currently contains four resolution tools and powers:

- *sale of business*: enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply;
- *bridge institution*: enables resolution authorities to transfer all or part of the business of the firm to a "bridge bank" (a public controlled entity);
- *asset separation*: enables resolution authorities to transfer impaired or problem assets to an asset management vehicle to allow them to be managed and worked out over time; and
- *bail-in*: gives resolution authorities the power to write-down the claims of unsecured creditors of a failing institution and to convert debt claims to equity (subject to certain parameters as to which liabilities would be eligible for the bail-in tool). Potential investors in the Covered Bonds should consider the risk that a holder may lose all or a part of its investment, including the principal and any interests, if such or any similar statutory loss absorption measures are used.

The RRD currently contemplates that it will be implemented in Member States with effect from 1 January 2015, except for the bail-in tool, which is contemplated to be implemented by 1 January 2016.

The powers currently set out in the RRD would impact how credit institutions and large investment firms (those which are required to hold initial capital of € 730,000 by the fourth Capital Requirements Directive (CRD)) are managed as well as, in certain circumstances, the rights of creditors. For Member States participating in the Banking Union, the Single Resolution Mechanism fully harmonises the range of available tools but Member States are authorized to introduce additional tools at national level to deal with crises, as long as they are compatible with the resolution objectives and principles set out in the RRD.

Certain provisions contained in the RRD are already included in the French Monetary and Financial Code (*Code monétaire et financier*). The banking law dated 26 July 2013 regarding the separation and the regulation of banking activities (*loi de séparation et de régulation des activités bancaires*) (as modified by the *ordonnance* dated 20 February 2014 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*)) that anticipates the implementation of the RRD, has entered into force in France. It is currently unclear to what extent, the provisions of the French Monetary and Financial Code (*Code monétaire et financier*) will be amended once the RRD is implemented.

It is not yet possible to assess the full impact of the RRD on the Issuer and there can be no assurance that, once it is implemented, the fact of its implementation or the taking of any actions currently contemplated in it would not adversely affect the rights of holders of Covered Bonds, the price or value of their investment in the Covered Bonds and/or the ability of the Issuer to satisfy its obligations under the Covered Bonds.

The Issuer filing for bankruptcy will not give rise to the right on the part of holders of the Covered Bonds to declare the Covered Bonds immediately due and payable

The bankruptcy of the Issuer, which is an event that is customarily considered an event 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, constitutes the occurrence of an Issuer Event of Default under the "Terms and Conditions of the Covered Bonds". However, under the SFH Legal Framework, the opening of bankruptcy proceedings or of conciliation proceedings with respect to the Issuer will not give rise to the right on the part of the holders of the Covered Bonds to declare the Covered Bonds immediately due and payable since, pursuant to the terms of the French Monetary and Financial Code (*Code monétaire et financier*) mentioned above, all cash flows generated by the assets of the Issuer are allocated as a matter of absolute priority to servicing liabilities of the Issuer which benefit from the *Privilège* as they fall due, in preference to all other claims, whether or not secured or statutorily preferred and, until payment in full of the liabilities of the Issuer which benefit from the *Privilège*, no other creditors may take any action against the assets of the Issuer.

Limited resources are available to the Issuer

In the absence of any Borrower Event of Default, the Issuer's ability to meet its obligations under the Covered Bonds will depend on the amount of scheduled principal and interest paid by the Borrower under the Borrower Facility Agreement and the timing thereof and/or, as applicable, the amounts received under any hedging agreement concluded in accordance with the Hedging Strategy and/or the revenue proceeds generated by Permitted Investments, as defined below and/or the available amount under the Share Capital Proceeds Account and/or payments proceeds under Legal Substitution Assets.

Pursuant to the Cash Collateral Agreement, the Issuer will benefit from any Cash Collateral to be provided by the Cash Collateral Provider under the circumstances described under the Cash Collateral Agreement.

Upon the occurrence of a Borrower Event of Default and/or an Affiliate Event of Default and enforcement of the Borrower Collateral Security and/or Affiliate Collateral Security granted by the Borrower and any Affiliate, and without prejudice to any other unsecured recourse the Issuer may have under the Borrower Debt, as defined below, the Issuer's ability to meet its obligations under all the Covered Bonds will depend on the revenue proceeds from the Borrower Collateral Security Assets and the Affiliate Collateral Security Assets granted by the Borrower and any Affiliate which would have been enforced in favour of the Issuer (meaning the amount of principal and interest paid directly to the Issuer by the relevant debtors under the Home Loan Receivables which would have been transferred to the Issuer upon enforcement of such Borrower Collateral Security and/or Affiliate Collateral Security or the price or value of such Home Loan Receivables and related Home Loan Security upon the sale or refinancing thereof by the Issuer) and/or, as applicable the amounts received under any hedging agreement concluded in accordance with the Hedging Strategy, and/or the revenue proceeds generated by Permitted Investments, and/or the amount of any Cash Collateral provided by the Cash Collateral Provider under the Cash Collateral Agreement, and/or the available amount under the Share Capital Proceeds Account, as defined below and/or payments proceeds under Legal Substitution Assets.

If such amounts are not sufficient for the Issuer to meet its obligations under the Covered Bonds, the Issuer will not have any further source of funds available other than the recourse the Issuer has under the Borrower Debt until such Borrower Debt is repaid in full.

The occurrence for whatever reason of an Issuer Event of Default will not automatically trigger the cross occurrence of a Borrower Event of Default, and the Issuer will in the absence of a Borrower Event of Default be unable to enforce the Collateral Security in order to cure such Issuer Event of Default. Therefore, notwithstanding the occurrence of such an Issuer Event of Default while no Borrower Event of Default shall have occurred, the Issuer's ability to meet its obligations under the Covered Bonds will continue to depend only on the amount of scheduled principal and interest paid by the Borrower under the Borrower Facility Agreement and the timing thereof and/or, as applicable, the amounts received under any hedging agreement concluded in accordance with the Hedging Strategy and/or the revenue proceeds generated by Permitted Investments and/or

any Cash Collateral and/or the available amount under the Share Capital Proceeds Account and/or payments proceeds under Legal Substitution Assets.

Recourse and enforcement with respect to the Issuer is subject to significant limitations

Payments due under the Covered Bonds are subject to significant limitations as described in Condition 14 "Limited recourse" under "**Terms and Conditions of the Covered Bonds**". Furthermore, payment with respect to the Covered Bonds will be subordinated to the full payment of certain sums pursuant to the then applicable Priority Payment Order and recoverable only from and to the extent of the amount of the Available Funds as described in Condition 15 under "**Terms and Conditions of the Covered Bonds**". No enforcement action under the Covered Bonds may be taken prior to the date which is eighteen (18) months and one (1) calendar day after the earlier of (i) the Final Maturity Date (or the Extended Final Maturity Date, if any) of the last Series issued by the Issuer under the Programme, or (ii) the date of payment of any sums outstanding and owing under the latest outstanding Covered Bond as described in Condition 14 "Non-petition" under "**Terms and Conditions of the Covered Bonds**".

No guarantee on the market value of the Permitted Investments

Any available funds in the Issuer Accounts (prior to their allocation and distribution) may be invested by the Administrator in Permitted Investments. The value of the Permitted Investments may fluctuate depending on the financial markets and the Issuer may be exposed to a credit risk in relation to such Permitted Investments. None of the Arrangers, the Dealers, the Issuer, the Administrator or any other party to the Programme Documents guarantees the market value of the Permitted Investments. None of them shall be liable if the market value of any of the Permitted Investments fluctuates and decreases.

II. RISKS RELATED TO THE BORROWER

Borrower's ability to pay under the Borrower Debt

Neither the Issuer nor any other party to the Programme Documents (other than, upon certain circumstances, the Cash Collateral Provider and the Affiliates (if any)) guarantees or warrants the full and timely payment by the Borrower of any sums of principal or interest payable under the Borrower Debt, being part of the Issuer Assets.

Should BNP Paribas be subject to any applicable insolvency proceedings (including, the procedures of safeguard, moratorium, suspension of payments, controlled management, liquidation or similar insolvency proceedings), this would impair the ability of the Issuer to claim against BNP Paribas to obtain timely payment of amounts of principal and interest due and payable under the Borrower Debt.

However in such event, the Issuer would be entitled to accelerate the payment of such amounts and then immediately enforce the Borrower Collateral Security or the Cash Collateral (including upon and following the commencement of insolvency proceedings against the Cash Collateral Provider and/or the Borrower).

III. RISKS RELATED TO THE AFFILIATES

Affiliates' ability to pay under the Affiliate Debt

Neither the Issuer nor any other party to the Programme Documents (other than, upon certain circumstances, the Cash Collateral Provider, the Borrower and the other Affiliates (if any)) guarantees or warrants the full and timely payment by any Affiliate of any sums of principal or interest payable under the Affiliate Debt.

Should an Affiliate be subject to any applicable insolvency proceedings (including, the procedures of safeguard, moratorium, suspension of payments, controlled management, liquidation or similar insolvency proceedings), this would impair the ability of the Issuer to claim against such Affiliate to obtain timely payment of amounts of principal and interest due and payable under the Affiliate Debt.

However in such event, the Issuer would be entitled to accelerate the payment of such amounts and then immediately enforce the Affiliate Collateral Security (including upon and following the commencement of insolvency proceedings against the Affiliate).

Accession of new entities of the Group as Affiliates may increase risk to the Bondholders

New entities may accede to the Programme as Affiliates by concluding an Affiliate Facility Agreement and an Affiliate Collateral Security Agreement with the Borrower, and this will generally increase the risks of the Bondholders under the Programme.

However, this would only be permitted if such entities are within the Group, upon prior Rating Affirmation, and if the other conditions precedent relating to Affiliates acceding to the Programme are met in accordance with the Programme Documents.

IV. RISKS RELATED TO THE BORROWER COLLATERAL SECURITY AND AFFILIATE COLLATERAL SECURITY

No interpretation by French courts of rules applicable to Borrower Collateral Security and Affiliate Collateral Security

The Home Loan Receivables which will be granted as Borrower Collateral Security and Affiliate Collateral Security in favour of the Issuer for the repayment of the Borrower Debt and the Affiliate Debt extended by the Issuer will be granted in accordance with Articles L. 211-36 to L. 211-40 of the French Monetary and Financial Code implementing Directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements, which has been amended by Directive 2009/44/EC of the European Parliament and of the Council of 6 May 2009 (the "**EU Collateral Directive**").

However, Article L. 211-38 of the Financial Code further states that the establishment and enforceability of a collateral security "*derive from the transfer of the relevant property and rights, the dispossession of the grantor or their control by the beneficiary or a person acting on his behalf*" but there are no guidelines in the EU Collateral Directive, in Article L. 211-38 of the French Monetary and Financial Code, in legal commentaries or in French case law on how to satisfy the "control" requirement in practice and in the context of security over loan receivables such as the security purported to be created over the Home Loan Receivables under each Affiliate Collateral Security Agreement and the Borrower Collateral Security Agreement.

Although these French laws are in full force and effect as of the date of this Base Prospectus, Bondholders should note that French courts have not yet had the opportunity to interpret such rules.

Impact of the hardening period on the collateral security

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

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

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

However, it cannot be excluded that article L. 211-40 of the French Monetary and Financial Code (*Code monétaire et financier*) does not intend to overrule Article L. 632-2 of the French Commercial Code (*Code de*

Commerce), which provides for a potential nullity of acts which are onerous (*actes à titre onéreux*) if the counterparty of the debtor was aware, at the time of conclusion of such acts, that the debtor was unable to pay its debts due with its available funds (*en état de cessation des paiements*). Should Article L. 632-2 of the French Commercial Code (*Code de Commerce*) be deemed applicable, nullity of the collateral security could be sought, if the Issuer was aware, at the time where the collateral security was granted (or the subject of an addition or a substitution), that BNP Paribas was unable to pay its debt due with its available funds (*en état de cessation des paiements*). However, within the SFH Legal Framework applicable to *sociétés de financement de l'habitat*, Article L. 513-31 of the French Monetary and Financial Code (*Code monétaire et financier*) provides that the provisions of Article L. 632-2 of the French Commercial Code (*Code de Commerce*) are not applicable to contracts concluded by a *société de financement de l'habitat*, or to legal transactions made by or in favour of *société de financement de l'habitat*, as far as such contracts or transactions are directly related to the transactions referred to in Articles L. 513-28 to L. 513-30 of the French Monetary and Financial Code (*Code monétaire et financier*).

No prior notification to debtors under the Home Loan Receivables granted as Borrower Collateral Security or as Affiliate Collateral Security

Each Affiliate Collateral Security Agreement (if any) and the Borrower Collateral Security Agreement will provide that the relevant Home Loans Receivables and Home Loan Security will be granted as Collateral Security without notification to the underlying debtors of such Home Loans. Such debtors will only be notified if and when the relevant Collateral Security is enforced following the occurrence of a Borrower Event of Default, and title to the relevant Home Loans and related Home Loan Security has been transferred to the Issuer. Notification to such debtors will only be effected when upon such Borrower Event of Default, the relevant collateral security has been enforced. As long as no such notification has been given, any payment made by any debtor under the relevant Home Loans to the relevant Affiliate or to the Borrower will be considered valid, as applicable, even though title to such Home Loans will have been validly transferred to the Issuer upon enforcement of the relevant Collateral Security.

There is no guarantee that notification to the debtors under the relevant Home Loans will be made at the times mandated and there can be no guarantee or assurance as to the ability of the Issuer to obtain effective direct payment from the debtors under the relevant Home Loans in a sufficiently timely manner, all of which may affect payments under the Covered Bonds. In such circumstances, a shortfall in distributions of interest or repayment of principal to Bondholders may result. However, also in such circumstances, the Hedging Agreement concluded in accordance with the Hedging Strategy is designed to cover limited amounts of interest on the related Series of Covered Bonds for a limited period of time.

Until notification to the debtors has been given informing them that insolvency proceedings have been opened against the Borrower, a statutory stay of execution under mandatory rules of French insolvency law will prevent the Issuer from taking recourse against the Borrower for repayment of collections received by the Borrower under the relevant Home Loans which are commingled with the Borrower's other funds.

This commingling risk is mitigated by the Cash Collateral to be funded by the Cash Collateral Provider into the credit of the Cash Collateral Account upon the occurrence of certain rating downgrade events (for more details, see sections "**The main Programme Documents – The Cash Collateral Agreement - The Cash Collateral Account**" and "**Asset Monitoring - The Pre-Maturity Test**").

Set-off by debtors

Notwithstanding the transfer to the Issuer of the relevant Home Loans and related Home Loan Security upon the occurrence of a Borrower Event of Default which is continuing, the debtors under the relevant Home Loans may be entitled, under restrictive conditions, to set off the relevant Home Loans receivable against a claim they may have vis-à-vis the relevant Borrower or Affiliate. In the absence of contractual arrangements providing for statutory set-off possibilities under the Home Loans (see section entitled "**The main Programme Documents – The Borrower Collateral Security Agreement - Home Loan Eligibility Criteria**") or judicial ordered set-off, only mutuality of claims (*connexité*) may allow a set-off by a debtor under a Home Loan. A set-off between inter-related debts (*dettes connexes*) is available as a right. Inter-related debts (*dettes connexes*) mainly result from an economic association. In this latter case, mutuality of claims will be determined on a case by case basis, depending on the factual circumstances then existing. The most likely circumstance where set-off would be considered is when counterclaims resulting from a current account relationship will allow a debtor to set-off such counterclaims against sums due under a Home Loan. In this situation however, French case law states that there

is no mutuality of claims, notwithstanding the fact that instalment under the home loan was to be paid by way of direct debit from the funds standing to the credit of the relevant current account, since the parties did not intend to interrelate their current account relationship and the lending transaction from an economical standpoint.

Disproportionate guarantee

Pursuant to article L. 650-1 of the French Commercial Code (*Code de commerce*), a creditor may be held liable towards a bankrupt debtor if the credit transferred by it to such debtor entailed a damage and the security interest securing such credit is disproportionate (*disproportionné*) compared to that credit. In such case, such security interest may be void or reduced by the judge.

However, there is only few French case law decisions interpreting and implementing the provisions of article L. 650-1 of the French Commercial Code (*Code de commerce*) and accordingly, there is an uncertainty as to whether the provisions of article L.650-1 of the French Commercial Code (*Code de commerce*) would apply to the Collateral Security. Moreover, article L. 211-40 of the French Monetary and Financial Code (*Code monétaire et financier*) expressly provides that the provisions of book VI of the French Commercial Code (*Code de commerce*) shall not impede (*ne font pas obstacle*) the application of Articles L.211-36 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*).

Risks related to maintenance of Borrower Collateral Security or Affiliate Collateral Security value prior to or following enforcement thereof

If the collateral value of the Home Loans Receivables and related Home Loan Security granted as Borrower Collateral Security in favour of the Issuer pursuant to the Borrower Collateral Security Agreement or as Affiliate Collateral Security in favour of the Borrower pursuant to any Affiliate Collateral Security Agreement has not been maintained in accordance with the terms of the Asset Cover Test, the Amortisation Test and the Minimum Legal Overcollateralisation Ratio or the other provisions of the Programme Documents, the value of the relevant Collateral Security Assets or any part thereof (both before and after the occurrence of a Borrower Event of Default) or the price or value of such Home Loans Receivables and related Home Loan Security upon the sale or refinancing thereof by the Issuer may be affected.

The value of the properties securing the Home Loans may decrease as a result of any number of factors, including the national or international economic climate, regional economic or housing conditions, changes in tax laws, mortgage interest rates, inflation, the availability of financing, yields on alternative investments, increasing utility costs and other day-to-day expenses, political developments and government policies. In addition, as the properties securing the Home Loans are predominantly located in France, the value of such properties may therefore decline in the event of a general downturn in the value of property in France.

In addition, with respect to any sale or refinancing of the Home Loan Receivables granted as Collateral Security and the related Home Loan Security to third parties, the Issuer will not be permitted to give warranties or indemnities as to those assets. There is no assurance that representations or warranties previously given by the Borrower or by the relevant Affiliates with respect to such assets pursuant to the terms of the Borrower Collateral Security Agreement and to the relevant Affiliate Collateral Security Agreement may benefit a third party purchaser of such assets upon sale or refinancing thereof by the Issuer. Accordingly, there is a risk that the price or value of such assets upon the sale or refinancing thereof by the Issuer be adversely affected by the lack of representations and warranties which in turn could adversely affect the ability of the Issuer to make payments when due under the relevant Series of Covered Bonds.

The materialisation of any of the foregoing factors could adversely affect the Issuer's business, financial condition, cash flows and results of operations, and may result in the Issuer having insufficient funds to meet its obligations under the Covered Bonds.

V. RISK RELATED TO THE HOME LOANS AND RELATED HOME LOAN SECURITY

Debtors' ability to pay under the Home Loans

The debtors under the Home Loans are individuals having borrowed under the Home Loans in order to finance the acquisition of real estate property.

If, following enforcement of the Collateral Security, the Issuer does not receive the full amount due from the debtors on such Home Loans, this may affect the ability of the Issuer to make payments under the Covered Bonds.

The Issuer may therefore be exposed to the occurrence of credit risk in relation to the debtors under the Home Loans.

None of the Borrower, the Affiliates, the Issuer or any other party to the Programme Documents guarantees or warrants full and timely payment by the debtors under the Home Loans of any sums payable under such Home Loans.

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

Furthermore, the debtors under the Home Loans may benefit from the favourable legal and statutory provisions of the French Consumer Code (*Code de la consommation*), pursuant to which any individual may, under certain circumstances, and subject to certain conditions, request and obtain from the competent court a grace period, a reduction of the amount of all and any of its indebtedness and any interest relating thereto and, as the case may be, (pursuant to (i) law no.98-657 dated 29 July 1998, as amended, and (ii) law no.2003-710 dated 1st August 2003) a full or partial extinguishment of its indebtedness against a credit institution.

No independent investigation – representations and warranties

None of the Issuer, the Arranger, the Administrator or any other party to any Programme Documents has undertaken or will undertake any investigations, searches or other due diligence regarding the Home Loans, the related Home Loan Security or as to the status and/or the creditworthiness of the debtors under the Home Loans. Each of them has relied solely on the representations and warranties given by the Borrower under the Borrower Collateral Security Agreement and by the relevant Affiliate under the relevant Affiliate Collateral Security Agreement.

If any breach of eligibility criteria relating to any Home Loan Receivable is material and (if capable of remedy) is not remedied, the Borrower shall be required under the Borrower Collateral Security Agreement to provide sufficient eligible Home Loans Receivables in order to maintain compliance with the Asset Cover Test.

Failure to maintain compliance with the Asset Cover Test and/or Minimum Legal Overcollateralisation Ratio may result in the Issuer having insufficient funds to meet its obligations under the Covered Bonds.

Limited description of the Home Loans

The Bondholders will not receive detailed statistics or information in relation to the Home Loans or the Borrower Collateral Security Assets because it is expected that the constitution of the security over the Borrower Collateral Security Assets may constantly change due to, among other things, the Borrower and/or the Affiliates (if any) granting security over additional, and/or new Borrower Collateral Security Assets, and/or Affiliate Collateral Security Assets or Affiliates acceding to the Programme. However, each eligible Home Loan Receivable will be required to meet the applicable eligibility criteria and the provisions of the SFH Legal Framework.

Prepayment

The rate of prepayment of Home Loans is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, changes in tax laws (including but not limited to amendments to mortgage interest tax deductibility), local, and regional economic conditions, as well as changes in the debtor's behaviour (including but not limited to home-owner mobility). No guarantee can be given as to the level of prepayment that the Home Loans may experience, and variation in the rate of prepayments of principal on the Home Loans may affect the ability of the Issuer to have sufficient funds to make payments under the Covered

Bonds upon the service of a Borrower Enforcement Notice, and effect subsequent transfer of title to the Home Loan Receivables and Home Loan Security in favour of the Issuer.

Changes to the lending criteria of the Borrower and of the Affiliates

Each of the Home Loans originated by the Borrower or by an Affiliate (if any) will have been originated in accordance with its lending criteria at the time of origination. It is expected that each Borrower's or Affiliate's lending criteria will generally consider the type of financed property, term of loan, age of applicant, the loan-to-value ratio, the status of applicants and their credit history. One (1) of the Home Loans Eligibility Criteria requires that, prior to the date upon which the Home Loan has been made available to the borrower thereof, all scoring and lending criteria and preconditions as applied by the originator of the Home Loan pursuant to its customary lending procedures be satisfied. Each of the Borrower or the relevant Affiliate (if any) retains the right to revise its lending criteria from time to time. If the lending criteria changes in a manner that affects the creditworthiness of the Home Loans, that may lead to increased defaults by borrowers thereof and may affect the realisable value of the Borrower Collateral Security Assets, or of the Affiliate Collateral Security Assets, or a part thereof, and may affect the ability of the Issuer to make payments under the Covered Bonds upon the service of a Borrower Enforcement Notice, and ultimately effect transfer of title to the Home Loan Receivables and Home Loan Security in favour of the Issuer.

Foreclosing on real property granted as security under French law governed Mortgages

French legal procedures to be followed in relation to the enforcement of Mortgages governed by French law and related expenses may affect the Issuer's ability to liquidate the properties secured under such mortgages efficiently and in a timely manner.

Mortgage and lender's privilege

Pursuant to Articles 2323 *et seq.* of the French Civil Code (*Code Civil*), a mortgage is a security in rem that can be enforced by the beneficiary (the mortgagee) in case of default by the promisor (the mortgagor). Pursuant to Article 2374 of the French Civil Code (*Code Civil*), the lender's privilege (*privilège du prêteur de deniers*) is a lien that can also be enforced by the beneficiary in case of default by the promisor.

A mortgage has two main implications for the ability of the beneficiary to recover upon the promisor's default: (i) a preferential right on the sale of the property, known as *droit de préférence*¹, and (ii) the lender's right to follow property, known as *droit de suite*².

Pursuant to *droit de préférence*, the beneficiary of a mortgage or a lender's privilege will rank, with respect to sale proceeds, in the order of priority of registration of privileges and mortgages encumbering such property.

In accordance with Article 2393 of the French Civil Code (*Code Civil*), secured creditors will continue to benefit from the lender's privilege or mortgage, even if the property is transferred by the debtor to a third party without the lenders' consent (*droit de suite*). If the secured creditor wishes to exercise this right, an order to pay must be served on the debtor by a bailiff and notice must be served on the third party to whom the relevant secured property was transferred (*tiers détenteur de l'immeuble hypothéqué*) with a view to requiring the latter either to pay the debt secured over the property or to surrender the property at an auction.

The exercise of the *droit de suite* is often frozen due to an "advanced clearing" of the privileges and mortgages granted over the relevant property (*purge des privilèges et hypothèques*). If the debtor and all secured creditors agree, in accordance with Article 2475 of the French Civil Code (*Code Civil*), for sale proceeds to be allocated to them, the secured creditors exercise their preferential rights over the sale proceeds, the payment of which will discharge all privileges and mortgages granted over the property (*purge amiable*).

Foreclosure

Most of the rules on enforcement proceedings have recently been codified in a new code entered into force on 1st June 2012³ without affecting the existing legislation set out below. Rules regarding foreclosure can be found

¹ Articles 2323 *et seq.* of the French Civil Code (*Code Civil*).

² Articles 2393 *et seq.* of the French Civil Code (*Code Civil*).

under Articles L.311-1 et seq. of the French Code of Civil Enforcement Procedures (*Code des procédures civiles d'exécution*).

Rules applicable to the foreclosure procedure (*saisie immobilière*) were substantially modified in 2006⁴ to simplify the foreclosure process by encouraging voluntary sales (*ventes à l'amiable*), and to reduce the duration and complexity of the foreclosure process. The rules can be found under Articles 2190 et seq. of the French Civil Code (*Code Civil*).

Specific rules are provided for lender's privileges and mortgages registered in the French departments of Haut-Rhin, Bas-Rhin and Moselle. These specific rules do not substantially change the outline of the procedures set out below.

Foreclosure on property located in France by secured creditors may require the sale of the property at a public auction if the sale cannot be made voluntarily by the debtor (*conversion en vente volontaire* or *à l'amiable*). The foreclosure procedure may take up to one and a half (1.5) years in normal circumstances.

The first step in the foreclosure procedure consists in delivering a foreclosure notice to the debtor by a bailiff or process server (*commandement de saisie immobilière*). This notice is filed at the French Land and Charges Registry (known since 1st January 2013 as the *fichier immobilier*) having jurisdiction in the district where the real property is located.

The next step is to instruct a local lawyer to prepare the terms of the sale of the property at auction, including the reserve price of the relevant real property (such instruction is not mandatory in the departments of Haut-Rhin, Bas-Rhin and Moselle).

Finally, a number of legal notices must be given prior to the sale. The debtor may file objections against such foreclosure (including the reserve price), the validity of which will be decided by a competent court. If no bid is made at the public auction, and provided there is only one (1) foreclosing creditor, such foreclosing creditor is declared the highest bidder and is thus obliged to purchase the property at the reserve price specified in the terms of the sale.

If no agreement is reached (for instance if the sale price of the property is substantially below the amount of the secured debt), the third party will still be entitled to offer to pay the sale price to the secured creditors in order to clear all privileges and mortgages granted over the relevant property (*purge judiciaire*, Articles 2478 *et seq.* of the French Civil Code (*Code Civil*)). Secured creditors may refuse this offer if they believe that the sale price has been underestimated by the debtor and the third party. In this case, an auction will be ordered with a minimum bid corresponding to the price offered by the relevant third party to the secured creditor, plus ten per cent (10%).

The Issuer's ability to liquidate the properties secured under the Home Loans efficiently and in a timely manner, and in turn to make payments when due on the Covered Bonds, may be adversely affected by the legal procedures described above.

Insolvency proceedings

Furthermore, the Issuer's ability to liquidate the properties secured under the Home Loans efficiently and in a timely manner, and in turn to make payments when due on the Covered Bonds, may be adversely affected by the initiation of insolvency proceedings, which would result in a stay of proceedings against the mortgagor, including foreclosure. Such insolvency proceedings would result in further delay for the mortgagee.

The Issuer's ability to liquidate the properties secured under the Home Loans efficiently and in a timely manner may be adversely affected by indebtedness of physical persons. If those persons have initiated proceedings with the household debt commission (*depôt de dossier devant la commission de surendettement*), the foreclosure procedure may be suspended pursuant to Articles R. 322-15 to R. 322-19 of the French Code of Civil Enforcement Procedures (*Code des procédures civiles d'exécution*). Such insolvency proceedings would result in further delay for the mortgagee.

³ Decree no. 2012-783 of 30 May 2012 and order no. 2011-1895 of 19 December 2011 on the legislative section of the French Code of Civil Enforcement Procedures (*Code des procédures civiles d'exécution*).

⁴ French order no. 2006-461 on foreclosure reform.

Enforcement of Home Loan Guarantees

Following enforcement of the Borrower Collateral Security and of the Affiliate Collateral Security, title to the Home Loans Receivables and Home Loan Security is transferred in favour of the Issuer. Notification of the debtors under such Home Loans is then given, and the Issuer enforces its rights under the relevant Home Loan Guarantees against the guarantor. If thereafter, such guarantor does not pay in whole or in part any amounts due under the relevant Home Loan Guarantees for whatever reason or does not pay such amounts in a timely manner, this may affect the ability of the Issuer to make payments under the Covered Bonds.

VI. RISKS RELATING TO THE OPERATION OF THE ISSUER

Interest and currency risks

According to article 12 of the Regulation (*réglement*) no. 99-10 dated 9 July 1999, as amended, issued by the *Comité de la Réglementation Bancaire et Financière* (Banking and Financial Regulation Committee), the Issuer shall dispose of a system for measuring overall interest rate risks under the conditions set forth in article 28 of the Regulation 97-02 notwithstanding the provisions of Article 29 of the same Regulation. The level of rate and maturity matching between the assets and the liabilities of the Issuer shall be verified by the Specific Controller.

Each Borrower Advance granted by the Issuer to the benefit of the Borrower under the Borrower Facility Agreement shall be made available in the same Specified Currency and according to the same interest conditions as those applicable to the Covered Bonds funding such Borrower Advance. As a consequence, as long as a Borrower Event of Default has not occurred, the Issuer shall not be exposed to any currency and interest risk regarding the Borrower Debt and the Covered Bonds.

There is no assurance that the Loans that are part of the Borrower Collateral Security and of the Affiliate Collateral Security (if any) bear interest by way of the same conditions as those of the Covered Bonds and are denominated in the same currency as the Covered Bonds. Upon the occurrence of a Borrower Event of Default which continuing unremedied and the enforcement of the Borrower Collateral Security and the Affiliate Collateral Security (if any), Home Loan Receivables and related Home Loans Security will be transferred to the Issuer. In this case, in order to hedge the potential mismatch of the interest rates applicable to the Covered Bonds and to the Home Loan Receivables and the potential mismatch of currencies, the Issuer shall apply the Hedging Strategy as from the occurrence of the Hedging Rating Trigger Event, as defined below. However, there can be no assurance that the Hedging Strategy will adequately address such hedging risks.

Hedging strategy

On 13 January 2012, following the occurrence of a Hedging Rating Trigger Event, the Issuer and the Borrower executed the Issuer Hedging Agreement (as it may be amended from time to time), the Borrower Hedging Agreement (as it may be amended from time to time) and the related Hedging Transactions in accordance with the provisions of the Amended Hedging Approved Form Letter. As a result, the Issuer's obligations under the Hedging Strategy and the Amended Hedging Approved Form Letter are fully satisfied and completed on the date of this Base Prospectus. However, in certain circumstances, the hedging documentation contemplated under the Hedging Strategy may be terminated, and as a result the Issuer may be unhedged if replacement interest rates and/or currency derivative transactions are not entered into or if no alternative coverage mechanism is put in place.

Liquidity risk

The Issuer is legally bound to ensure at any time adequate coverage of its liquidity needs for a 180 days period by any of the assets set on in Article R. 515-7-1 of the French Monetary and Financial Code (*Code monétaire et financier*) (see section entitled "**Summary of the SFH Legal Framework - Liquidity needs**"). Pursuant to Article R. 515-7-1 of the French Monetary and Financial Code (*Code monétaire et financier*), the assessment of the Issuer's liquidity needs must be made by taking into account expected principal and interests inflows due to the Issuer under the Collateral Security Assets and net flows under the Hedging Agreements.

Any such liquidity needs must be covered by the Issuer with eligible Legal Substitution Assets or with assets that are eligible as collateral to the credit transactions (*opérations de crédit*) of the *Banque de France* in accordance

with the monetary policy and intra-day credit operations rules of the Eurosystem. The Issuer may also benefit from additional contractual undertakings, such as, at the date of this Base Prospectus, an obligation of the Cash Collateral Provider to fund a Cash Collateral into the credit of the Cash Collateral Account in the conditions described in sections "**The main Programme Documents – The Cash Collateral Agreement - The Cash Collateral Account**" and "**Asset Monitoring - The Legal Liquidity Reserve**".

In any case, if the Issuer is not able to cover its liquidity needs with any of the tools and instruments legally and contractually available to it, the Issuer would still be allowed to raise temporary funds to cover these liquidity needs by subscribing for its own *obligations de financement de l'habitat*, within the limit of ten (10) per cent. of the total outstanding amount (*encours total*) of the resources benefiting from the *Privilège* as at the date of their subscription, and granting them as collateral to credit transactions (*opérations de crédit*) of the *Banque de France* in accordance with the provisions of article L. 513-26 of the French Monetary and Financial Code (*Code monétaire et financier*) (see section entitled "**Summary of the SFH Legal Framework - Subscription by the société de financement de l'habitat of its own obligations de financement de l'habitat as eligible collateral with the Banque de France**").

VII. RISKS RELATED TO COVERED BONDS GENERALLY

The Covered Bonds may not be a suitable investment for all investors

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

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Covered Bonds and weigh the merits and risks of investing in the relevant Covered Bonds. The prospective investor should have sufficient knowledge in experience for the purpose of properly evaluating the information contained or incorporated by reference in this Base Prospectus or any applicable supplement to this Base Prospectus and the relevant Final Terms;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Covered Bonds and the impact the relevant Covered Bonds will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Covered Bonds, including Covered Bonds with principal or interest payable in one (1) or more currencies, or where the currency for principal or interest payments is different from the prospective investor's currency;
- (d) understand thoroughly the terms of the relevant Covered Bonds and be familiar with the behaviour of any relevant indices and financial markets;
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- (f) be aware, in terms of any legislation or regulatory regime applicable to such investor, of the applicable restrictions (if any) on its ability to invest in Covered Bonds generally and in any particular type of Covered Bonds.

Modification of the Conditions of French Law Covered Bonds

The holders of French Law Covered Bonds will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interest in a *masse*, as defined in Condition 12, and a General Meeting can be held thereto. The Terms and Conditions applicable to French Law Covered Bonds permit in certain cases defined majorities to bind all holders of French Law Covered Bonds including Bondholders who did not attend and vote at the relevant General Meeting and holders of French Law Covered Bonds who voted in a manner contrary to the majority. The General Meeting may deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, as more fully described in Condition 12.

Change of law

The Terms and Conditions of the Covered Bonds are based on French law in the case of French Law Covered Bonds, in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to French law or administrative practice after the date of this Base Prospectus.

Impact of regulatory changes

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

Taxation

Potential purchasers and sellers of the Covered Bonds 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 Covered Bonds 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 Covered Bonds. Potential investors are advised not to rely upon the tax summary contained in this Base Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Covered Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus and the additional tax sections, if any, contained in the relevant supplement to the Base Prospectus.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a paying agent located in a Member State to, or for the benefit of, an individual resident in another Member State or to certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive 2014/48/EU amending and broadening the scope of the requirements describe above (the "**Amending Directive**"), In particular, the changes will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. The Amending Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union. Member States are required to apply these new requirements from 1 January 2017.

For a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. On 10 April 2013, Luxembourg officially announced its intention no longer to apply the withholding system as from 1 January 2015, and to provide details of payment of interest (or similar income) as from this date. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). The rate of this withholding tax is currently 35 per cent.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

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 Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Covered Bond as a result of the imposition of such withholding tax.

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

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission has published a proposal for a directive for a common financial transaction tax (the "**Commission's Proposal** ") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**").

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

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

A joint statement issued in May 2014 by ten of the eleven Participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016. The FTT, as initially implemented on this basis, may not apply to dealings in the Covered Bonds.

The FTT proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

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

U.S. Foreign Account Compliance Act (FATCA) Withholding

Whilst the Covered Bonds are held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA (as defined in "Taxation - United States of America – Foreign Account Tax Compliance Act") will affect the amount of any payment received by the clearing systems (see "Taxation - United States of America - Foreign Account Tax Compliance Act" below). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Covered Bonds are discharged once it has paid the common depository clearing systems and the Issuer has therefore no responsibility for any amount thereafter transmitted through the clearing systems and custodians or intermediaries.

Certain decisions of majority holders of French Law Covered Bonds may bind all holders of the relevant Series

Any resolution to direct the Representative to serve an Issuer Enforcement Notice, and any direction to the Representative to take any action as provided under this Base Prospectus must be passed at a single meeting of the holders of the French Law Covered Bonds of a single Series then outstanding and cannot be decided upon at a meeting of the holders of the French Law Covered Bonds of all Series. Any resolution to direct the Representative to serve an Issuer Enforcement Notice will be effective for all the holders of the French Law Covered Bonds, including the holders of the French Law Covered Bonds who did not attend and vote at the relevant meeting and the holders of the French Law Covered Bonds who voted in a manner contrary.

Ratings of the Covered Bonds and Rating Affirmation

The ratings assigned to the Covered Bonds by the Rating Agencies are based on the Collateral Assets, the Collateral Security, the Home Loans and Home Loan Security, the Cash Collateral, the *Privilège* and the other relevant structural and credit enhancement features provided for under the Programme Documents, including, among other things, the short-term and/or long-term unsecured, unguaranteed and unsubordinated debt ratings of the parties to the Programme Documents, and reflect only the views of the Rating Agencies. The ratings address the likelihood of full and timely receipt by any of the relevant Bondholders of interest on the Covered Bonds and the likelihood of receipt by any relevant Bondholder of principal of the Covered Bonds by the relevant Final Maturity Date (or the relevant Extended Final Maturity Date, if any). There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Rating Agencies as a result of changes in or unavailability of information or if, in the judgement of the Rating Agencies, circumstances so warrant. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon both the value of the Covered Bonds or their marketability in secondary market transactions.

The Rating Agencies will be notified of the exercise of certain discretions exercised by or on behalf of the Issuer under the Programme Documents, in particular, for any matters that are subject to Rating Affirmation. However, the Rating Agencies are under no obligation to revert to the Issuer (or any of its agents) regarding the impact of the exercise of such discretion on the ratings of the Covered Bonds and any decision as to whether or not to confirm, downgrade, withdraw or qualify the ratings of all classes or any class of Covered Bonds based on such notification may be made at the sole discretion of the Rating Agencies at any time, including after the relevant action has been taken.

Agencies other than the Rating Agencies could seek to rate the Covered Bonds and if such unsolicited ratings are lower than the comparable ratings assigned to the Covered Bonds by the Rating Agencies, those unsolicited ratings could have an adverse effect on the value and the marketability of the Covered Bonds. For the avoidance of doubt and unless the context otherwise requires, any references to "ratings" or "rating" in this Base Prospectus are to ratings assigned by the specified Rating Agencies only.

Implementation of Basel III Risk-Weighted Asset Framework

On 16 December 2010 and 13 January 2011, the Basel Committee for Banking Supervision published a revised framework ("**Basel III**"), including new capital and liquidity standards for credit institutions. The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general. Basel III was implemented under EU legislation through the "CRD IV package" which consists of the Capital Requirements Directive n° 2013/36/EU dated 26 June 2013 and the Capital Requirements Regulation n°575/2013 dated 26 June 2013. A number of new requirements arising from the CRD IV package was implemented under French law through Law no. 2013-672 dated 26 July 2013 relating to the separation and regulation of banking activities. The implementation of the CRD IV package at the legislative level was finalized under French law by Ordinance n°2014-158 dated 20 February 2014.

In particular, the changes introduced by CRD IV package refer to, amongst other things:

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

In addition to Basel III implementation, the CRD IV package introduces a number of important changes to the banking regulatory framework relating to *inter alia* remuneration, governance and systemic risk buffer.

The implementation of Basel III and CRD IV package has and will continue to bring about a number of substantial changes to the current capital requirements, prudential oversight and risk-management systems, including those of the Issuer. The direction and the magnitude of the impact of Basel III and CRD IV package will depend on the particular asset structure of each bank and its precise impact on the Issuer cannot be quantified with certainty at this time. The Issuer may operate its business in ways that are less profitable than its present operation in complying with the new guidelines resulting from the transposition of the CRD IV package.

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

Forecasts and estimates

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

VIII. RISKS RELATED TO THE STRUCTURE OF A PARTICULAR ISSUE OF COVERED BONDS

Covered Bonds issued under the Programme will either be fungible with an existing Series or have different terms to an existing Series (in which case they will constitute a new Series). All Covered Bonds issued from time to time will rank *pari passu* with each other in all respects.

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

Covered Bonds subject to optional redemption by the Issuer

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

Soft Bullet Covered Bonds may be redeemed after their Final Maturity Date

The Final Maturity Date of the Soft Bullet Covered Bonds may be extended automatically to the Extended Final Maturity Date if the Final Redemption Amount of the relevant Soft Bullet Covered Bonds is not paid by the Issuer on the Final Maturity Date (as specified in the relevant Final Terms). The payment of the Final Redemption Amount may be automatically deferred and shall become due and payable on the Extended Final Maturity Date if so specified in the relevant Final Terms, provided that all or part of the Final Redemption Amount unpaid on the Final Maturity Date may be paid by the Issuer on any Specified Interest Payment Date occurring thereafter up to and including the relevant Extended Final Maturity Date. Interest will continue to accrue on any unpaid amount during such extended period at the relevant applicable Rate of Interest and be payable on each Specified Interest Payment Date and on the Extended Final Maturity Date all as specified in the relevant Final Terms and in accordance with the applicable Conditions

Fixed Rate Covered Bonds

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

Floating Rate Covered Bonds

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

Covered Bonds with caps or floors

Covered Bonds with floating interest rates can be volatile investments. If they are structured to include caps or floors, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Covered Bonds

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

Fixed/Floating Rate Covered Bonds

Fixed/Floating Rate Covered Bonds may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Covered Bonds since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Covered Bonds may be less favourable than then prevailing spreads on comparable Floating Rate Covered Bonds tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Covered Bonds. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Covered Bonds.

Covered Bonds issued at a substantial discount or premium

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

IX. RISKS RELATED TO THE MARKET GENERALLY

An active trading market for the Covered Bonds may not develop

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

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Covered Bonds 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 (1) the Investor's Currency-equivalent yield on the Covered Bonds, (2) the Investor's Currency-equivalent value of the principal payable on the Covered Bonds and (3) the Investor's Currency-equivalent market value of the Covered Bonds.

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

Interest rate risks

Investment in Fixed Rate Covered Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Covered Bonds.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should consult its legal advisers to determine whether and to what extent (1) Covered Bonds are legal investments for it, (2) Covered Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Covered Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Covered Bonds under any applicable risk-based capital or similar rules.

USE OF PROCEEDS

For the avoidance of doubt, it is specified that the expression "Covered Bonds" will include German Law Covered Bonds and French Law Covered Bonds, in the following section.

The net proceeds of the issue of Covered Bonds will be used to fund the Borrower Advances that the Issuer (as Lender) will make available to BNP Paribas (as Borrower) under the Borrower Facility Agreement. Such net proceeds may also fund the purchase by the Issuer in the future of eligible assets other than the Borrower Advances and the Home Loan Receivables provided that such assets are eligible to the Issuer pursuant to the SFH Legal Framework.

TERMS AND CONDITIONS OF THE COVERED BONDS

*The following is the text of the terms and conditions (the "**Conditions**") that as completed in accordance with the provisions of the relevant Final Terms shall be applicable to the French Law Covered Bonds. The terms and conditions applicable to the German Law Covered Bonds are contained in the Agency Agreement (as defined below).*

In this section, "Covered Bonds" refers only to French Law Covered Bonds, except as otherwise provided. In the case of Dematerialised Covered Bonds, the text of the terms and conditions will not be attached to any physical documents of title but will be constituted by the following text as completed by the relevant Final Terms. In the case of Materialised Covered Bonds, either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms (and subject to simplification by the deletion of non-applicable provisions) or (ii) these terms and conditions as so completed shall be endorsed on the relevant Definitive Materialised Covered Bond.

Words and expressions defined in the Agency Agreement, or defined or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated provided that, in the event of inconsistency between the Agency Agreement, and the applicable Final Terms, the applicable Final Terms will prevail. References in the Conditions to "Covered Bonds" are to the Covered Bonds of one (1) Series only, not to all Covered Bonds that may be issued under the Programme.

The Covered Bonds are issued by BNP Paribas Home Loan SFH (the "**Issuer**"), on a syndicated or non-syndicated basis, in series (each a "**Series**") having one (1) or more issue dates and on terms otherwise identical (or identical save as to the first payment of interest), the Covered Bonds of each Series being intended to be interchangeable with all other Covered Bonds of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (including, without limitation, the aggregate nominal amount, issue price, redemption price thereof, and interest, if any, payable thereunder) will be determined by the Issuer and the relevant Dealer(s) at the time of the issue and will be set out in the final terms of such Tranche (the "**Final Terms**") in accordance with the applicable Conditions.

The Covered Bonds are issued with the benefit of an amended and restated agency agreement dated on or before the date of this Base Prospectus (the "**Agency Agreement**" governed by French law) entered into between the Issuer, BNP Paribas Securities Services as fiscal agent, principal paying agent and calculation agent with respect to French Law Covered Bonds (the "**French Fiscal Agent**") and the other agents named therein. The paying agents, the registration agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Registration Agent**" and the "**Calculation Agent(s)**".

The Bondholders (as defined below) and, where applicable, the holders of the interest coupons (the "**Coupons**") relating to interest bearing Covered Bonds and, where applicable in the case of such Covered Bonds, talons (the "**Talons**") for further Coupons are referred to below as the "**Couponholders**" and are deemed to have notice of all the provisions of the Agency Agreement, Deed of Covenant and the applicable Final Terms which are applicable to them.

Copies of the applicable Final Terms may be obtained, upon request, free of charge, from the registered office of the Issuer and the specified offices of the Paying Agents save that, if this Covered Bond is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a Base Prospectus is required to be published under the Directive 2003/71/EC of the European Parliament and of the Council, as amended from time to time (the "**Prospectus Directive**"), the applicable Final Terms will only be obtainable by a Bondholder holding one or more Covered Bonds and such Bondholder must produce evidence satisfactory to the Issuer and/or the Paying Agent as to its holding of such Covered Bonds and identity. .

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

For the purposes of the Terms and Conditions, "**Covered Bonds**" means the Covered Bonds specified in the applicable Final Terms as being governed by French law.

1. Definitions

"**Base Prospectus**" means the Base Prospectus, dated 15 July 2014 of the Issuer, in the form in which it is on file with the *Autorité des marchés financiers* in France and granted visa no. 14-407 on 15 July 2014 and any documents incorporated to it by reference and any supplements to it.

"**Bondholder**" or, as the case may be, "holder of any Covered Bond" means:

- (a) in the case of French Law Covered Bonds (i) if Dematerialised Covered Bonds, the individual or entity whose name appears in the account of the relevant Account Holder, the Issuer or the Registration Agent (as the case may be) as being entitled to such Covered Bonds, (ii) if Definitive Materialised Covered Bonds, the bearer of any Definitive Materialised Covered Bond and the Coupons or Talons relating to it and (iii) if Materialised Covered Bonds in respect of which a Temporary Global Certificate has been issued and is outstanding, each person (other than a clearing institution) who appears as the holder of such Covered Bonds or of a particular nominal amount of interests in such Covered Bonds, in accordance with the applicable laws and regulations and with the applicable rules and procedures of any relevant clearing institution, including, without limitation, Euroclear France, Euroclear or Clearstream, Luxembourg, as appropriate; and
- (b) in the case of German Law Covered Bonds the registered holder of a German Law Covered Bond.

"**Borrower Debt**" means the Borrower's indebtedness outstanding from time to time under the Borrower Facility.

"**EEA**" means the European Economic Area.

"**German Law Covered Bonds**" means covered bonds which are governed by German law the terms and conditions of which are contained in the Agency Agreement.

"**Group**" means BNP Paribas and its consolidated subsidiaries.

"**Issuer Enforcement Notice**" in respect of the French law Covered Bonds has the meaning given in Condition 10.

"**Issuer Event of Default**" means the occurrence of any of the following events:

- (a) at any relevant time following the service of a Borrower Enforcement Notice (as defined in the section "**The main Programme Documents – The Borrower Facility Agreement**" of the Base Prospectus), a Breach of Amortisation Test (as defined in section "**Asset Monitoring**" of the Base Prospectus) occurs; or
- (b) the Issuer is in default in the payment of principal of, or interest on, any Covered Bond (including the payment of any additional amounts mentioned in Condition 9) when due and payable, unless such default has arisen by reason of technical default or error and payment is made within three (3) Business Days of the due date thereof; or
- (c) the Issuer is in default in the performance or observance of any of its other material obligations under any Covered Bond and such default has not been cured within thirty (30) calendar days after the receipt by the Fiscal Agent (with copy to the Issuer, and, when applicable, the Specific Controller) of the written notice of such default by (i) in the case of any French Law Covered Bonds, the Representative, and (ii) in the case of German Law Covered Bonds, a Bondholder, requiring such default to be remedied and indicating that this provision may be invoked if it is not so remedied; or
- (d) any other present or future indebtedness of the Issuer (including any Covered Bonds of any other Series (including German Law Covered Bonds)) becomes or becomes capable of being declared due and payable prior to its stated maturity as a result of a default thereunder, or any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period (a "**Covered Bonds Cross Acceleration Event**"); or
- (e) an order is made or an effective resolution passed for the liquidation or winding up of the Issuer (except in the case of a liquidation or winding up for the purpose of a reconstruction, amalgamation, merger or following the transfer of all or substantially all of the assets of the Issuer, the terms of which have previously been approved by the Majority Bondholders of all Series for which Covered

- Bonds (including German Law Covered Bonds) or, if applicable, any Coupons relating to them, are Outstanding, and such liquidation or winding up being subject to prior Rating Affirmation); or
- (f) the Issuer makes any proposal for a general moratorium in relation to its debt or applies for, or is subject to, any insolvency or bankruptcy proceedings set out in Book VI of the French Commercial Code (*Code de commerce*), it being understood that the Issuer applying for the appointment of an *ad hoc* representative (*mandataire ad hoc*) or entering into a conciliation procedure (*procédure de conciliation*) or being subject to such application with its principal creditors will not constitute an event of default pursuant to new Article L. 611-16 of the French Commercial Code (*Code de commerce*). Pursuant to such new Article L. 611-16 of the French Commercial Code (*Code de commerce*), any contractual provision to the contrary shall be null and void; or
 - (g) the Issuer ceases to carry on all or a material part of its business (except in the case of a cessation for the purpose of a reconstruction, amalgamation, merger or following the transfer of all or substantially all of the assets of the Issuer, in each case the terms of which have previously been approved by the Majority Bondholders of all Series for which Covered Bonds (including German Law Covered Bonds) or, if applicable, any Coupons relating to them, are Outstanding and such liquidation or winding up being subject to prior Rating Affirmation); or
 - (h) upon the occurrence of a Hedging Rating Trigger Event (as defined in the section "**The Hedging Strategy**" of the Base Prospectus), (i) the Issuer (or the Administrator on its behalf) fails to enter into any Issuer Hedging Agreement (as defined in section "**The Hedging Strategy**" of this Base Prospectus) with any relevant Eligible Hedging Provider (as defined in section "**The Hedging Strategy**" of the Base Prospectus) within thirty (30) calendar days from the occurrence date of such Hedging Rating Trigger Event, as described under the Hedging Strategy (as defined in the section "**The Hedging Strategy**" of the Base Prospectus) or (ii) the Issuer (or the Administrator on its behalf) or the Borrower fails to enter into any Borrower Hedging Agreement (as defined in the section "**The Hedging Strategy**" of the Base Prospectus) within thirty (30) calendar days from the occurrence date of such Hedging Rating Trigger Event, as described under the Hedging Strategy (as defined in the section "**The Hedging Strategy**" of the Base Prospectus); or
 - (i) the license of the Issuer as a *société de financement de l'habitat* is withdrawn.

"**Majority Bondholders**" means:

- (i) in relation to any Series of French Law Covered Bonds, a decision of the General Meeting (as defined in Condition 12 of the Terms and Conditions) of such Series taken in accordance with Condition 12(v) of the Terms and Conditions; and
- (ii) in relation to any Series of German Law Covered Bonds, an approval of one or more German law Bondholders holding at least two-thirds (2/3) of the then outstanding principal amount of such German Law Covered Bonds.

"**Outstanding**" means, in relation to Covered Bonds of any Series (including German Law Covered Bonds), all the Covered Bonds issued other than (a) those that have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Covered Bonds to the date for such redemption and any interest payable after such date) have been duly paid as provided in Condition 8 of the Terms and Conditions, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled or held by the Issuer, for so long as such Covered Bonds are held by the Issuer, as provided in these Conditions, (e) in the case of Definitive Materialised Covered Bonds (i) those mutilated or defaced Definitive Materialised Covered Bonds that have been surrendered in exchange for replacement Definitive Materialised Covered Bonds, (ii) (for the purpose only of determining how many such Definitive Materialised Covered Bonds are outstanding and without prejudice to their status for any other purpose) those Definitive Materialised Covered Bonds alleged to have been lost, stolen or destroyed and in respect of which replacement Definitive Materialised Covered Bonds (as applicable) have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one (1) or more Definitive Materialised Covered Bonds, as applicable, pursuant to its provisions.

"**Programme Date**" means the date of the Base Prospectus applicable to the Programme.

"**Programme Documents**" means:

- (a) the Shareholder Letter of Undertaking (as defined in the section "the Issuer" – "Issuer Share capital, Subordinated Loan and Super Subordinated Bonds Issue and Issuer Majority Shareholder's undertakings" of the Base Prospectus);
- (b) the Subordinated Loan Agreement (as defined in the section "The Issuer" – "Issuer Share capital, Subordinated Loan and Super Subordinated Bonds Issue and Issuer Majority Shareholder's undertakings" of the Base Prospectus);
- (c) the Super Subordinated Bonds Subscription Agreement (as defined in the section "The Issuer" – "Issuer Share capital, Subordinated Loan and Super Subordinated Bonds Issue and Issuer Majority Shareholder's undertakings" of the Base Prospectus);
- (d) the Administrative Agreement (as defined in the section "the Issuer" – "The Administrative Agreement" of the Base Prospectus);
- (e) the *Convention d'Externalisation et de Mise à Disposition de Moyens*, as amended from time to time (as defined in the section "the Issuer" – "Issuer Risk Management" of the Base Prospectus);
- (f) the Issuer Accounts Agreement (as defined in the section "The main Programme Documents - The Issuer Accounts Agreement" of the Base Prospectus);
- (g) the Terms and Conditions;
- (h) the Agency Agreement;
- (i) the Deed of Covenant;
- (j) the Dealer Agreement dated on or before the Programme Date as amended and restated from time to time between the Issuer and the Dealer named therein and relating to the Covered Bonds;
- (k) the Borrower Facility Agreement (as defined in the section "The main Programme Documents – The Borrower Facility Agreement");
- (l) the Borrower Collateral Security Agreement (as defined in the section "The main Programme Documents – The Borrower Collateral Security Agreement" of the Base Prospectus);
- (m) the Cash Collateral Agreement (as defined in the section "The main Programme Documents – The Cash Collateral Agreement" of the Base Prospectus);
- (n) the Affiliate Facility Agreement(s) (if any) (as defined in the section "The main Programme Documents – The Affiliate Facility Agreements" of the Base Prospectus);
- (o) the Affiliate Collateral Security Agreement(s) (if any) (as defined in the section "The main Programme Documents – The Affiliate Collateral Security Agreements" of the Base Prospectus);
- (p) the Calculation Services Agreement (as defined in the section "The main Programme Documents – The Calculation Services Agreement" of the Base Prospectus);
- (q) the Asset Monitor Agreement (as defined in the section "The main Programme Documents – The Asset Monitor Agreement" of the Base Prospectus);
- (r) the Master Definitions and Construction Agreement, as amended from time to time, provided for the definitions of defined terms used under some other Programme Documents;
- (s) the Hedging Approved Form Letter, as amended from time to time, (as defined in the section "The Hedging Strategy" of the Base Prospectus); and
- (t) the Hedging Agreement(s) (if any) (as defined in the section "The Hedging Strategy" of the Base Prospectus).

"Rating Affirmation" means, with respect to any specified action, determination or appointment and except as otherwise specified herein and/or in any Programme Documents, notification by the Issuer (or the relevant Representative) to the relevant Rating Agencies, for so long as any Covered Bonds are rated by them, of such specified action, determination or appointment which does not result in the downgrading, or withdrawal, of the ratings then assigned to the Covered Bonds.

"Rating Agency" means Standard and Poor's Ratings Services ("**S&P**"), Fitch Ratings ("**Fitch**") or any other rating agency of equivalent standing or any successor thereto.

"Regulated Market" means a regulated market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council within the EEA.

"Representative Consent" means, with respect to any specified action, determination or appointment, receipt by the Issuer of:

- (i) in relation to any Series of French Law Covered Bonds, written confirmation of consent of the Representative (acting upon instructions of the Majority Bondholders of the relevant Series of Outstanding French Law Covered Bonds or, if applicable, any Coupons relating to them); and
- (ii) in relation to any Series of German Law Covered Bonds, written confirmation of consent of two thirds (2/3) of the holders of each Series of Outstanding German Law Covered Bonds, as described in the Agency Agreement,

in each case to such proposed action, determination or appointment.

2. Form, Denomination, Title and Redenomination

(a) Form

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

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

Dematerialised Covered Bonds will be issued, at the option of the Issuer, in either bearer form (*au porteur*), which will be inscribed in the books of Euroclear France (acting as central depositary) which shall credit the accounts of the Account Holders, or in registered form (*au nominatif*) and, in such latter case, at the option of the relevant holder in either administered registered form (*nominatif administré*) inscribed in the books of an Account Holder designated by the relevant holder of Covered Bonds or in fully registered form (*au nominatif pur*) inscribed in an account maintained by the Issuer or a registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the "**Registration Agent**").

For the purpose of these Conditions, "**Account Holder**" means any authorised financial intermediary institution entitled to hold accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**").

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

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

The Covered Bonds may be "**Fixed Rate Covered Bonds**", "**Floating Rate Covered Bonds**" or a combination of any of the foregoing, depending on the Interest Basis and the redemption method specified in the relevant Final Terms in accordance with the applicable Conditions.

(b) Denomination

The Covered Bonds will be issued in the specified denomination(s) set out in the relevant Final Terms (the "**Specified Denomination(s)**"), provided that all Covered Bonds admitted to trading on a Regulated Market of the European Union in circumstances which require the publication of a prospectus under the Prospectus Directive shall have a minimum denomination of € 1,000 (or its equivalent in any other currency at the time

of issue) or such higher amount as may be allowed or required from time to time in relation to the relevant Specified Currency.

Dematerialised Covered Bonds will be issued in one (1) Specified Denomination only.

(c) Title

- (i) Title to Dematerialised Covered Bonds in bearer form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Covered Bonds may only be effected through, registration of the transfer in the accounts of the Account Holders. Title to Dematerialised Covered Bonds in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Covered Bonds may only be effected through, registration of the transfer in the accounts maintained by the Issuer or by the Registration Agent.
- (ii) Title to Definitive Materialised Covered Bonds, including, where appropriate, Coupons and/or a Talon attached, shall pass by delivery.

Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Covered Bond, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

(d) Redenomination

The Issuer may (if so specified in the relevant Final Terms), on any date, without the consent of the holder of any Covered Bond, Coupon or Talon, by giving at least thirty (30) calendar days' notice in accordance with Condition 17 and on or after the date on which the European Member State in whose national currency the Covered Bonds are denominated has become a participating Member State in the single currency of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community (the "EC"), as amended from time to time (the "Treaty")) or events have occurred which have substantially the same effects (in either case, "EMU"), redenominate all, but not some only, of the Covered Bonds of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Final Terms accordingly.

3. Conversions of Covered Bonds

(a) Dematerialised Covered Bonds

- (i) Dematerialised Covered Bonds issued in bearer form (*au porteur*) may not be converted into Dematerialised Covered Bonds in registered form, whether in fully registered form (*au nominatif pur*) or in administered registered form, (*au nominatif administré*).
- (ii) Dematerialised Covered Bonds issued in registered form (*au nominatif*) may not be converted into Dematerialised Covered Bonds in bearer form (*au porteur*).
- (iii) Dematerialised Covered Bonds issued in fully registered form (*au nominatif pur*) may, at the option of the holder of such Covered Bonds, be converted into Covered Bonds in administered registered form (*au nominatif administré*), and vice versa. The exercise of any such option by such holder shall be made in accordance with Article R. 211-4 of the French Monetary and Financial Code (*Code monétaire et financier*). Any such conversion shall be effected at the cost of such holder.

(b) Materialised Covered Bonds

Materialised Covered Bonds of one (1) Specified Denomination may not be exchanged for Materialised Covered Bonds of another Specified Denomination.

4. Status

Subject to the Priority Payment Orders, the principal and interest of the Covered Bonds, and, where applicable, any related Coupons are direct, unconditional, unsubordinated and, pursuant to the provisions of Condition 5(b), privileged obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and equally and rateably with all other present and future obligations of the

Issuer (including the French and German Law Covered Bonds of all other Series) and other resources raised by the Issuer benefiting from the *Privilège* described in Condition 5.

5. Covenants

So long as any of the Covered Bonds or, if applicable, any Coupons relating to them, is Outstanding:

(a) Negative Pledge

Except in accordance with Programme Documents, the Issuer will not create or permit to subsist any privilege, mortgage, charge, pledge or other form of security interest (*sûreté réelle*) upon any of its assets or revenues, present or future, to secure any Relevant Undertaking (as defined below) of, or guaranteed by, the Issuer;

where "**Relevant Undertaking**" means any present or future (i) indebtedness for borrowed money and (ii) undertaking in relation to interest or currency swap transactions.

(b) *Privilège (Statutory Priority in Right of Payment)*

The principal and interest of the Covered Bonds will benefit from the *privilège* (statutory priority in right of payment) created by Article L. 513-11 of the French Monetary and Financial Code (the "**Privilège**").

Accordingly, notwithstanding any legal provisions to the contrary (including Livre VI of the French Commercial Code (*Code de Commerce*)), pursuant to Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*):

- (i) all amounts payable to the Issuer in respect of loans or assimilated receivables, exposures and securities referred to in Articles L. 513-3 to L. 513-7 and L. 513-29 of the French Monetary and Financial Code and forward financial instruments referred to in Article L. 513-10 of the French Monetary and Financial Code (*Code monétaire et financier*), in each case after any applicable set-off, together with the claims in respect of deposits made by the Issuer with credit institutions, shall be allocated in priority to the payment of any sums due in respect of *obligations de financement de l'habitat* (such as the Covered Bonds) and any other resources raised by the Issuer and benefiting from the *Privilège*;
- (ii) in case of conciliation (*conciliation*), safeguard (*sauvegarde*), judicial reorganisation (*redressement judiciaire*) and judicial liquidation (*liquidation judiciaire*), the amounts due by the Issuer from time to time under the *obligations de financement de l'habitat* (including the Covered Bonds) or any other resources or liabilities benefiting from the *Privilège* shall be paid on their contractual due date, and in priority to all other Issuer's 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 paid in full, no other creditor of the Issuer may exercise any right over the assets and rights of the Issuer;
- (iii) the judicial liquidation (*liquidation judiciaire*) of the Issuer will not result in the *obligations de financement de l'habitat* (such as the Covered Bonds) and the other debts benefiting from the *Privilège* becoming due and payable.

(c) Limitation on Indebtedness

The Issuer undertakes not to incur any indebtedness other than as contemplated by the Programme Documents unless:

- (i) such indebtedness is fully subordinated to the outstanding indebtedness incurred in relation to the Covered Bonds, as the case may be; or
- (ii) prior Rating Affirmation has been delivered in relation to such indebtedness.

(d) Restrictions on mergers or reorganisations

The Issuer undertakes not to enter into any merger, re-organisation or similar transaction without prior Representative Consent and Rating Affirmation.

(e) Separateness covenants

The Issuer undertakes (except as permitted under the Programme Documents):

- (i) to maintain books and records separate from any other person or entity;
- (ii) to maintain its accounts separate from those of any other person or entity;
- (iii) not to commingle assets with those of any other entity;
- (iv) to conduct its own business in its own name;
- (v) to maintain separate financial statements;
- (vi) to pay its own liabilities out of its own funds;
- (vii) to observe all corporate, partnership, or other formalities required by its constituting documents;
- (viii) not to guarantee or to become obligated for the debts of any other entity or to hold out its credit as being available to satisfy the obligations of others;
- (ix) not to acquire capital shares of its partners or shareholders;
- (x) to use its own separate stationery, invoices and cheques;
- (xi) to hold itself out as a separate entity;
- (xii) not to have any employees;
- (xiii) not to voluntarily wind up; and
- (xiv) to correct any known misunderstanding regarding its separate identity.

(f) Amortisation Test

Following the enforcement of a Borrower Event of Default, the Issuer undertakes to comply with the Amortisation Test. For the purposes hereof, the terms of section "**Asset Monitoring**" of this Base Prospectus are incorporated by reference in this Condition 5 (f).

(g) Hedging Strategy

Upon the occurrence of a Hedging Rating Trigger Event, and, as applicable, upon the occurrence of any Borrower Event of Default, the Issuer undertakes to take all reasonable steps to implement the Hedging Strategy as described under section "**Hedging Strategy**" of this Base Prospectus.

(h) Programme Documents

Subject to the qualifications described in the relevant Programme Document(s) to which it is a party, the Issuer undertakes that no amendment, modification, alteration or supplement shall be made to any Programme Document to which it is a party without prior Rating Affirmation if the same materially and adversely affects the interest of the Issuer or the Bondholders.

For the avoidance of doubt, the Issuer may amend, modify, alter or supplement any Programme Document to which it is a party without prior Rating Affirmation:

- (i) to cure any ambiguity, omission, defect or inconsistency;
- (ii) to evidence or effect the transition of any party to any Programme Document to which it is a party to any successor;

- (iii) to add to the undertakings and other obligations of any party (except the Issuer) under any Programme Document to which it is a party; or
- (iv) to comply with any mandatory requirements of applicable laws and regulations.

In addition, the Issuer undertakes that:

- (i) each Programme Document to which the Issuer is or will become a party will include limited recourse language pursuant to which the creditors of the Issuer (including the Bondholders) will agree that their recourse will be limited to the funds that are available to the Issuer at any relevant date; and
- (ii) each Programme Document to which the Issuer is or will become a party will also include non-petition language, whereby the creditors of the Issuer (including the Bondholders) will agree not to commence or to join any proceedings for the insolvency of the Issuer prior to the end of an eighteen (18) month period after all Covered Bonds have been paid and discharged in full.

German Law Covered Bonds (a) are subject to the particular limited recourse provisions specified in the terms and conditions of the German Law Covered Bonds included in the Agency Agreement and (b) are not subject to non-petition provisions.

(i) **Notification of Issuer Events of Default**

In respect of any Series, the Issuer undertakes to promptly inform the Rating Agencies, the Representative and the Administrator of the occurrence of any Issuer Event of Default and, upon receipt of a written request from the Rating Agencies, the Representative or the Administrator, the Issuer will confirm to the Rating Agencies, the Representative and the Administrator that, save as previously notified to the Rating Agencies, the Representative and the Administrator or as notified in such confirmation, no Issuer Event of Default has occurred or is continuing.

(j) **No further Issuance**

The Issuer undertakes not to issue any further Covered Bonds (including German Law Covered Bonds) under the Programme:

- (i) as from the date a Borrower Enforcement Notice (as defined in section "**The main Programme Documents – The Borrower Facility Agreement**" of the Base Prospectus) has been served, except for the purposes of subscription by the Issuer of Auto-held Covered Bonds in accordance with Condition 19;
- (ii) as from the date an Issuer Enforcement Notice has been served;
- (iii) for so long as a Non Compliance with Asset Cover Test (as defined in the section "**Asset Monitoring**" of the Base Prospectus) has occurred and is not remedied, except for the purposes of subscription by the Issuer of Auto-held Covered Bonds in accordance with Condition 19;
- (iv) for so long as a Non Compliance with Amortisation Test (as defined in the section "**Asset Monitoring**" of the Base Prospectus) has occurred and is not remedied, except for the purposes of subscription by the Issuer of Auto-held Covered Bonds in accordance with Condition 19; or
- (v) for so long as, regarding the Pre-Maturity Test (as defined in the section "**Asset Monitoring - The Pre-Maturity Test**" of the Base Prospectus), a Cash Collateral Funding Notice (as defined in the section "**Asset Monitoring - Pre-Maturity Test**" of the Base Prospectus) has been delivered and is not withdrawn, except for the purposes of subscription by the Issuer of Auto-held Covered Bonds in accordance with Condition 19.

6. Interest and other Calculations

(a) Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"Benchmark" means the reference rate as set out in the relevant Final Terms which shall be either EURIBOR, EONIA, LIBOR, CMS or TEC or any other reference rate as specified in the relevant Final Terms.

"Business Day" means:

- (i) in the case of Euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer payment system (TARGET2) or any successor thereto (the **"TARGET System"**) is operating (a **"TARGET Business Day"**), and/or
- (ii) in the case of a Specified Currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency, and/or
- (iii) in the case of a Specified Currency and/or one (1) or more additional business centre(s) specified in the relevant Final Terms (the **"Business Centre(s)"**), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified.

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

- (i) if **"Actual/365"**, **"Actual/365-FBF"** or **"Actual/Actual-ISDA"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by three hundred and sixty-five (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 three hundred and sixty-six (366) and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by three hundred and sixty-five (365)).
- (ii) 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 (1) Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

in each case, where:

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

"Determination Date" means the date specified in the relevant Final Terms or, if none is so specified, the Interest Payment Date.

- (iii) if "**Actual/Actual-FBF**" is specified in the relevant Final Terms, the fraction whose numerator is the actual number of days elapsed during such period and whose denominator is three hundred and sixty-five (365) (or three hundred and sixty-six (366) if 29 February falls within the Calculation Period). If the Calculation Period is of a duration of more than one (1) year, the basis shall be calculated as follows:
- (A) the number of complete years shall be counted back from the last day of the Calculation Period;
- (B) this number shall be increased by the fraction for the relevant period calculated as set out in the first paragraph of this definition.
- (iv) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by three hundred and sixty-five (365).
- (v) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by three hundred and sixty (360).
- (vi) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by three hundred and sixty (360) calculated on a formula basis as follows:

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

where:

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

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

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

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

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

"D2" is the calendar day, expressed as a number, immediately following the last day included the Calculation Period, unless such number would be 31 and D1 greater than 29, in which case D2 will be 30.

- (vii) if "**30/360-FBF**" is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is three hundred and sixty (360) and whose numerator is the number of days calculated as for 30E/360-FBF, subject to the following exception: where the last day of the Calculation Period is the thirty-first (31st) and the first day is neither the thirtieth (30th) nor the thirty-first (31st), the last month of the Calculation Period shall be deemed to be a month of thirty-one (31) days.

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

If dd2 = 31 and dd1 ≠ (30,31)

then :

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

or

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

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

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

where:

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

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

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

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

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

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30.

- (ix) if "30E/360-FBF" is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is three hundred and sixty (360) and whose numerator is the number of days elapsed during such period, calculated on the basis of a year comprising twelve (12) months of thirty (30) days, subject to the following the exception: if the last day of the Calculation Period is the last day of the month of February, the number of days elapsed during such month shall be the actual number of days.

Where:

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

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

The fraction is :

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

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

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

"**FBF Definitions**" means the definitions set out in the 2001 FBF Master Agreement relating to the transactions on forward financial instruments as supplemented by the Technical Schedules (*Additifs Techniques*) as published by the *Fédération Bancaire Française* (together, the "**2001 FBF Master Agreement**").

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

"**Interest Amount**" means the amount of interest payable, and in the case of Fixed Rate Covered Bonds, means the Fixed Coupon Amount or Broken Amount, as specified in the relevant Final Terms, as the case may be.

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

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two (2) TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two (2) Business Days in the city specified in the Final Terms for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro.

"Interest Payment Date" means the date(s) specified in the relevant Final Terms.

"Interest Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

"Interest Period Date" means each Interest Payment Date or any other date as specified in the relevant Final Terms.

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

"Reference Banks" means the institutions specified as such in the relevant Final Terms or, if none, four (4) major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR or EONIA is the relevant Benchmark, shall be the Euro Zone, and if LIBOR is the relevant Benchmark, shall be London).

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

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

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

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

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

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

"**Specified Duration**" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 6(c)(ii).

(b) **Interest on Fixed Rate Covered Bonds**

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

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

(c) **Interest on Floating Rate Covered Bonds**

(i) *Interest Payment Dates:* Each Floating Rate Covered Bond bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate *per annum* (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. 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 Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day. Notwithstanding the foregoing, where the applicable Final Terms specify that the relevant Business Day Convention is to be applied on an "unadjusted" basis, the Interest Amount payable on any date shall not be affected by the application of that Business Day Convention.

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

(A) FBF Determination for Floating Rate Covered Bonds:

Where FBF Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Agent as a rate equal to the relevant FBF Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "**FBF Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Agent under a notional interest rate swap transaction (*Echange*) in the relevant Specified Currency governed by the 2001 FBF Master Agreement (*convention cadre FBF*) relating to transactions on forward financial instruments (formerly 1994 AFB Master Agreement for Foreign Exchange and Derivatives Transactions), as supplemented by the then applicable Interest and Currency incorporating the FBF Definitions and under which:

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

Where any Floating Rate is specified in the relevant Final Terms as being determined by linear interpolation in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Floating Rate, one of which shall be determined as if the maturity were the period of time (for which rates are available) next shorter than the length of the relevant Interest Period, and the other of which shall be determined as if the maturity were the period of time (for which rates are available) next longer than the length of the relevant Interest Period.

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

- (B) Screen Rate Determination for Floating Rate Covered Bonds:

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

- (1) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:

- (I) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one (1) entity); or
- (II) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page, in each case appearing on such Page at the Relevant Time on the Interest Determination Date as disclosed in the relevant Final Terms, plus or minus (as indicated in the relevant Final Terms) the Margin (if any); and

- (2) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (1)(I) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (1)(II) applies and fewer than two (2) Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent, plus or minus (as indicated in the relevant Final Terms) the Margin (if any), and

- (3) if paragraph (2) above applies and the Calculation Agent determines that fewer than two (2) Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two (2) out of five (5) leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is Euro, in the Euro-zone as selected by the Calculation Agent (the "**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two (2) of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two (2)

of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

Where any Benchmark is specified in the relevant Final Terms as being determined by linear interpolation in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the Relevant Rate, one of which shall be determined as if the maturity were the period of time (for which rates are available) next shorter than the length of the relevant Interest Period, and the other of which shall be determined as if the maturity were the period of time (for which rates are available) next longer than the length of the relevant Interest Period.

(d) Accrual of Interest

Interest shall cease to accrue on each Covered Bond on the due date for redemption unless (i) in the case of Dematerialised Covered Bonds, on such due date or (ii) in the case of Materialised Covered Bonds, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgement) at the Rate of Interest in the manner provided in this Condition 6 to the Relevant Date.

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

- (i) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one (1) or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified in these Conditions), (w) if FBF Determination is specified in the relevant Final Terms, all percentages resulting from such calculations shall be rounded, if necessary, to the nearest ten-thousandth of a percentage point (with halves being rounded up), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest fifth decimal (with halves being rounded up), (y) all figures shall be rounded to seven (7) figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(f) Calculations

The amount of interest payable in respect of any Covered Bond for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Covered Bond by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Covered Bond for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two (2) or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the Interest Amounts of interest payable in respect of each of those Interest Accrual Periods.

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

The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Covered Bonds for

the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Bondholders, any other Calculation Agent appointed in respect of the Covered Bonds that is to make a further calculation upon receipt of such information and, if the Covered Bonds are admitted to trading on a Regulated Market and the rules of such Regulated Market so require, such Regulated Market as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such Regulated Market of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth (4th) Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 6(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(h) **Calculation Agent and Reference Banks**

The Issuer shall procure that there shall at all times be four (4) Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one (1) or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Covered Bond is Outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one (1) Calculation Agent is appointed in respect of the Covered Bonds, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris office, or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

7. Redemption, Purchase and Options

(a) **Final Redemption**

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

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

(b) Redemption at the Option of the Issuer and Partial Redemption

- (i) If a Call Option is specified in the relevant Final Terms, the Issuer may, subject to compliance by the Issuer of all the relevant laws, regulations and directives and on giving not less than fifteen (15) nor more than thirty (30) calendar days' irrevocable notice in accordance with Condition 17 to the Bondholders redeem all or, if so provided, some, of the Covered Bonds on any Optional Redemption Date. Any such redemption of Covered Bonds shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption, if any. Any such redemption must relate to Covered Bonds of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed as specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed as specified in the relevant Final Terms.

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

In the case of a partial redemption in respect of Materialised Covered Bonds, the notice to holders of such Materialised Covered Bonds shall also contain the numbers of the Definitive Materialised Covered Bonds 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 Regulated Market requirements.

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

- (ii) So long as the Covered Bonds are listed and admitted to trading on Euronext Paris and the rules thereof so require, the Issuer shall, once in each year in which there has been a partial redemption of the Covered Bonds, cause to be published either on the website of the AMF (www.amf-france.org) or in a leading financial newspaper of general circulation in France, which is expected to be *Les Echos*, a notice specifying the aggregate nominal amount of Covered Bonds outstanding and, in the case of Materialised Covered Bonds a list of any Materialised Covered Bonds, drawn for redemption but not surrendered.

(c) Redemption at the Option of Bondholders

If a Put Option is specified in the relevant Final Terms, the Issuer shall, at the option of the Bondholder, upon the Bondholder giving not less than fifteen (15) nor more than thirty (30) calendar days' notice to the Issuer redeem such Covered Bond on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option, the Bondholder must deposit with a Paying Agent at its specified office a duly completed option exercise notice (the "**Exercise Notice**") in the form obtained during normal business hours from any Paying Agent within the notice period. In the case of Materialised Covered Bonds, the Exercise Notice shall have attached to it the relevant Covered Bonds (together with all unexpired Coupons and unexchanged Talons). In the case of Dematerialised Covered Bonds, the Bondholder shall transfer, or cause to be transferred, the Dematerialised Covered Bonds to be redeemed to the account of the Paying Agent with a specified office in Paris, as specified in the Exercise Notice.

No option so exercised and, where applicable, no Covered Bond so deposited or transferred, may be withdrawn without the prior consent of the Issuer.

(d) Early Redemption Amount and Optional Redemption Amount

- (i) The Early Redemption Amount payable in respect of any Covered Bond, upon redemption of such Covered Bond pursuant to Condition 7(e) or 7(f) or upon it becoming due and payable as provided in Condition 10 shall be the Final Redemption Amount together with interest accrued to the date fixed for redemption.
- (ii) The Optional Redemption Amount payable in respect of any Covered Bond, upon redemption of such Covered Bond pursuant to Condition 7(b) or 7(c) will be determined on the following basis:

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

Where:

"Y" means the ratio expressed as a percentage specified in the relevant Final Terms.

(e) Redemption for taxation reasons

- (i) If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Covered Bonds, not be able to make such payment without having to pay additional amounts as specified under Condition 9(b) below, the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, subject to having given not more than forty-five (45) nor less than thirty (30) calendar days' notice to the Bondholders (which notice shall be irrevocable), in accordance with Condition 17, redeem all, but not some only, of the Covered Bonds at their Early Redemption Amount together with any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.
- (ii) If the Issuer would, on the next payment of principal or interest in respect of the Covered Bonds, be prevented by French law from making payment to the Bondholders or, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 9(b) below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven (7) calendar days' prior notice to the Bondholders in accordance with Condition 17, redeem all, but not some only, of the Covered Bonds then outstanding at their Early Redemption Amount together with any interest accrued to the date set for redemption on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Covered Bonds, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Bondholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Covered Bonds and (ii) fourteen (14) calendar days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Covered Bonds, or, if applicable, Coupons or, if that date is passed, as soon as practicable thereafter.

(f) Redemption due to illegality

The Covered Bonds of all Series shall be redeemed at the option of the Issuer, subject to compliance by the Issuer of all the relevant laws, regulations and directives, in whole, but not in part, at any time, on giving not less than thirty (30) nor more than sixty (60) calendar days' irrevocable notice in accordance with Condition 17 to the Bondholders (or such other notice period as may be specified in the relevant Final Terms), if the Issuer satisfies the Fiscal Agent immediately before the giving of such notice that it has, or will, before the next Interest Payment Date of any Covered Bonds of any Series, become unlawful for the Issuer to make, fund or allow to remain outstanding any Collateral Assets made by it to an Originator or to comply with any other of its obligations under the Covered Bonds of that Series, as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Fiscal Agent a certificate signed by two (2) members of the Board of Directors (*Conseil d'Administration*) of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and the Fiscal Agent shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on all Bondholders and Couponholders.

Covered Bonds redeemed pursuant to this Condition 7(f) will be redeemed at their Early Redemption Amount referred to in Condition 7(d) above together (if appropriate) with interest accrued to the date fixed for redemption, if any.

(g) Purchases

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

Covered Bonds so purchased by the Issuer may be held and resold in accordance with applicable laws and regulations for the purpose of enhancing the liquidity of the Covered Bonds, or cancelled.

(h) Cancellation

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

8. Payments and Talons

(a) Dematerialised Covered Bonds

Payments of principal and interest in respect of Dematerialised Covered Bonds shall (i) in the case of Dematerialised Covered Bonds in bearer dematerialised form or administered registered form, be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the Bondholders and, (ii) in the case of Dematerialised Covered Bonds in fully registered form, to an account denominated in the relevant currency with a Bank designated by the relevant Bondholder. All payments validly made to such Account Holders or Bank will be an effective discharge of the Issuer in respect of such payments.

(b) Definitive Materialised Covered Bonds

(i) Method of payment

Subject as provided below, payments in a Specified Currency will be made by credit or transfer to an account denominated in the relevant Specified Currency, or to which the Specified Currency may be credited or transferred (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a Bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Euro, shall be any country in the Euro-Zone, and, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively).

(ii) Presentation and surrender of Definitive Materialised Covered Bonds and Coupons

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

Fixed Rate Covered Bonds in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten (10) years after the Relevant Date in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 11) or, if later, five (5) years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

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

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

(c) Payments in the United States

Notwithstanding the foregoing, if any Materialised Covered Bonds are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Covered Bonds in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) Payments subject to Fiscal Laws

All payments are subject in all cases to (i) any applicable tax or other laws, regulations and directives but without prejudice to Condition 9 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Bondholders or Couponholders in respect of such payments.

(e) Appointment of Agents

The Fiscal Agent, the Paying Agents, the Registration Agent and the Calculation Agent initially appointed by the Issuer and their respective specified offices are set forth in the Agency Agreement. The Fiscal Agent,

the Paying Agents, and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case, do not assume any obligation or relationship of agency for any Bondholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, Registration Agent or Calculation Agent and to appoint other Fiscal Agent, Paying Agent(s), Registration Agent(s) or Calculation Agent(s) or additional Paying Agent(s), Registration Agent(s) or Calculation Agent(s), provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one (1) or more Calculation Agent(s) where the Conditions so require, (iii) Paying Agents having specified offices in at least two (2) major European cities (and ensuring the financial services of the Covered Bonds in France so long as the Covered Bonds are listed and traded on Euronext Paris and, so long as the Covered Bonds are admitted to trading on any other Regulated Market of the EEA, such other city where the Covered Bonds are admitted to trading), (iv) in the case of Materialised Covered Bonds, a Paying Agent having its specified office in a Member State of the EU that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC as amended by Council Directive 2014/48/EU (as may be amended from time to time) or any other EU Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to, such Directive (which may be any of the Paying Agents referred to in (iii) above), (v) in the case of Dematerialised Covered Bonds in fully registered form, a Registration Agent and (vi) such other agents as may be required by the rules of any other Regulated Market on which the Covered Bonds may be admitted to trading.

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

Notice of any such change or any change of any specified office shall promptly be given to the Bondholders in accordance with Condition 17.

(f) **Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Covered Bond, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 11).

(g) **Business Days for Payment**

If any date for payment in respect of any Covered Bond or Coupon is not a Business Day, the holder shall not be entitled to payment until the next following Business Day or to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Covered Bonds, on which Euroclear France is open for business or (ii) in the case of all other Covered Bonds, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) in such jurisdictions as shall be specified as "**Financial Centre(s)**" in the relevant Final Terms and (C) (i) in the case of a payment in a currency other than Euro, where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) in the case of a payment in Euro, which is a TARGET Business Day.

(h) **Bank**

For the purpose of this Condition 8, "**Bank**" means a bank in the principal financial centre of the relevant currency or, in the case of Euro, in a city in which banks have access to the TARGET System.

9. Taxation

(a) **Tax Exemption for Covered Bonds constituting obligations or debt instruments (*titres de créances*) assimilated thereto for French tax purposes**

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Covered Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by

or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

(b) Additional Amounts

If French law should require that payments of principal or interest in respect of any Covered Bond or Coupon be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Bondholders or, if applicable, the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Covered Bond or Coupon, as the case may be:

- (i) *Other connection*: to, or to a third party on behalf of, a Bondholder or Couponholder who is liable to such taxes or duties by reason of his having some connection with the Republic of France other than the mere holding of the Covered Bond or Coupon; or
- (ii) *More than thirty (30) days after the Relevant Date*: in the case of Definitive Materialised Covered Bonds, more than thirty (30) calendar days after the Relevant Date except to the extent that the Bondholder or Couponholder would have been entitled to such additional amounts on presenting it (or the Certificate representing it, as applicable) for payment on the thirtieth (30th) such day; or
- (iii) *Payment to individuals*: where such withholding or deduction is imposed on a payment and is required to be made pursuant to European Council Directive 2003/48/EC as amended by Council Directive 2014/48/EU (as may be amended from time to time) or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) *Payment by another Paying Agent*: in the case of Definitive Materialised Covered Bonds presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Covered Bond or Coupon to another Paying Agent in a Member State of the EU.

References in these Conditions to (A) "**principal**" shall be deemed to include any premium payable in respect of the Covered Bonds, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 7 or any amendment or supplement to it, (B) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 6 or any amendment or supplement to it and (C) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition.

- (c) Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. The Issuer will have no obligation to pay additional amounts or otherwise indemnify an investor for any FATCA withholding deducted or withheld by the Issuer, any paying agent or any other party.

10. Events of Default

Subject to the legal framework applicable to an SFH, if an Issuer Event of Default occurs in respect of any Series of Covered Bonds, the Representative (i) may, at its discretion, or (ii) shall, if so directed by the Majority Bondholders or if such Issuer Event of Default is a Covered Bonds Cross Acceleration Event, upon written notice (an "**Issuer Enforcement Notice**") to the Fiscal Agent and the Issuer (with copy to the Administrator and to the Rating Agencies) given before all defaults have been cured, cause the principal amount of all Covered Bonds of such Series to become due and payable (but subject to the relevant Payment Priority Order), together with any accrued interest thereon, as of the date on which such notice for payment is received by the Fiscal Agent.

11. Prescription

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

12. Representation of Bondholders

- (i) If the relevant Final Terms specify "Full Masse", the Holders of Covered Bonds will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a masse (the "**Masse**") and the provisions of the French Commercial Code (*Code de commerce*) relating to the Masse shall apply in accordance with the provisions of this Condition 12(i) below.

Subject to the provisions of the relevant Final Terms, the names and addresses of the initial representative (the "**Representative**") of the Masse and its alternate as well as its remuneration will be as set out in Condition 12(ii) below.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the general meeting of the Bondholders (the "**General Meeting**").

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

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

- (ii) If the relevant Final Terms shall specify "Contractual Masse", the Holders of Covered Bonds will, in respect of all Tranches in any Series be grouped automatically for the defence of their common interests in a Masse which will be subject to the provisions of this Condition 12(ii) below.

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

(A) Legal Personality

The Masse will be a separate legal entity and will act in part through the Representative and in part through the General Meeting of the Holders of Covered Bonds.

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

(B) Representative

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

- the Issuer, the members of its Board of Directors (*Conseil d'Administration*), its general managers (*directeurs généraux*), its statutory auditors, its employees and their ascendants, descendants and spouse; or;

- companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their board of directors, executive board or supervisory board, their statutory auditors, employees and their ascendants, descendants and spouse; or
- companies holding directly ten per cent. (10%) or more of the share capital of the Issuer or companies having ten per cent. (10%) or more of their share capital held by the Issuer; or
- persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

Subject to the provisions of the relevant Final Terms, the Representative appointed in respect of the first Tranche of the first Series of Covered Bonds will be BNP Paribas Securities Services:

BNP Paribas Securities Services
Les Grands Moulins de Pantin
9, rue du Débarcadère
93500 Pantin
France

represented by Mr. Sylvain THOMAZO, Head of Corporate Trust Services of BNP Paribas Securities Services.

The Representative appointed in respect of the first Tranche of any Series of Covered Bonds will be the Representative of the single Masse of all Tranches in such Series. The Representative appointed in respect of each Series of Covered Bonds will be the Representative in respect of the first Tranche of the first Series of Covered Bonds. The alternate representative shall be Mr. Frédéric KRANTZ, Head of Sales France & Benelux of BNP Paribas Securities Services, 8 rue de Friscaty, 57100 Thionville, France.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by the alternate representative. In the event of the death, retirement or revocation of appointment of the alternate representative, an alternate representative will be elected by the General Meeting.

Subject to the provisions of the relevant Final Terms, the Issuer shall pay to the Representative an amount of Euro 1,000 per year so long as any of the Covered Bonds is Outstanding. The alternate representative will only become entitled to the annual remuneration of Euro 1,000 if it exercises the duties of Representative on a permanent basis; such remuneration will accrue from the day on which it assumes such duties.

All interested parties will at all times have the right to obtain the names and addresses of the Representative and the alternate representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

(C) Powers of Representative

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

All legal proceedings against the holders of Covered Bonds or initiated by them must be brought by or against the Representative except that, should safeguard procedure (*procédure de sauvegarde*), judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) proceedings be commenced against the Issuer, the Specific Controller would file the proof of debt of all creditors (including the Bondholders) of the Issuer benefiting from the *Privilège* pursuant to paragraph 1 of Article L. 513-24 of the French Monetary and Financial Code (*Code monétaire et financier*)).

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

(D) General Meeting

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One (1) or more holders of Covered Bonds, holding together at least one-thirtieth (1/30) of the principal amount of the Covered Bonds outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two (2) months after such demand, the holders of Covered Bonds may commission one (1) of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, hour, place and agenda of any General Meeting will be published as provided under Condition 17.

Each holder of a Covered Bond has the right to participate in a General Meeting in person or by proxy. Each Covered Bond carries the right to one (1) vote or, in the case of Covered Bonds issued with more than one (1) Specified Denomination, one (1) vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Covered Bond.

(E) Powers of the General Meetings

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Covered Bonds, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase amounts payable by holders of Covered Bonds, nor establish any unequal treatment between the holders of Covered Bonds.

General Meetings may deliberate validly on first convocation only if holders of Covered Bonds present or represented hold at least a fifth (1/5) of the principal amount of the Covered Bonds then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third (2/3) majority of votes cast by holders of Covered Bonds attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 17.

(F) Information to Bondholders

Each holder of Covered Bonds or Representative thereof will have the right, during the fifteen (15)-calendar day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant holders of Covered Bonds at the registered office of the Issuer, at the specified offices of any of the Paying Agents and at any other place specified in the notice of the General Meeting.

(G) Expenses

The Issuer will pay all expenses relating to the operation of the Masse, including expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Covered Bonds.

(H) Single Masse

The holders of Covered Bonds of the same Series, and the holders of Covered Bonds of any other Series which have been consolidated (*assimilées* for the purposes of French law) with the Covered Bonds of such first mentioned Series in accordance with Condition 16, shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche or Series of Covered Bonds will be the Representative of the single Masse of all such Series.

For the avoidance of doubt, in this Condition 12, the expression "outstanding" shall not include the Covered Bonds purchased by the Issuer in accordance with Condition 7(g) which are held by the Issuer and not cancelled or subscribed by the Issuer in accordance with Condition 19.

13. Replacement of Definitive Materialised Covered Bonds, Coupons and Talons

If, in the case of any Materialised Covered Bonds, a Definitive Materialised Covered Bond, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and Regulated Market regulations, at the specified office of the Fiscal Agent, or in each case, such other Paying Agent as may from time to time be designated by the Issuer for this purpose and notice of whose designation is given to Bondholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Materialised Covered Bond, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Covered Bonds, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Definitive Materialised Covered Bonds, Coupons or Talons must be surrendered before replacements will be issued.

14. Limited recourse, Non petition

Limited recourse

By subscribing to any Covered Bond, each Bondholder will be automatically deemed to have agreed:

- (a) not to seek recourse under any obligation, covenant or agreement of the Issuer under the Covered Bonds and these Conditions against any shareholder, member of the board of directors (*conseil d'administration*), chief executive officers (*directeurs généraux*) or agent of the Issuer, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that any obligation of the Issuer under the Covered Bonds and these Conditions is a corporate obligation of the Issuer, and that no personal liability shall be attached to, or be incurred by, any shareholder, member of the board of directors (*conseil d'administration*), chief executive officer (*directeur général*) or agent of the Issuer, as such, or any of them under or by reason of any of the obligations, covenants or agreements of the Issuer contained in these Conditions or implied therefrom and, as a condition of and in consideration for the issuing by the Issuer of any Covered Bond, to waive any and all personal liability of every such shareholder, member of the board of directors (*conseil d'administration*), chief executive officers (*directeurs généraux*) or agent of the Issuer for breaches by the Issuer of any of its obligations, covenants or agreements under the Covered Bonds and these Conditions;
- (b) to limit its recourse against the Issuer under the Covered Bonds and these Conditions to amounts payable or expressed to be payable to it by the Issuer on, under or in respect of its obligations and liabilities under the Covered Bonds and these Conditions (and, for the avoidance of doubt, to the exclusion of any damage for breach of contract or other penalties not expressed as being payable by the Issuer under the Covered Bonds and these Conditions) and in accordance with the then applicable Priority Payment Order;
- (c) that amounts payable or expressed to be payable by the Issuer on, under or in respect of its obligations and liabilities under the Covered Bonds and/or these Conditions shall be recoverable only from and to the extent of the amount of the Available Funds, as calculated on the relevant Interest Payment Date or (as applicable) on the relevant Final Maturity Date (or on the relevant Extended Final Maturity Date, if any) of each relevant Series of Covered Bonds (provided that, in the event that no Available Funds exist at the relevant date, the Issuer shall not be liable to make payment of the aforementioned amounts and provided further that, in the event that the Available Funds at the relevant date are insufficient to pay in full all amounts whatsoever due to it and all other claims ranking *pari passu* to its claims, then its claims against the Issuer shall be satisfied only up to a certain percentage of such Available Funds (as determined in accordance with the then applicable Priority Payment Order) and, after payment of such percentage, the obligations of the Issuer with respect to such amounts owed on the relevant date shall be discharged in full);
- (d) that, in accordance with paragraph 2 of Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*), in the event of a conciliation (*conciliation*), safeguard (*sauvegarde*), judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) of the Issuer, the amounts due by the Issuer from time to time under the *obligations de financement de l'habitat* (including the Covered Bonds) and any other resources or liabilities benefiting from the *Privilège* shall be paid on their contractual due date, and in priority to all other Issuer's 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 paid in full, no other creditor of the Issuer may exercise any right over the assets and rights of the Issuer;
- (e) that, in accordance with paragraph 3 of Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*), the Covered Bonds and the other debt benefiting from the *Privilège* shall not become due and payable as a result of the judicial liquidation (*liquidation judiciaire*) of the Issuer; and
- (f) that, in accordance with Article L. 513-31 of the French Monetary and Financial Code (*Code monétaire et financier*), the provisions of Article L. 632-2 of the French Commercial Code (*Code de commerce*) (*nullités facultatives de la période suspecte*) shall not apply to payments made by the Issuer in application of the Programme Documents.

German Law Covered Bonds are subject to the particular limited recourse provisions specified in the terms and conditions of the German Law Covered Bonds included in the Agency Agreement.

Non-petition

By subscribing to any Covered Bond, each Bondholder will also be automatically deemed to have agreed that prior to the date which is eighteen (18) months and one (1) day after the earlier of (i) the Final Maturity Date (or the Extended Final Maturity Date, if any) of the last Series issued by the Issuer under the Programme, or (ii) the date of payment of any sums outstanding and owing under the latest outstanding Covered Bond:

- (a) it will not take any corporate action or other steps or legal proceedings for the winding-up, dissolution or organisation or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, examiner, sequestrator or similar officer of the Issuer or of any or all of the Issuer's revenues and assets; and
- (b) it will not have any right to take steps for the purpose of obtaining payment of any amounts payable to it under the Covered Bonds by the Issuer and shall not until such time take any step to recover any debts whatsoever owing to it by the Issuer otherwise than in accordance with, and subject to, the Conditions.

The above undertakings by each relevant Bondholder shall survive the payment of all sums owing under any Covered Bond and/or these Conditions.

German Law Covered Bonds are not subject to non-petition provisions.

No risk of Issuer consolidation upon insolvency of the Group

Despite the fact that the Issuer is almost entirely owned by BNP Paribas, pursuant to the provisions of Article L. 513-20 of the French Monetary and Financial Code (*Code monétaire et financier*), the safeguard procedure, judicial reorganisation or liquidation (*procédure de sauvegarde, de redressement ou de liquidation judiciaires*) of BNP Paribas, in its capacity as shareholder of the Issuer, shall not be extended to the Issuer.

15. Priority Payment Orders

Any and all sums due by the Issuer under the Programme (including principal and interest under the Covered Bonds) will be paid within the limit of the Available Funds of the Issuer at the time of such payment and according to the relevant Priority Payment Order described under the section "**Cash Flow**" of the Base Prospectus. As a consequence, the payment of certain sums will be subordinated to the full payment of other sums. Bondholders are deemed to have notice of the provisions of the section "**Cash Flow**" of the Base Prospectus.

16. Further Issues and Consolidation

(a) Further Issues

The Issuer may from time to time without the consent of the Bondholders or Couponholders create and issue further Covered Bonds to be consolidated with the Covered Bonds provided such Covered Bonds and the further Covered Bonds carry rights identical in all respects (or identical in all respects save as to the principal amount thereof and the first payment of interest as specified in the relevant Final Terms) and that the terms of such Covered Bonds provide for such consolidation, and references in these Conditions to "**Covered Bonds**" shall be construed accordingly.

(b) Consolidation

The Issuer, with the prior approval of the Fiscal Agent (which shall not be unreasonably withheld), may from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than thirty (30) calendar days' prior notice to the Bondholders in accordance with Condition 17, without the consent of the Bondholders or Couponholders, consolidate the Covered Bonds of one (1) Series denominated in Euro with the Covered Bonds of one (1) or more other Series issued by it, whether or not originally issued in one (1) of the European national currencies or in Euro, provided such other Covered Bonds have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have,

in respect of all periods subsequent to such consolidation, the same terms and conditions as the Covered Bonds.

17. Notices

- (a) Notices to the holders of Dematerialised Covered Bonds in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth (4th) weekday (being a day other than a Saturday or a Sunday) after the mailing, or at the option of the Issuer (ii) they are published in a leading daily financial newspaper of general circulation in Europe (which is expected to be the *Financial Times*) provided that, so long as such Covered Bonds are admitted to trading on any Regulated Market and the applicable rules of such Regulated Market so require, notices will only be deemed to be valid if they are published on the website of any relevant regulatory authority, in a leading daily financial newspaper with general circulation in the city/ies where the Regulated Market on which such Covered Bonds are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos*, or as otherwise required by the rules applicable to that Regulated Market, as the case may be.
- (b) Notices to the holders of Materialised Covered Bonds and Dematerialised Covered Bonds in bearer form (*au porteur*) shall be valid if published in a leading daily financial newspaper of general circulation in Europe (which is expected to be the *Financial Times*) and, so long as such Covered Bonds are admitted to trading on any Regulated Market and the applicable rules of such Regulated Market so require, in a leading daily financial newspaper with general circulation in the city/ies where the Regulated Market on which such Covered Bonds are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos*, or as otherwise required by the rules applicable to that Regulated Market, as the case may be.
- (c) Notices required to be given to the holders of Dematerialised Covered Bonds (whether in registered or in bearer form) (*au nominatif* or *au porteur*) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Covered Bonds are for the time being cleared in substitution for the mailing and publication as required by Conditions 17(a) and (b), above; provided that (i) so long as such Covered Bonds are admitted to trading on any Regulated Market and the rules of that Regulated Market so require, notices shall also be published in a leading daily financial newspaper with general circulation in the city/ies where the Regulated Market on which such Covered Bonds are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos*, or as otherwise required by the rules applicable to that Regulated Market, as the case may be.
- (d) If any such publication is not practicable, notice shall be validly given if published in another leading daily financial newspaper with general circulation in Europe, provided that so long as such Covered Bonds are admitted to trading on any Regulated Market, notices shall be published as otherwise required by the rules applicable to that Regulated Market, as the case may be. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Covered Bonds in accordance with this Condition.
- (e) Notices to be given by any Bondholder shall be in writing and given by lodging the same, together (in the case of any Covered Bonds in definitive form) with the relative Covered Bonds or Covered Bonds, with the Paying Agent (in the case of Materialised Covered Bonds).

18. Governing Law and Jurisdiction

(i) Governing Law

The Covered Bonds, Coupons and Talons are governed by, and shall be construed in accordance with, French law.

(ii) Jurisdiction

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

19. Subscription by the Issuer of Covered Bonds as eligible collateral with the *Banque de France*

Pursuant to Article L. 513-26 of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer as *société de financement de l'habitat (SFH)* may subscribe to its own Covered Bonds (the "**Auto-held Covered Bonds**") for the sole purpose of granting them as collateral to the credit transactions with the *Banque de France* in accordance with the rules of the Eurosystem, provided that the Issuer's liquidity needs cannot be funded otherwise. Such recognition as eligible collateral will depend upon satisfaction of the Eurosystem eligibility criteria as specified by the European Central Bank. The Covered Bonds thus subscribed by the Issuer must meet the following conditions:

- the outstanding principal amount of the Auto-held Covered Bonds does not exceed ten per cent. (10%) of the outstanding principal amount of any liabilities of the Issuer benefiting from the *Privilège* on the subscription date of the Auto-held Covered Bonds by the Issuer;
- the Auto-held Covered Bonds are deprived of the rights provided for under Articles L. 228-46 to L. 228-89 of the French Commercial Code (*Code de commerce*) for so long as they are held by the Issuer;
- the Auto-held Covered Bonds are granted as collateral to the French central bank (*Banque de France*) or they are cancelled within the eight (8) calendar days from their settlement date or from the date they are no more granted as collateral, as applicable; and
- the Auto-held Covered Bonds cannot be subscribed by a third party.

The Specific Controller certifies these conditions are met in a report delivered to the *Autorité de contrôle prudentiel et de résolution*.

TEMPORARY GLOBAL CERTIFICATES IN RESPECT OF FRENCH LAW COVERED BONDS WHICH ARE MATERIALISED COVERED BONDS

The following description is only applicable to French Law Covered Bonds.

Temporary Global Certificates

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

The Common Depository may also credit with a nominal amount of Covered Bonds the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, a nominal amount of Covered Bonds that is initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg, or other clearing systems.

Exchange

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

- (i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "General Description of the Programme-Selling Restrictions"), in whole, but not in part, for Definitive Materialised Covered Bonds and
- (ii) otherwise, in whole but not in part, upon certification as required under U.S. Treasury Regulation section 1.163-5 (c)(2)(i)(D)(3) and any successor regulation issued under the Code section 4701(b) containing rules indential to those applying under Code section 163(f)(2)(B) as to non-U.S. beneficial ownership for Definitive Materialised Covered Bonds.

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

Delivery of Definitive Materialised Covered Bonds

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

Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Certificate in respect of any Materialised Covered Bonds, the day falling after the expiry of forty (40) days after its issue date, provided that in the event any further Materialised Covered Bonds which are to be assimilated (*assimilables* for the purposes of French law) with such first mentioned Materialised Covered Bonds are issued prior to such day pursuant to Condition 16(a), the Exchange Date may, at the option of the Issuer, be postponed to the day falling after the expiry of forty (40) days after the issue date of such further Materialised Covered Bonds.

In the case of Materialised Covered Bonds with an initial maturity of more than three hundred and sixty-five (365) days (and that are not relying on the C Rules), the Temporary Global Certificate shall bear the following legend:

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

THE ISSUER

For the avoidance of doubt, it is specified that the expression "Covered Bonds" will include German Law Covered Bonds and French Law Covered Bonds and the expression "Bondholders" includes any holder of such Covered Bonds, in the following section.

General

The Issuer was incorporated on 22 June 2004, as a French "*Société anonyme*". Its term of existence is ninety-nine (99) years from the date of its incorporation. The legal name of the Issuer is BNP Paribas Home Loan SFH and its commercial name is "BNP Paribas Home Loan SFH" (formerly BNP Paribas Home Loan Covered Bonds). The Issuer is registered with the French *Registre du commerce et des sociétés de Paris* under number 454 084 211. The Issuer adopted the name "BNP Paribas Home Loan Covered Bonds" and the legal form of a French "*Société anonyme à directoire et conseil de surveillance*" on 18 September 2006. From the date of its incorporation and until 18 September 2006, the Issuer was a dormant entity owned by BNP Paribas and did not engage in any business activity. The Issuer adopted its current legal and commercial name, i.e. "BNP Paribas Home Loan SFH" and the legal form of a French "*Société anonyme à conseil d'administration*" on or prior to the date hereof, following the adoption of the status of *société de financement de l'habitat*.

The Issuer is governed by:

- (a) the French Commercial Code (*Code de commerce*);
- (b) the French Monetary and Financial Code (*Code monétaire et financier*).

The Issuer's registered office and principal place of business is located at 1 Boulevard Haussmann, 75009 Paris, France. The telephone number of the Issuer's registered office is: + 33 1 40 14 85 75.

At the date of this Base Prospectus, the Issuer is an entirely owned subsidiary of BNP Paribas.

The Issuer was a special purpose entity, with separate legal capacity and existence, which was first licensed by the French banking regulator (the *Comité des établissements de crédit et des entreprises d'investissement*, an institution now merged into the *Autorité de contrôle prudentiel et de résolution*) as a credit institution (*établissement de crédit*), with the status of a financial company (*société financière*) and with limited and exclusive purpose, on 30 November 2006. Following the enactment of Law n°2010-1249 dated 22 October 2010 on banking and financial regulation (the "**SFH Law**") and of Decree n° 2011-205 dated 23 February 2011, establishing the new status of "*société de financement de l'habitat (SFH)*", and in accordance with the provisions of Article 74 of the SFH Law, the Issuer has opted for the regime of *société de financement de l'habitat (SFH)*. On 1st April 2011, the Issuer was granted the status of *société de financement de l'habitat (SFH)* by the *Autorité de contrôle prudentiel et de résolution*, which is the new legal and commercial name of the Issuer. As a consequence, the Issuer is now governed by the SFH Legal Framework as described below (see section entitled "**Summary of the SFH Legal Framework**"). As a result of the entry into force on 1st January 2014 of the Ordinance n° 2013-544 dated 27 June 2013 relating to credit institutions and financing company, the Issuer became automatically a specialised credit institution (*établissement de crédit spécialisé*) as from 1st January 2014.

The Issuer's exclusive corporate purpose set out in Article 2 of the Issuer's by-laws is to finance home loans (*prêts à l'habitat*) and other financial assets which are eligible under the SFH Legal Framework and in order to finance such transactions, the Issuer may issue bonds called *obligations de financement de l'habitat* that benefit from the *Privilège* (or incur other forms of borrowings benefiting from the *Privilège*) and may also issue ordinary bonds or raise other sources of financing which do not benefit from the *Privilège* in accordance and subject to the SFH Legal Framework.

Issuer's Activities

The Issuer's activities are limited to the transactions expressly authorised by the SFH Legal Framework.

On the date of this Base Prospectus, the sole activity of the Issuer is to issue Covered Bonds from time to time that benefit from the *Privilège*, as described in the Base Prospectus, and to use the proceeds thereof to fund

advances (each, a "**Borrower Advance**"), as lender (in such capacity the "**Lender**"), to BNP Paribas S.A., as borrower (in such capacity, the "**Borrower**") under a credit facility agreement (the "**Borrower Facility Agreement**") (see section entitled "**The main Programme Documents - The Borrower Facility Agreement**") and such Borrower Advances are fully secured by the granting in favour of the Issuer of Home Loan Receivables as collateral security (*remise en garantie financière à titre de sûreté*) pursuant to Articles L. 211-36 to L. 211-40 of the French Monetary and Financial Code (*Code monétaire et financier*) (the "**Borrower Collateral Security**") and the provisions of the Borrower Collateral Security Agreement (see section entitled "**The main Programme Documents - The Borrower Collateral Security Agreement**").

The Issuer does not have and will not have any employees, nor will it own or lease any premises. The management of its operations is, and will be, entrusted to another credit institution(s) or financing company(ies) (*société(s) de financement*) in accordance with the provisions of Article L. 513-15 of the French Monetary and Financial Code (*Code monétaire et financier*). On the date of this Base Prospectus, the management of the administrative operations of the Issuer is carried out by BNP Paribas in its capacity as Administrator of the Issuer in accordance with the Administrative Agreement and the risk management of the Issuer is carried out by the relevant departments of BNP Paribas in accordance with the provisions of the *Convention d'Externalisation et de Mise à Disposition de Moyens* entered into between the Issuer and BNP Paribas.

Limitations on indebtedness

Pursuant to the Conditions, the Issuer is restricted from incurring additional indebtedness (other than as contemplated by the Programme Documents) unless:

- (a) such indebtedness is fully subordinated to any amounts (whether privileged or not privileged) incurred in relation to Covered Bonds; or
- (b) prior Rating Affirmation has been delivered in relation to such indebtedness.

Limited recourse

Each party to any Programme Document will agree:

- (a) not to seek recourse under any obligation, covenant or agreement of the Issuer under any Programme Document against any shareholder, member of the board of directors (*conseil d'administration*), chief executive officers (*directeurs généraux*) or agent of the Issuer, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that any obligation of the Issuer under any Programme Document is a corporate obligation of the Issuer, and that no personal liability shall be attached to, or be incurred by, any shareholder, member of the board of directors (*conseil d'administration*), chief executive officers (*directeurs généraux*)
- (b) or agent of the Issuer, as such, or any of them under or by reason of any of the obligations, covenants or agreements of the Issuer contained in any Programme Document or implied therein and to waive any and all personal liability of every such shareholder, member of the board of directors (*conseil d'administration*), chief executive officer (*directeurs généraux*) or agent of the Issuer for breaches by the Issuer of any of its obligations, covenants or agreements under any Programme Document;
- (c) to limit its recourse against the Issuer under any Programme Document to amounts payable or expressed to be payable to it by the Issuer on, under or in respect of its obligations and liabilities under any Programme Document (and, for the avoidance of doubt, to the exclusion of any damage for breach of contract or other penalties not expressed as being payable by the Issuer under any Programme Document) and in accordance with the then applicable Priority Payment Order;
- (d) that amounts payable or expressed to be payable by the Issuer on, under or in respect of its obligations and liabilities under any Programme Document shall be recoverable only from and to the extent of the amount of the Available Funds, as calculated on the relevant payment date (provided that, in the event that no Available Funds exist at the relevant date, the Issuer shall not be liable to make payment of the aforementioned amounts and provided further that, in the event that the Available Funds at the relevant date are insufficient to pay in full all amounts whatsoever due under any claim of any party under any Programme Document and all other claims ranking *pari passu* to any such claim, then the claim of such party against the Issuer shall be satisfied only up to a certain percentage of such

Available Funds (as determined in accordance with the then applicable Priority Payment Order) and, after payment of such percentage, the obligations of the Issuer with respect to any amount owed on the relevant date to such party shall be discharged in full);

- (e) that, in accordance with paragraph 2 of Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*), in the event of a conciliation (*conciliation*), safeguard (*sauvegarde*), judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) of the Issuer, the amounts due by the Issuer from time to time under the *obligations de financement de l'habitat* (including the Covered Bonds) and any other resources or liabilities benefiting from the *Privilège* shall be paid on their contractual due date, and in priority to all other Issuer's 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 paid in full, no other creditor of the Issuer may exercise any right over the assets and rights of the Issuer;
- (f) that, in accordance with paragraph 3 of Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*), the Covered Bonds and the other debt benefiting from the *Privilège* shall not become due and payable as a result of the judicial liquidation (*liquidation judiciaire*) of the Issuer; and
- (g) that, in accordance with Article L. 513-31 of the French Monetary and Financial Code (*Code monétaire et financier*), the provisions of Article L. 632-2 of the French Commercial Code (*Code de commerce*) (*nullités facultatives de la période suspecte*) shall not apply to payments made by the Issuer in application of the Programme Documents.

German Law Covered Bonds are subject to the particular limited recourse provisions specified in the terms and conditions of the German Law Covered Bonds included in the Agency Agreement.

Non-petition

Each party to any Programme Document will also agree that prior to the date which is eighteen (18) months and one (1) day after the earlier of (i) the Final Maturity Date (or the Extended Final Maturity Date, if any) of the last Series issued by the Issuer under the Programme, or (ii) the date of payment of any sums outstanding and owing under the latest outstanding Covered Bond:

- (a) it will not take any corporate action or other steps or legal proceedings for the winding-up, dissolution or organisation or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, examiner, sequestrator or similar officer of the Issuer or of any or all of the Issuer's revenues and assets; and
- (b) it will not have any right to take steps for the purpose of obtaining payment of any amounts payable to it under any Programme Document by the Issuer and shall not until such time take any step to recover any debts whatsoever owing to it by the Issuer otherwise than in accordance with, and subject to, the Conditions.

The above undertakings by each relevant party shall survive the termination of any Programme Document and the payment of all sums owing under any such Programme Document.

German Law Covered Bonds are not subject to non-petition provisions.

No risk of Issuer consolidation upon insolvency of the Group

The Issuer is a ring-fenced, bankruptcy remote entity. Pursuant to the provisions of Article L. 513-20 of the French Monetary and Financial Code (*Code monétaire et financier*), the safeguard procedure, judicial reorganisation or liquidation (*procédures de sauvegarde, de redressement ou de liquidation judiciaires*) of BNP Paribas, in its capacity as shareholder of the Issuer, will not be extended to the Issuer.

Restrictions on mergers or reorganisations

The Issuer undertakes not to enter into any merger, re-organisation or similar transaction without prior Representative Consent and Rating Affirmation.

Issuer Risk Management

Pursuant to the terms of the Administrative Agreement and of the *Convention d'Externalisation et de Mise à Disposition de Moyens*, as amended from time to time, the risk management of the Issuer is delegated to BNP Paribas. BNP Paribas will not benefit from the *Privilège* for the payment of its fees or any other amounts that might be due by the Issuer under the Administrative Agreement (save for the portion of its fees or the other amounts that might be owed to it by the Issuer and which corresponds to the management and servicing of the assets and liabilities of the Issuer in accordance with Article L. 513-15 of the French Monetary and Financial Code (*Code monétaire et financier*)) and the *Convention d'Externalisation et de Mise à Disposition de Moyens*.

Ongoing and periodic internal control system

The Issuer's internal control system is based on a three (3) level system and makes a clear distinction between its ongoing and its periodic internal controls in accordance with the Règlement 97-02 of the French *Comité de la réglementation bancaire et financière* relating to the internal control of credit institutions and investment companies as amended from time to time.

Ongoing internal control system (contrôle permanent)

The Issuer has set up an internal control system which takes into account the Issuer's own legal form as a French limited company with a Board of Directors (*société anonyme à Conseil d'Administration*), and also its "lack of own means" status.

The Issuer is integrated into BNP Paribas's ongoing internal control system. BNP Paribas's overall ongoing control procedures are applied according to a Department's organisational structure within BNP Paribas.

These procedures rest in the first instance on Level 1 and Level 2 ongoing controls which are carried out by BNP Paribas Operations Teams: Front Office, Middle Office and Back Office.

Level 2 controls comprise both hierarchic controls as performed by team leaders and management, as well as departmental controls. Other transversal departments, again internal to BNP Paribas, strengthen this mechanism (Group Risk Management, Finance and Compliance).

The ongoing internal control (*contrôle interne permanent*) of the Issuer is conducted by the internal control officer (*responsable du contrôle interne permanent*), currently Mr Bruno Lavolé and by the investment services' compliance officer (*responsable de la conformité des services d'investissement*), currently Mr Fabrice Moly.

Periodic internal control system (contrôle périodique)

The Issuer's internal control system, Level 3, is under the supervision of independent control committees.

The Audit team of the Corporate and Investment Banking division of BNP Paribas (CIB) carries out the Issuer's audit. The Audit team reports since 1 January 2006 to the General Investigation Service of BNP Paribas (*Inspection Générale*).

The Issuer is included in the Corporate and Investment Banking division of BNP Paribas (CIB)'s audit remit and is audited according to the principles, norms and standards in force for the Group as a whole and more specifically for the activities and entities of CIB.

The internal audit charter of the Group is applicable to the Issuer. The General Investigation Service's norms as are specified in accordance with the Issuer's scope of activity in accordance with the Group's internal audit guidelines and international audit standards.

BNP Paribas in accordance with the provisions of the *Convention d'Externalisation et de Mise à Disposition de Moyens* entered into between the Issuer and BNP Paribas determines the terms and conditions of the

management of the control activities of the Issuer which will be carried out by the audit team of the General Investigation Service.

Performance of internal control

The Level 1 ongoing internal controls are carried out by all of the agents and employees of BNP Paribas acting on behalf of the Issuer in the context of the performance of the accounting, administrative, regulatory and computing procedures and in accordance with the relevant terms of the Administrative Agreement and of the *Convention d'Externalisation et de Mise à Disposition de Moyens*, as amended from time to time. These Level 1 ongoing internal controls can be carried out automatically once they are integrated in the computer system. In addition, they allow the provision of information to the system of internal control. The Level 1 ongoing internal controls and the responsibilities of the operating employees are provided for in the internal control procedures of BNP Paribas accessible in the form of a "procedure handbook". The control of the compliance of (i) the transactions, (ii) the level of risk actually involved and (iii) the compliance with the procedures is carried out by agents and employees of BNP Paribas acting on behalf of the Issuer.

System of the problems management

The internal control officer is responsible for the system of management and follow-up of the problems arising out from time to time. Given the size of the Issuer, the exercise of the function of compliance control is carried out by the investment services' compliance officer, currently Mr Fabrice Moly. This person is completely independent from the operational functions of the Issuer. The compliance control procedures are accessible in the form of a "procedure handbook" and, in particular, render compulsory in accordance with article 11 of the *Règlement 97-02* of the French *Comité de la réglementation bancaire et financière* relating to the internal control of credit institutions and investment companies, the prior approval of the officer in charge of the compliance of new terms and conditions for the entering into agreements relating to the provision of banking and investment services by the Issuer as well as the control procedures carried out.

Accounting

In the context of the Administrative Agreement and of the *Convention d'Externalisation et de Mise à Disposition de Moyens*, as amended from time to time, the general accounting, the consolidation of periodical financial statements and regulatory statements are carried out by the service "Reporting Filiales" of the BNP Paribas department named Finance Développement Groupe.

IT systems

All of the procedures described below are carried out through the use of various programs. The general accounting and the provision of financial statements are carried out through the tool BAC-SAR (accounting package) and Business Object (annex maker) which Finances Développement Groupe uses for its numerous branches of BNP Paribas. The preparation and provision of regulatory and prudential statements are carried out through the tools EVOLAN REPORT by SOPRA. All of the accounting records are carried out in accordance with the standards of the Group and updated in the event of any modification of the applicable regulations. Finally, all of the preparation and electronic processing tasks relating to the accounting information systems of the Issuer are carried out by specialised teams of Finances Développement Groupe which have expertise in this domain and benefit from a backup site. The framework is based on general accounts managed by BNP Paribas – service "Reporting Filiales". The Advances made available by the Issuer, as Lender under the Borrower Facility Agreement and the issue of the Covered Bonds are followed up by the back offices of BNP Paribas which transmit the information (by way of a confirmation slip) to the service FDG Reporting Filiales in order to ensure the book entry and which initiate the cash flows. The entire process is validated on a monthly basis by the follow-up of the back accounts and inventories (balance sheet and financial review) which are edited by the back office tools of BNP Paribas.

Internal control reporting

In the context of the *Convention d'Externalisation et de Mise à Disposition de Moyens*, each of the relevant department of BNP Paribas prepare, on a yearly basis, on behalf of the Issuer, a reporting relating to the conditions under which the periodic and ongoing internal control are performed. At least once a year, the Board of Directors shall review the activity and the results of the periodic and ongoing internal controls, and in

particular, the latter shall verify the compliance control on the basis of information provided by the internal control officer.

Information procedures of the Board of directors

The Board of Directors is informed of the economic and financial situation of the Issuer and shall communicate any and all measures consisting of the system of the internal control as well as the main items and results which have been observed with respect to the risks to which the Issuer is exposed.

Procedures handbook

In the context of the Administrative Agreement, each of the relevant department of BNP Paribas is entrusted with the duties to update the procedures handbook relating to its activity. The procedures handbook notably sets out the conditions under which the recording, the management, the administration and the reporting of the information are performed as well as the accounting schemes and commitment procedures of the transactions.

Internal control documentation

In the context of the Administrative Agreement and of the *Convention d'Externalisation et de Mise à Disposition de Moyens*, as amended from time to time, each of the relevant department of BNP Paribas is entrusted with the duties to update the documentation setting out the means which allow the performance of the periodical and ongoing internal controls. This documentation is structured in order to be provided upon request to the Board of Directors, the auditors or the *Autorité de contrôle prudentiel et de résolution*.

Duty of care on money laundering transactions

Pursuant to the provisions of the French Monetary and Financial Code (*Code monétaire et financier*) relating to anti-money laundering, the Issuer shall exercise the utmost care with respect to its "know your customers" procedures and selection of clients and in any case clients which are companies or entities of the Group duly incorporated either in France or in European Economic Area. Pursuant to the provisions of the Administrative Agreement and of the *Convention d'Externalisation et de Mise à Disposition de Moyens*, as amended from time to time, the Issuer shall benefit from the anti-money laundering procedures of the Group. The Chief Executive Officer (*Directeur Général*), Mrs. Véronique FLOXOLI, shall be the TRACFIN representative in charge of performing the above-mentioned tasks.

Issuer Financial Elements

The financial year of the Issuer runs from 1 January to 31 December. The annual results of the Issuer are the non consolidated accounts. The Issuer does not produce consolidated financial statements.

Prudential ratios

The Issuer is bound to comply with all prudential ratios applicable to specialised credit institutions (*établissements de crédit spécialisés*) in accordance with the European and French laws and regulations.

The Issuer's prudential ratios are assessed at the Issuer level.

Issuer Share capital, Covered Bonds, Subordinated Loan and Super Subordinated Bonds Issue and Issuer Majority Shareholder's undertakings

Share capital

As of the date of this Base Prospectus, the Issuer's issued share capital is € 285 million, made up of 28,500,000 ordinary shares with a par value of € 10 each (the "**Issuer Share Capital**").

The share capital may be increased or decreased in accordance with legal provisions. New shares can be issued either at par value or at a premium.

A capital increase can only be approved by an extraordinary general meeting of shareholders, on the basis of a report by the Board of Directors.

An extraordinary general meeting of shareholders can delegate the necessary powers to the Board of Directors to increase the share capital on one (1) or more occasions, to establish the terms of the increase, to certify that such terms have been carried out and to amend the Issuer's articles of association accordingly.

A reduction in capital can be decided by an extraordinary general meeting of shareholders, which may delegate to the Board of Directors all the necessary powers to carry out such a reduction.

Covered Bonds

Since 31 December 2013, the Issuer has issued one serie of Covered Bonds in Euro for a total nominal amount of Euro 1,000,000,000.

Subordinated Loan and Super Subordinated Bonds Issue

The Issuer also benefits from € 15,000,000 subordinated shareholder's loan (the "**Subordinated Loan**") and from a € 25,000,000 super subordinated bonds issue with a perpetual maturity (the "**Super Subordinated Bonds Issue**"), both granted or subscribed by BNP Paribas to the Issuer.

The Subordinated Loan Agreement and Super Subordinated Bonds Subscription Agreement provide that all amounts to be paid by the Issuer under those Subordinated Loan Agreement and Super Subordinated Bonds Subscription Agreement will be paid according to the relevant Priority Payment Order, as described in Condition 15 of the Terms and Conditions.

The Subordinated Loan Agreement and Super Subordinated Bonds Subscription Agreement include "*Limited Recourse*", "*Non petition*" and "*Amendments*" provisions, as described in "**The Issuer - Issuer's Activities – Limited Recourse**", "**The Issuer - Issuer's Activities - Non-Petition**" and "**Terms and Conditions of the Covered Bonds - 5(h) Programme Documents**".

Shareholder Letter of Undertaking

As the majority shareholder of the Issuer and pursuant to a letter of undertaking (the "**Shareholder Letter of Undertaking**"), BNP Paribas undertakes in favour of the Bondholders of Covered Bonds of all Series to be issued, represented by their respective Representative:

- (a) not to take or participate in any corporate action or other steps or legal proceedings for the voluntary winding-up, dissolution or organisation of the Issuer or of any or all of the Issuer's revenues and assets;
- (b) not to take or participate in any corporate action or other steps or legal proceedings for the voluntary appointment of a receiver, administrator, administrative receiver, trustee, liquidator, examiner, sequestrator or similar officer with respect to the Issuer or of any or all of the Issuer's revenues and assets;
- (c) not to amend the constitutional documents (and in particular the articles of association) of the Issuer other than as expressly contemplated under the Programme Documents or without a prior Representative Consent and Rating Affirmation;
- (d) unless if required by any administrative or regulatory authorities or under any applicable law or regulation (as the same shall have been notified by the Issuer and/or BNP Paribas to the Rating Agencies) or unless approved by BNP Paribas subject to prior Rating Affirmation, that BNP Paribas will procure that the Issuer will at all times comply with its undertakings and other obligations as set forth in the banking license of the Issuer or in the related application form (*dossier d'agrément*) filed with the *Autorité de contrôle prudentiel et de résolution* and maintain its SFH status;
- (e) not to permit any amendments to the Programme Documents other than as expressly permitted or contemplated under the Programme Documents or without the prior Representative Consent and prior Rating Affirmation;

- (f) not to permit that the Issuer ceases to be consolidated within the tax group formed under the *régime d'intégration fiscale* provided by articles 223 A *et seq.* of the French General Tax Code (*Code général des impôts*), with BNP Paribas as head of that tax group and not to amend the tax consolidation agreement (*convention d'intégration fiscale*) in force at the date hereof between BNP Paribas and the Issuer without prior Rating Affirmation;
- (g) not to create or permit to subsist any encumbrance over the whole or any part of the shares of the Issuer it owns;
- (h) not to sell, transfer, lease out or otherwise dispose of, by one (1) or more transactions or series of transactions (whether or not related), whether voluntarily or involuntarily, the whole or any part of the shares of the Issuer it owns;
- (i) to take any necessary steps to remain majority shareholder of the Issuer.

Issuer Management bodies

The chairman, the chief executive officer and the deputy chief executive officer

Mrs. Valérie Brunerie, Chairman of the Board of Directors (*Présidente du Conseil d'Administration*), Mrs. Véronique FLOXOLI, Chief Executive Officer (*Directeur Général*) and Mr. Jean Clamon, Deputy Chief Executive Officer (*Directeur Général Délégué*) are liable for the conduct of the Issuer's activities *vis à vis* the *Autorité de contrôle prudentiel et de résolution* in accordance with Article L. 511-13 of the French Monetary and Financial Code (*Code monétaire et financier*).

In accordance with French applicable corporate law, the Chairman of the Board of Directors (*président du conseil d'administration*) organises and directs the work of the board of directors, of which he shall give an account at the shareholders' meetings, ensures that the governing bodies of the Issuer operate properly, and that the directors are able to perform their duties.

The Chief Executive Officer (*Directeur Général*) and the Deputy Chief Executive Officer (*Directeur Général Délégué*) represent the Issuer *vis-à-vis* third parties.

Board of directors

The board of directors consists of a minimum of three (3) members and a maximum of eighteen (18) members. The term of office is six (6) years.

Members of the board of directors

As of the date of this Base Prospectus, the board of directors of the Issuer consists of nine (9) members.

Name	Position	Date of appointment
Valérie BRUNERIE	Chairman of the Board of Directors (<i>Président du Conseil d'Administration</i>)	1 April 2011
Véronique FLOXOLI	Director (<i>administrateur</i>) and Chief Executive Officer (<i>directeur général</i>)	20 June 2014
Jean CLAMON	Director (<i>administrateur</i>)	1 April 2011
Aude de CHAUNAC	Director (<i>administrateur</i>)	20 June 2014
BNP PARIBAS S.A	Director (<i>administrateur</i>)	1 April 2011
Marie COLEMAN	Director (<i>administrateur</i>)	20 June 2014
Sonia GEORGES	Director (<i>administrateur</i>)	25 September 2013
Alexis LATOUR	Director (<i>administrateur</i>)	17 October 2011
Albert BOSSUET	Independent Director (<i>administrateur indépendant</i>)	1 April 2011

The members of the board of directors have their business addresses at the registered office of the Issuer.

Mrs. Valérie BRUNERIE is the head of the Funding and Securitisation Group Asset and Liability Management (ALM Treasury group) within the Group.

Mrs. Véronique FLOXOLI is a member of the Medium and Long Term Funding (ALM Treasury group) within the Group.

Mr. Jean CLAMON is the head of the Compliance and Internal Control within the Group.

BNP Paribas is represented by Mr. Jean-Louis GODARD, who is head of the Group's ALM.

Mrs. Marie COLEMAN is a member of the Securitisation and Funding (ALM Treasury group) within the Group.

Mrs. Aude de CHAUNAC is a member of the Medium and Long Term Funding (ALM Treasury group) within the Group.

Mrs. Sonia GEORGES is head of the Securitisation and Funding (ALM Treasury Group) within the Group.

Mr. Alexis LATOUR is head of the CIB Legal Team "Funding and Securitisation" within the Group.

Mr. Albert BOSSUET is the Issuer Independent Director.

There are no conflicts of interests between any duties to the Issuer of any member of the board of directors and their private interests and/or other duties.

Rights and duties of the Board of Directors

The general management of the Issuer is performed by the Chief Executive Officer (*Directeur Général*). The Chief Executive Officer (*Directeur Général*) has extensive powers to act on behalf of the Issuer in all circumstances, but must exercise its powers subject to those that the law allocates explicitly to shareholders' meetings and to the board of directors.

With regard to the shareholders, the by-laws of the Issuer provides that some actions may not be taken by the board of directors, nor by the chairman nor by the chief executive officer (*directeur général*), nor by any deputy chief executive officer (*directeur général délégué*) whatsoever, without the prior consent of the shareholders' general meeting. Such provisions of the by-laws of the Issuer restricting the actions the board of directors, the chairman, the chief executive officer (*directeur général*) or the deputy chief executive officers (*directeur général délégué*) may take are not enforceable against third parties.

The board of directors must ensure that the contracting parties of any contracts and commitments concluded by the Issuer for an amount greater or equal to € 500,000 have, irrevocably and unconditionally, (a) waived any rights that they may have to initiate any recourse, whether contractual or otherwise, against the Issuer and (b) waived any right to initiate any proceedings against the Issuer, the purpose of which is the commencement of any Insolvency Proceeding against the Issuer.

The Issuer Independent Director

According to the articles of association of the Issuer, the Board of Directors will, at any time, include an independent member (the "**Issuer Independent Director**"), i.e. a member who has no relationship with the Issuer, its shareholders or its management, which may compromise the independence of judgement by such member, as further described and detailed in the articles of association of the Issuer. On the Programme Date, Mr. Albert BOSSUET is the Issuer Independent Director.

Certain action, determination or appointment by the Issuer or the shareholders of the Issuer (such as specified under the Terms and Conditions and/or any other Programme Documents) may not be taken or made without written confirmation consent of the Issuer Independent Director.

Issuer Statutory Auditors

The statutory auditors of the Issuer are:

- (a) PricewaterhouseCoopers Audit, 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France, acting as principal statutory auditor represented by Mr. Laurent Tavernier and Mrs. Anik Chaumartin as alternate statutory auditor;
- (b) Deloitte & Associés, 185, avenue Charles de Gaulle, 92524 Neuilly-sur-Seine cedex, acting as principal statutory auditor represented by Mrs. Sylvie Bourguignon and Mrs. Mireille Berthelot as alternate statutory auditor.

External Supervision and oversight of the Issuer

The Autorité de contrôle prudentiel et de résolution

As specialised credit institutions (*établissements de crédit spécialisés*), *sociétés de financement de l'habitat* are supervised by the *Autorité de contrôle prudentiel et de résolution*, an independent supervisory and control authority of banking and insurance activities in France, integrated within the framework of the *Banque de France*. The *Autorité de contrôle prudentiel et de résolution* 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. *Sociétés de financement de l'habitat* must declare their Collateralisation Ratio on 31 March, 30 June, 30 September and 31 December of each year.

The Issuer is subject to off-site monitoring and on-site inspections by the *Autorité de contrôle prudentiel et de résolution*. Off-site monitoring by the *Autorité de contrôle prudentiel et de résolution* consists of the examination of the Issuer's prudential and accounting records as well as regular contacts with the Issuer's board of directors and statutory auditors. The Issuer is required to submit to the *Autorité de contrôle prudentiel et de résolution* a registration document on internal control procedures and the assessment and supervision of risk procedures and bi-registration documents setting forth its Collateralisation Ratio (pursuant to its status as a *société de financement de l'habitat*). In addition, statutory auditors are required to advise the *Autorité de contrôle prudentiel et de résolution* 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 Issuer or cause the statutory auditors to issue a qualified or adverse opinion.

Through on-site inspections, the *Autorité de contrôle prudentiel et de résolution* ascertains that the information disclosed by the Issuer accurately reflects its financial condition. The *Autorité de contrôle prudentiel et de résolution* may decide to make a recommendation, issue an injunction or institute disciplinary proceedings if it determines that the Issuer has contravened a law or regulation relating to its activity as a *société de financement de l'habitat*.

The Specific Controller

The Issuer has appointed, in accordance with Article L. 513-23 of the French Monetary and Financial Code (*Code monétaire et financier*) a Specific Controller (*Contrôleur spécifique*), and a Substitute Specific Controller (*Contrôleur Spécifique Suppléant*), who are selected from the official list of auditors and are appointed by the board of directors of the Issuer with the approval of the *Autorité de contrôle prudentiel et de résolution*.

The principal Specific Controller of the Issuer is Fides Audit, 52, rue La Boétie, 75008 Paris, France, represented by Mr. Stéphane Massa and the Substitute Specific Controller of the Issuer is M.B.V. & Associés, 7, rue de Madrid, 75008 Paris, France represented by Mrs Martine Leconte.

The Specific Controller ensures that the Issuer complies with the SFH Legal Framework (in particular, verifying the quality and the eligibility of the assets and the Minimum Legal Overcollateralisation Ratio). He also monitors the balance between the Issuer's assets and liabilities in terms of rates and maturity (cash flow adequacy) and notifies the board of directors, the Chief Executive Officer (*Directeur Général*) of the Issuer and the *Autorité de contrôle prudentiel et de résolution* if he considers such balance to be unsatisfactory.

The Specific Controller carries out various audits in cooperation with the Issuer's statutory auditors and is completely independent of the Issuer. In particular, the Specific Controller must control the valuation procedures of the real estate properties securing the Home Loan Receivables that are granted as Collateral Security.

For the performance of its duties, the Specific Controller has access to all information from management, internal control data, and internal audit data. The Specific Controller is entitled to undertake, at any time, any necessary control of the Issuer that it deems appropriate and to review the Issuer's books and records. In addition, the Specific Controller is entitled to request information from third parties who have entered into transactions on behalf of the Issuer. It may request copies of relevant agreements and documents from any credit institution or financing company (*société de financement*) entrusted with the management or the recovery of loans, bonds or other sources of financing of the Issuer pursuant to Article L. 513-15 of the French Monetary and Financial Code (*Code monétaire et financier*) and copies of the home loan agreements, mortgage registration certificates and any other documents relating to the Home Loan Receivables that are granted as Collateral Security it may consider relevant in order to carry out its duties.

The Specific Controller certifies, on a quarterly basis, compliance with legal and regulatory standards concerning the Collateralisation Ratio in connection with the issuance programme of the Issuer and for any issue of resources of more than €500 million which benefit from the *Privilège*. Additionally, the Specific Controller certifies that documents the Issuer sends to the *Autorité de contrôle prudentiel et de résolution* meet legal and regulatory requirements. The Specific Controller submits a registration document on its activity to the board of directors of the Issuer, and a copy is forwarded to the *Autorité de contrôle prudentiel et de résolution*.

The *Autorité de contrôle prudentiel et de résolution* can require information relating to the activity and the financial situation of the Issuer from the Specific Controller. The Specific Controller is required to disclose to the *Autorité de contrôle prudentiel et de résolution* any decision taken by the *société de financement de l'habitat* or its parent company, which constitute a violation of legal provisions and affect its financial situation, the continuity of the company or the certification of accounts. The Specific Controller is also required to advise the *Autorité de contrôle prudentiel et de résolution* of any fact or decision that could jeopardize the situation of the *société de financement de l'habitat* as a going concern.

The Specific Controller cannot conduct any activities that could undermine its independence and take, receive or retain any interest in the Issuer or BNP Paribas. The Specific Controller is prevented from providing services exceeding the scope of its control to the Issuer or to BNP Paribas.

The Specific Controller is liable for any error or negligence committed in the exercise of its functions.

Chief Executive Officers may be sanctioned if the Specific Controller is not appointed, not invited to attend shareholders' meetings, prevented from conducting its control or not provided with useful documents that he has requested. The Specific Controller attends all meetings of the shareholders of the Issuer and, on his request, may be heard by the board of directors (*conseil d'administration*) of the Issuer.

The Administrative Agreement

This section sets out the main material terms of the Administrative Agreement.

Background

The "**Administrative Agreement**" refers to the agreement dated on or prior to the Programme Date and entered into between BNP Paribas Home Loan SFH, as Issuer and BNP Paribas, as "Administrator" (the "**Administrator**").

Purpose

Under the Administrative Agreement, BNP Paribas Home Loan SFH, as Issuer, appoints BNP Paribas as its servicer for the rendering of administrative services to the Issuer (including all necessary advice, assistance and know-how, whether technical or not, day to day management and corporate administration services). The Administrator will always act in the best and exclusive interest of BNP Paribas Home Loan SFH.

Administrator's duties

Pursuant to the Administrative Agreement, the Administrator will *inter alia*:

- (a) advise and assist the Issuer in all accounting and tax matters;
- (b) advise and assist the Issuer in all legal and administrative matters;
- (c) ensure that the Issuer will exercise each of its rights and perform each of its obligations under the Programme Documents;
- (d) provide the Issuer with all necessary assistance and know-how, whether technical or other, to exercise and perform all of its rights and obligations under the Programme Documents;
- (e) assist the Issuer in opening and operating its bank accounts, the management and investment of its available cash in Permitted Investments in accordance with the relevant Permitted Investments rules, and any other matters in relation to the management of its bank accounts and funds so as to ensure that the Issuer will at all times comply with the provisions of the Programme Documents and the SFH Legal Framework;
- (f) act as custodian of any and all other documents that any corporate company similar to the Issuer shall keep on file under any applicable laws, until the Service Termination Date (as defined below);
- (g) until no Borrower Event of Default has occurred, perform the management and servicing of the Borrower Advances made available to the Borrower under the Borrower Facility Agreement and the Affiliate Advances made available to any Affiliate under any Affiliate Facility Agreement;
- (h) upon a Borrower Enforcement Notice or an Affiliate Enforcement Notice being served under the Borrower Facility Agreement or the Affiliate Facility Agreement (respectively), assist the Issuer within the enforcement process of the Borrower Collateral Security and/or the Affiliate Collateral Security;
- (i) upon enforcement of the Borrower Collateral Security and of the Affiliate Collateral Security following the occurrence of a Borrower Event of Default and upon the Issuer taking title to the Borrower Collateral Security Assets and the Affiliate Collateral Security Assets, perform the servicing of such assets or if the servicing of such assets is transferred to a substitute servicer procure that the servicing of such assets shall be performed by such substitute servicer pursuant to a servicing agreement to be entered into by the Issuer and such substitute servicer in accordance with Article L.

513-15 of the French Monetary and Financial Code (*Code monétaire et financier*), and promptly notify the debtors for the direct payment to the Issuer of the amounts due under the relevant Home Loan Receivables;

- (j) perform the management and servicing of the Covered Bonds and of the other resources of the Issuer mentioned in Article L. 513-30 of the French Monetary and Financial Code (*Code monétaire et financier*) and more generally, assist the Issuer to enter into any credit transactions of the *Banque de France* in accordance with the monetary policy and intra-day credit operations rules of the Eurosystem for the purpose of covering any liquidity needs in accordance with the SFH Legal Framework; and
- (k) notify the Rating Agencies of the cancellation of any Auto-held Covered Bond by the Issuer.

For the purpose of investment by the Administrator of the Issuer's available cash in Permitted Investments as mentioned in paragraph (e) above, "**Permitted Investments**" shall mean:

- (a) Euro denominated government securities, Euro demand or time deposits, certificates of deposit and short term debt obligations (including commercial paper) provided that in all cases such investments have a remaining maturity of thirty (30) days or less and mature on or before the next following Payment Date and the short term or, as applicable, long term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made are rated at least A-1 (short term) by S&P, F1 (short term) and A (long term) by Fitch;
- (b) Euro denominated government securities, Euro demand or time deposits, certificates of deposit and debt obligations (including commercial paper) provided that in all cases such investments have a remaining maturity of sixty (60) days or less and greater than thirty (30) days and mature on or before the next following Payment Date, and the short term or, as applicable, long term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made are rated at least A-1 (short term) by S&P, F1+ (short term) and A+ (long term) by Fitch;
- (c) Euro denominated government securities, Euro demand or time deposits, certificates of deposit and debt obligations (including commercial paper) provided that in all cases such investments have a remaining maturity of three (3) months or less and greater than sixty (60) days and mature on or before the next following Payment Date, and the short term or, as applicable, long term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made are rated at least A-1+ (short term) or AA- (long term) by S&P, F1+ (short term) and A+ (long term) by Fitch;
- (d) Euro denominated government securities, Euro demand or time deposits, certificates of deposit and debt obligations (including commercial paper) provided that in all cases such investments have a remaining maturity of more than three (3) months and less than three hundred sixty-four (364) days and mature on or before the next following Payment Date, and the short term or, as applicable, long term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made are rated at least A-1+ (short term) or AA- (long term) by S&P, F1+ (short term) and AA- (long term) by Fitch; and
- (e) Euro denominated government securities, Euro demand or time deposits, certificates of deposit which have a remaining maturity date of more than three hundred sixty-four (364) days and mature on or before the next following Payment Date and the long term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made are rated at least AAA by S&P and AAA by Fitch;
- (f) deposits of cash on accounts opened within the books of a central bank of a Member State of the European Union which comply with the criteria listed in 1(a) of Article 416 of the Capital Requirements Regulation n°575/2013 dated 26 June 2013, provided that they will comply with the above remaining maturities and minimum ratings requirements as set out above in items (a) to (e).

If the permitted investment carries only a short term rating by Fitch due to its short-term nature, the short term rating is sufficient.

Substitution and Agency

The Administrator may not assign its rights and obligations under the Administrative Agreement but will have the right to be assisted by, to appoint or to substitute for itself any third party in the performance of certain or all its tasks under the Administrative Agreement provided that:

- (a) the Administrator has given written notice of the exercise of that right to the Issuer;
- (b) the Administrator remains liable to the Issuer for the proper performance of those tasks and, with respect to the Issuer only, the relevant third party has expressly waived any right to any contractual claim against the Issuer; and
- (c) the relevant third party has undertaken to comply with all obligations binding upon the Administrator under the Administrative Agreement.

Fees

In consideration of the services provided by the Administrator to the Issuer under the Administrative Agreement, the Issuer will pay to the Administrator an administration fee computed subject to, and in accordance with, the provisions of the Administrative Agreement.

The Administrator will benefit from the *Privilège* for the payment of that portion of its fees or the other amounts that might be owed to it by the Issuer under the Administrative Agreement which corresponds to the management and servicing of the assets and liabilities of the Issuer in accordance with Article L. 513-15 of the French Monetary and Financial Code (*Code monétaire et financier*).

Representations, warranties and undertakings

The Administrator has made the customary representations and warranties and undertakings to the Issuer, the representations and warranties being given on the execution date of the Administrative Agreement and continuing until the Service Termination Date.

Indemnities

Pursuant to the Administrative Agreement, the Administrator undertakes to hold harmless and fully and effectively indemnify the Issuer against all actions, proceedings, demands, damages, costs, expenses (including legal fees), claims, losses, prejudice or other liability, which the Issuer may sustain or incur as a consequence of the occurrence of any default by the Administrator in its performance of any of its obligations under the Administrative Agreement.

Resignation of the Administrator

The Administrator will not resign from the duties and obligations imposed on it as Administrator pursuant to the Administrative Agreement, except:

- (a) upon a determination that the performance of its duties under the Administrative Agreement will no longer be permissible under applicable law; and
- (b) in the case where the Issuer does not comply with any of its material obligations under the Administrative Agreement and fails to remedy the situation within one hundred and eighty days (180) days from the receipt by the Issuer of a notice from the Administrator.

Such resignation shall however be effective upon replacement of the Administrator.

Administrator's Defaults

Each of the following events shall constitute an Administrator's Default:

- (a) any material representation or warranty made by the Administrator is or proves to have been incorrect or misleading in any material respect when made, and the same is not remedied (if capable of remedy) within sixty (60) Business Days after the Issuer has given notice thereof to the Administrator or (if sooner) the Administrator has knowledge of the same, provided that the Issuer, at its discretion, certifies that it is prejudicial to the interests of the holders of the relevant Covered Bonds;
- (b) the Administrator fails to comply with any of its material obligations under the Administrative Agreement unless such breach is capable of remedy and is remedied within sixty (60) Business Days after the Issuer has given notice thereof to the Administrator or (if sooner) the Administrator has knowledge of the same, provided that the Issuer, at its discretion, certifies that it is prejudicial to the interests of the holders of the relevant Covered Bonds;
- (c) an Insolvency Event occurs in respect of the Administrator; or
- (d) at any time it is or becomes unlawful for the Administrator to perform or comply with any or all of its material obligations under the Administrative Agreement or any or all of its material obligations under the Administrative Agreement are not, or cease to be, legal, valid and binding.

For such purposes, "**Insolvency Event**" means the occurrence of any of the following events:

- (a) the relevant entity is, or is deemed or declared for the purposes of any law to be, unable to pay its debts as they fall due or to be insolvent, including without limitation, *en état de cessation des paiements*, or admits in writing its inability to pay its debts as they fall due;
- (b) the relevant entity by reason of financial difficulties, begins formal negotiations with one (1) or more of its creditors with a view to the general readjustment or rescheduling of any of its indebtedness or applies for or is subject to an amicable settlement other than the appointment of an ad hoc representative (*mandataire ad hoc*) or a *procédure de conciliation* pursuant to Articles L. 611-1 *et seq.* of the French Commercial Code (*Code de commerce*) in accordance with the provisions of new Article L. 611-16 of the French Commercial Code (*Code de commerce*);
- (c) a meeting of the shareholders of the relevant entity is convened for the purpose of considering any resolution for (or to petition for) its winding-up or its administration or any such resolution is passed;
- (d) any person presents a petition for the winding-up or for the administration or for the bankruptcy of the relevant entity and the petition is not discharged within thirty (30) days;
- (e) any order for the winding-up or administration of the relevant entity is issued;
- (f) a judgment is issued for the judicial liquidation (*liquidation judiciaire*), the safeguard procedure of the relevant entity (*procédure de sauvegarde*), the rescheduling of the debt of the relevant entity (*redressement judiciaire*) or the transfer of the whole or part of the business of the relevant entity (*cession de l'entreprise*) pursuant to Articles L. 620-1 *et seq.* of the French Commercial Code (*Code de commerce*) or, the accelerated safeguard procedure (*procédure de sauvegarde accélérée*) or, to the extent permitted by applicable law, any other insolvency or bankruptcy proceedings or makes any conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors; or
- (g) any liquidator, trustee in bankruptcy, receiver, administrative receiver, administrator or the like (including, without limitation, any *mandataire ad hoc*, *administrateur judiciaire*, *administrateur provisoire*, *conciliateur* or *mandataire liquidateur*) is appointed in respect of the relevant entity or any substantial or material part of the assets or the directors of the relevant entity request such appointment it being understood that the appointment of an ad hoc representative (*mandataire ad hoc*) or entering into a conciliation procedure (*procédure de conciliation*) or being subject to such application with its principal creditors will not constitute an event of default pursuant to new Article L. 611-16 of the French Commercial Code (*Code de commerce*). Pursuant to such new Article L. 611-16 of the French Commercial Code (*Code de commerce*), any contractual provision to the contrary shall be null and void.

Administrator Rating Trigger Event

If an Administrator Rating Trigger Event occurs, the Administrator will notify the Issuer in writing of the occurrence of the Administrator Rating Trigger Event within five (5) Business Days from the date upon which it becomes aware of such event and this will constitute an Administrator Termination Event under the Administrative Agreement.

For such purposes, "**Administrator Rating Trigger Event**" means the event in which the long-term senior unsecured, unsubordinated and unguaranteed debt obligations of the Administrator become rated below:

- (i) BBB by S&P; or
- (ii) BBB by Fitch;

or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations or as per the most recently public available rating criteria methodology reports published by the Rating Agencies and (ii) commensurate with the then current ratings of the Covered Bonds.

Termination

"**Administrator Termination Events**" under the Administrative Agreement will include the following events:

- (a) the occurrence and continuation of any Administrator's Default;
- (b) the occurrence of the Administrator Rating Trigger Event; or
- (c) the occurrence and unremedied continuation of a Borrower Event of Default.

If an Administrator Termination Event occurs, the Issuer shall terminate the appointment of the Administrator under the Administrative Agreement by delivery of a written termination notice to the Administrator (the "**Notice of Termination**"). Upon receipt by the Administrator of the Notice of Termination, the appointment of the Administrator under the Administrative Agreement will terminate with effect:

- not earlier than twenty (20) Business Days as from the receipt by the Administrator of the Notice of Termination, if such Notice of Termination is served due to the occurrence of a Borrower Event of Default or of an Administrator Rating Trigger Event;
- not earlier than twenty (20) Business Days as from the receipt by the Administrator of the Notice of Termination or at any other date that the Issuer may have specified in the Notice of Termination, if such Notice of Termination is served due to any other reason,

and save for any continuing obligations of the Administrator contained in the Administrative Agreement.

Upon the resignation of the Administrator, or termination of its appointment as Administrator in accordance with the terms of the Administrative Agreement, the Issuer shall replace BNP Paribas, as Administrator, by any legal entity, which is a credit institution (*établissement de crédit*) or a financing company (*société de financement*) within the meaning of Article L. 513-15 of the French Monetary and Financial Code (*Code monétaire et financier*) (the "**Substitute Administrator**"), the choice of which being subject to prior Rating Affirmation.

Notwithstanding the resignation of the Administrator or the termination of its appointment as Administrator, the Administrator will continue to be bound by all its obligations under the Administrative Agreement until the earlier of (i) its replacement as Administrator in accordance with the Administrative Agreement, or (ii) the termination of the Administrative Agreement in accordance with the terms thereof (the "**Service Termination Date**"). The Administrator undertakes to act in good faith to assist any Substitute Administrator.

Term and Termination of the Administrative Agreement

The Administrative Agreement shall remain in effect for an initial period of ten (10) years and shall be automatically renewed for additional ten-year periods unless a party thereto notifies to the others its intention to terminate the Administrative Agreement three (3) months prior to the end of the initial period or the additional

periods, as the case may be in which case the Administrative Agreement shall terminate at the end of such three-month period.

Without prejudice to the other terms of the Administrative Agreement, the Administrative Agreement shall terminate:

- (a) on its term as defined above;
- (b) if earlier than its term as defined above, if the Issuer and any Substitute Administrator replacing (i) BNP Paribas as Administrator or (ii) a previous Administrator having replaced BNP Paribas as Administrator agree in writing to cease to be bound by the Administrative Agreement and execute another agreement for the performance of the services contemplated by the Administrative Agreement; or
- (c) if earlier than its term as defined above and upon failure to replace the Administrator (i) the last day of the ninety (90) calendar days period starting on the date of resignation of the Administrator, or (ii) the last day of the sixty (60) calendar days period starting on the date a Notice of Termination is delivered to the Administrator.

The termination of the Administrative Agreement in accordance with its terms shall trigger the termination of the appointment of BNP Paribas as Administrator thereunder on the relevant termination date of the Administrative Agreement.

Limited Recourse – Non Petition - Amendments

The Administrative Agreement includes "Limited Recourse", "Non petition" and "Amendments" provisions, as described in "**The Issuer - Issuer's Activities – Limited Recourse**", "**The Issuer - Issuer's Activities - Non-Petition**" and "**Terms and Conditions of the Covered Bonds - 5(h) Programme Documents**".

SUMMARY OF THE SFH LEGAL FRAMEWORK

As of the date of this Base Prospectus, the legal and regulatory regime applicable to the Issuer as *société de financement de l'habitat* (SFH) results from the following provisions (the "SFH Legal Framework") :

- Articles L. 513-3, L. 513-5, L. 513-7 to L. 513-26 and L. 513-28 to L. 513-33 of the French Monetary and Financial Code (*Code monétaire et financier*) (as they may be amended from time to time);
- Articles R. 515-2, R. 515-4, R. 515-5, R. 515-7 to R. 515-11, R. 515-11-2, R. 515-12 to R. 515-14 and R. 515-15 to R. 515-17 of the French Monetary and Financial Code (*Code monétaire et financier*) (as they may be amended from time to time);
- Regulation (*réglement*) no. 99-10 dated 9 July 1999 issued by the *Comité de la Réglementation Bancaire et Financière* (Banking and Financial Regulation Committee) (as it may be amended from time to time);
- various *Autorité de contrôle prudentiel et de résolution's* instructions applicable to *sociétés de financement de l'habitat*.

The main provisions of the SFH Legal Framework as of the date of this Base Prospectus are summarized below. The SFH Legal Framework applicable to the Issuer may be amended from time to time after the date of this Base Prospectus.

Exclusive legal purpose

In accordance with the current SFH Legal Framework, *sociétés de financement de l'habitat* (SFH) may only:

- (i) grant or finance home loans (*prêts à l'habitat*) and hold securities and instruments that comply with legal eligibility criteria;
- (ii) grant to any credit institution loans guaranteed by the remittance, the transfer or the pledge of the receivables arising from eligible home loans;
- (iii) acquire promissory notes (*billets à ordre*) issued by credit institution(s) which represent receivables arising from eligible home loans; and
- (iv) issue *obligations de financement de l'habitat* (or incur other forms of borrowings benefiting from the *Privilège*) in order to finance these assets and may also issue ordinary bonds or raise other sources of financing which do not benefit from the *Privilège*, including mortgage promissory notes (*billets à ordre hypothécaires*).

Sociétés de financement de l'habitat may carry out temporary transfers of securities, pledge a securities account and pledge or transfer all or part of the receivables held by them in accordance with the applicable provisions of the French Monetary and Financial Code (*Code monétaire et financier*). The receivables or securities thus transferred or pledged are not included in the cover pool (*assiette du Privilège*) defined in Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*) and are not taken into account for the calculation of the Collateralisation Ratio.

In order to hedge their interest and currency risks on loans, exposures, *obligations de financement de l'habitat* and other sources of financing benefiting from the *Privilège*, or to manage or hedge the global risk on their assets, liabilities and off balance sheet exposures, *sociétés de financement de l'habitat* may use derivative instruments as defined in Article L. 211-1 of the French Monetary and Financial Code (*Code monétaire et financier*). Pursuant to Article L. 513-10 of the French Monetary and Financial Code (*Code monétaire et financier*), any amounts due by the Issuer pursuant to these financial instruments, after applicable netting, benefit from the *Privilège*.

A *société de financement de l'habitat* is not allowed to hold equity participations or other forms of equity interest issued by other companies.

In addition:

- in accordance with Article L. 513-31 of the French Monetary and Financial Code (*Code monétaire et financier*), the provisions of Article L. 632-2 of the French Commercial Code (*Code de commerce*) (*nullités facultatives de la période suspecte*) are not applicable to contracts concluded by a *société de financement de l'habitat*, or to legal transactions made by or in favour of *société de financement de l'habitat*, as far as such contracts or transactions are directly related to the transactions referred to in Articles L. 513-28 to L. 513-30 of the French Monetary and Financial Code (*Code monétaire et financier*);
- the bankruptcy proceedings (*procédure de sauvegarde, de redressement ou de liquidation judiciaires*) of a shareholder of a *société de financement de l'habitat* cannot be extended to the *société de financement de l'habitat* itself;
- any service/loan agreement pursuant to which a *société de financement de l'habitat* has delegated to another credit institution or financing company (*société de financement*) the management or the recovery of loans, exposures, assimilated receivables, securities, instruments and bonds or other sources of financing may be immediately terminated upon the opening of bankruptcy proceedings (*procédure de sauvegarde, de redressement ou de liquidation judiciaires*) affecting that credit institution or financing company (*société de financement*); and
- in case of bankruptcy proceedings (*procédure de sauvegarde, de redressement ou de liquidation judiciaires*) of a *société de financement de l'habitat*, the Specific Controller will be responsible for filing claims on behalf of creditors benefiting from the *Privilège*.

Eligible assets

Pursuant to the SFH Legal Framework, the eligible assets of a *société de financement de l'habitat* (SFH) comprise:

- (i) home loans (*prêts à l'habitat*) which are secured by a first-ranking mortgage (*hypothèque de premier rang*) or other real estate security interests that are equivalent to a first-ranking mortgage (*sûreté immobilière conférant une garantie au moins équivalente*) (within the meaning of Article R. 515-5 of the French Monetary and Financial Code (*Code monétaire et financier*) or that are guaranteed by a credit institution, a financing company (*société de financement*) or an insurance company; the property must be located in France or in any other Member State of the European Union or the EEA or in a State that qualifies for the credit quality step 1 (*meilleur échelon de qualité de crédit*) given by an external rating agency recognised by the *Autorité de contrôle prudentiel et de résolution* as provided in Article L. 511-44 of the French Monetary and Financial Code (*Code monétaire et financier*);
- (ii) loans granted to any credit institutions which are secured by the remittance, the transfer or the pledge of the receivables arising from the home loans referred to in (i) above;
- (iii) units or notes (other than subordinated units or subordinated notes) issued by *organismes de titrisation*, which are French securitisation vehicles, or other similar foreign vehicles within the limits and conditions set out in the SFH Legal Framework;
- (iv) promissory notes (*billets à ordre*) governed by Articles L. 313-42 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*) and which represent receivables arising from the secured home loans referred to in (i) above.

In the case of the Issuer, the eligible assets are comprised of the Borrower Advances which are loans referred to in (ii) above granted by the Issuer to the Borrower in accordance with the provisions of the Borrower Facility Agreement and that are fully secured by the granting in favour of the Issuer of Home Loan Receivables as collateral security (*remise en garantie financière à titre de sûreté*) pursuant to Articles L. 211-36 to L. 211-40 of

the French Monetary and Financial Code (*Code monétaire et financier*) (the "**Borrower Collateral Security**") and the provisions of the Borrower Collateral Security Agreement.

While the Issuer does not intend to acquire eligible assets which are units or notes referred to in (iii) above or promissory notes referred to in (iv) above, it is not precluded from holding any such assets and reserves the right to acquire such assets in the future provided that such assets are originated by entities of the Group as well as any other type of assets that may become eligible to *sociétés de financement de l'habitat* in the future.

The *sociétés de financement de l'habitat* are not allowed to make any other investments, except investments in securities, instruments or deposits which are sufficiently secure and liquid to be held as so-called substitution assets (*valeurs de remplacement*), as defined in Articles R. 515-7 and R. 515-16 of the French Monetary and Financial Code (*Code monétaire et financier*).

As of the date of this Base Prospectus, such substitution assets (the "**Legal Substitution Assets**") include:

- (i) securities, instruments or deposits due or guaranteed by credit institutions or investment companies that qualify for the credit quality step 1 (*meilleur échelon de qualité de crédit*) established by an external rating agency recognized by the *Autorité de contrôle prudentiel et de résolution*;
- (ii) securities, instruments or deposits with a maturity of less than a hundred (100) days due or guaranteed by credit institutions or investment companies of a Member State of the European Union or the EEA that qualify for the credit quality step 2 (*second meilleur échelon de qualité de crédit*) established by an external rating agency recognized by the *Autorité de contrôle prudentiel et de résolution*;
- (iii) debt securities (*titres de créances*) issued or guaranteed by public sector entities referred to in paragraph I, 1 to 5, of Article L. 513-4 of the French Monetary and Financial Code (*Code monétaire et financier*); and
- (iv) debt securities (*titres de créances*) issued or guaranteed by a central administration of a Member state of the European Union and cash invested on accounts opened within the books of a central bank of a Member State of the European Union which comply with the criteria listed in 1(a) of Article 416 of the Capital Requirements Regulation n°575/2013 dated 26 June 2013.

The total amount of such substitution assets (*valeurs de remplacement*) that a *société de financement de l'habitat* may hold is limited to fifteen per cent. (15%) of the sum of (i) the total outstanding nominal amount of the *obligations de financement de l'habitat* issued by such *société de financement de l'habitat* and (ii) the amount of the other sources of financing of such *société de financement de l'habitat* benefiting from the *Privilège* (the "**Maximum Legal Substitution Assets Percentage**"), save if substitution assets set out in paragraph (iv) above are held for the purpose of the coverage of the liquidity needs in accordance with provisions of Article R. 515-7-1 of the French Monetary and Financial Code (*Code monétaire et financier*) for which the limit applicable is the amount of such liquidity needs (see section "**Asset monitoring - The Legal Liquidity Reserve**"). In addition, pursuant to paragraph 2 of Article R. 515-7 of the French Monetary and Financial Code (*Code monétaire et financier*), certain substitution assets are not taken into account in the calculation of the above percentage such as, without limitation, any cash collateral received from credit institutions by the *société de financement de l'habitat* to secure all or part of its assets.

Pursuant to Regulation (*règlement*) no. 99-10 dated 9 July 1999, as amended, issued by the *Comité de la Réglementation Bancaire et Financière* (Banking and Financial Regulation Committee), *sociétés de financement de l'habitat* must ensure that the average life of the eligible assets held by them, up to the minimum amount required to comply with the cover ratio referred to in Article R. 515-7-2 of the French Monetary and Financial Code (*Code monétaire et financier*), does not exceed more than 18 months the average life of its liabilities benefiting from the *Privilège*. For that purpose, when the assets comprise receivables secured by collateral assets pursuant to articles L.211-36 to L.211-40, L.313-23 to L.313-35 and L.313-42 to L.313-49 of the French Monetary and Financial Code, which are not substitution assets (*valeurs de remplacement*), the *société de financement de l'habitat* must take into account the assets received as collateral rather than the secured receivables, i.e. in the case of the Issuer, the Collateral Security Assets. With respect to the Issuer, this requirement would be taken into account in the Collateral Security Agreement and for each issuance of Covered Bonds.

Pursuant to Article R. 515-14 of the French Monetary and Financial Code (*Code monétaire et financier*), *sociétés de financement de l'habitat* must keep the record of all loans made available by it or acquired by it. This record must specify the type and value of the security and guarantees attached to such loans and the type and amount of the liabilities benefiting from the *Privilège*. Pursuant to Regulation (*règlement*) no. 99-10 dated 9 July 1999, as amended, issued by the *Comité de la Réglementation Bancaire et Financière* (Banking and Financial Regulation Committee), *sociétés de financement de l'habitat* must send to the *Autorité de contrôle prudentiel et de résolution*, no later than on 10 June of each year, information relating to the quality of the assets they are financing. This report is published within forty-five (45) days of the general meeting approving the financial statements of the year then ended. In particular, the characteristics, details of the distribution of home loans and guarantees, the total of any unpaid amounts, the distribution of debts by amount and by category of debtors, the proportion of early repayments, and the level and sensitivity of the position of interest rates are required to be included as part of the latter report. *Sociétés de financement de l'habitat* must also publish the same information within forty-five (45) days of the end of each quarter. The Issuer will comply with all the foregoing regulations.

Financing portion (*quotité de financement*)

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

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

The *Privilège* (Statutory Priority in Right of Payment)

Obligations de financement de l'habitat are specialized covered bonds products that can only be issued by *sociétés de financement de l'habitat*. *Obligations de financement de l'habitat* benefit from the legal *Privilège* under French law which provides a priority in right of payment over all the assets and revenues of the *société de financement de l'habitat* to the holders of *obligations de financement de l'habitat* and other privileged debt.

The principal and interest of the Covered Bonds will benefit from the *privilège* (statutory priority in right of payment) created by Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*) (the "***Privilège***") and pursuant to which, notwithstanding any legal provisions to the contrary (including Livre VI of the French Commercial Code (*Code de Commerce*) on insolvency proceedings):

- (i) all amounts payable to the Issuer in respect of loans or assimilated receivables, exposures and securities referred to in Articles L. 513-3 to L. 513-7 and L. 513-29 of the French Monetary and Financial Code (*Code monétaire et financier*) and forward financial instruments referred to in Article L. 513-10 of the French Monetary and Financial Code (*Code monétaire et financier*), in each case after any applicable set-off, together with the claims in respect of deposits made by the Issuer with credit institutions, shall be allocated in priority to the payment of any sums due in respect of *obligations de financement de l'habitat* (such as the Covered Bonds) and any other resources raised by the Issuer and benefiting from the *Privilège*;
- (ii) in case of conciliation (*conciliation*), safeguard (*sauvegarde*), judicial reorganisation (*redressement judiciaire*) and judicial liquidation (*liquidation judiciaire*) of the Issuer, the amounts due from time to time under the *obligations de financement de l'habitat* (including the Covered Bonds) or any other resources or liabilities 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* (including the Bondholders) have been paid in full, no other creditor of the Issuer may exercise any right over the assets and rights of the Issuer; and

- (iii) the judicial liquidation (*liquidation judiciaire*) of the Issuer will not result in the *obligations de financement de l'habitat* (such as the Covered Bonds) and the other debts benefiting from the *Privilège* becoming due and payable.

With respect to the Issuer, the liabilities benefiting from the *Privilège* comprise the Issuer Hedging Costs, amounts due under the Covered Bonds, the Issuer Hedging Subordinated Termination Costs and certain amounts of fees and expenses due to the Administrator under the Administrative Agreement. It is reminded that the sums due by the Issuer under the Borrower Hedging Agreements do not benefit from the *Privilège*.

Minimum Legal Overcollateralisation Ratio

Pursuant to Articles L. 513-12 and R. 515-7-2 of the French Monetary and Financial Code (*Code monétaire et financier*), a *société de financement de l'habitat* must at all times maintain a cover ratio (*ratio de couverture*) between its eligible assets (including so-called substitution assets (*valeurs de remplacement*)) and its liabilities benefiting from the *Privilège* (the "**Collateralisation Ratio**"). As of the date of this Base Prospectus, this minimum over collateralization ratio provided in the SFH Legal Framework is of at least one hundred and five per cent (105%) (the "**Minimum Legal Overcollateralisation Ratio**"). For that purpose, when the assets comprise receivables secured by collateral assets pursuant to articles L.211-36 to L.211-40, L.313-23 to L.313-35 and L.313-42 to L.313-49 of the French Monetary and Financial Code, which are not substitution assets (*valeurs de remplacement*), the *société de financement de l'habitat* must take into account the assets received as collateral rather than the secured receivables, i.e. in the case of the Issuer, the Collateral Security Assets.

Article R. 515-7-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and Articles 8 and 9 of Regulation no. 99-10 dated 9 July 1999, as amended, issued by the *Comité de la Réglementation Bancaire et Financière* (Banking and Financial Regulation Committee) define the way the Collateralisation Ratio is calculated.

The Specific Controller (*contrôleur spécifique*) certifies that the Minimum Legal Overcollateralisation Ratio is complied with every quarter and in case of issue of Covered Bonds which equals or exceeds Euro 500,000,000 or its equivalent in any other currency.

Sociétés de financement de l'habitat must declare their Collateralisation Ratio on 31 March, 30 June, 30 September and 31 December of each year.

Liquidity needs

Pursuant to Articles L. 513-8 and R. 515-7-1 of the French Monetary and Financial Code (*Code monétaire et financier*), *sociétés de financement de l'habitat* must ensure, at all times, the coverage of their cash requirements for the next one hundred and eighty (180) days, taking into account expected flows in principal and interests under their assets and net flows relating to forward financial instruments set forth in article L. 513-10 of the French Monetary and Financial Code. For that purpose, when the assets comprise receivables secured by collateral assets pursuant to articles L.211-36 to L.211-40, L.313-23 to L.313-35 and L.313-42 to L.313-49 of the French Monetary and Financial Code, which are not substitution assets (*valeurs de remplacement*), the *société de financement de l'habitat* must take into account the assets received as collateral rather than the secured receivables, i.e. in the case of the Issuer, the Collateral Security Assets.

On the date of this Base Prospectus, the needs in cash must be covered by substitution assets (*valeurs de remplacement*) or by other assets that are eligible as collateral to the credit transactions (*opérations de crédit*) with the *Banque de France* in accordance with the monetary policy and intra-day credit operations rules of the Eurosystem.

Subscription by the société de financement de l'habitat of its own obligations de financement de l'habitat as eligible collateral with the Banque de France

Pursuant to Article L. 513-26 of the French Monetary and Financial Code (*Code monétaire et financier*), a *société de financement de l'habitat* may subscribe to its own *obligations de financement de l'habitat* for the sole purpose of granting them as eligible collateral with the *Banque de France* in accordance with the rules of the Eurosystem, provided that the liquidity needs of the *société de financement de l'habitat* cannot be funded otherwise. Such recognition as eligible collateral will depend upon satisfaction of the Eurosystem eligibility

criteria as specified by the European Central Bank. The *obligations de financement de l'habitat* thus subscribed by the *société de financement de l'habitat* must meet the following conditions:

- their outstanding principal amount does not exceed ten per cent. (10%) of the outstanding principal amount of any liabilities of the *société de financement de l'habitat* benefiting from the *Privilège* on the subscription date of the *obligations de financement de l'habitat* by the *société de financement de l'habitat*;
- they are deprived of the rights provided for under Articles L. 228-46 to L. 228-89 of the French Commercial Code (*Code de commerce*) for so long as they are held by the *société de financement de l'habitat*;
- they are granted as collateral to the French central bank (*Banque de France*) or they are cancelled within the eight (8) days from their settlement date or from the date they are no more granted as collateral, as applicable; and
- they cannot be subscribed by a third party.

The Specific Controller certifies these conditions are met in a report delivered to the *Autorité de contrôle prudentiel et de résolution*.

THE MAIN PROGRAMME DOCUMENTS

For the avoidance of doubt, it is specified that the expression "Covered Bonds" will include German Law Covered Bonds and French Law Covered Bonds and the expression "Bondholders" includes any holder of such Covered Bonds, in the following section.

I. THE BORROWER FACILITY AGREEMENT

This section sets out the main material terms of the Borrower Facility Agreement.

Background

The proceeds from the issuance of the Covered Bonds under the Programme will be used by BNP Paribas Home Loan SFH, as lender (in such capacity, the "**Lender**") to fund advances to be made available to BNP Paribas, as borrower (in such capacity, the "**Borrower**").

The Lender and the Borrower have agreed to enter into a borrower facility agreement (the "**Borrower Facility Agreement**") in order to determine the terms and conditions according to which the Lender shall grant the Borrower with advances under the Borrower Facility Agreement (each, a "**Borrower Advance**").

The Borrower

The Borrower under the Borrower Facility Agreement is BNP Paribas.

General information relating to BNP Paribas

BNP Paribas is a French *société anonyme* incorporated in France and registered with the *Registre du Commerce et des Sociétés* in Paris under number 662 042 449 (APE business identifier code: 651 C), licensed to conduct banking operations under the French Monetary and Financial Code, Book V, Section 1 (*Code Monétaire et Financier, Livre V, Titre I^{er}*). BNP Paribas is domiciled in France; its registered office is located at 16, boulevard des Italiens - 75009 Paris, France (telephone number: + 33 1 40 14 45 46). BNP Paribas is governed by the specific rules relating to its status as an establishment in the banking sector (Book V, Section 1 of the French Monetary and Financial Code - *Code Monétaire et Financier, Livre V, Titre I^{er}*), the provisions of the French Commercial Code (*Code de Commerce*) concerning commercial companies and by its Articles of Association. The Bank's purpose (Article 3 of the Articles of Association) is to provide and conduct the following services with any individual or legal entity, in France and abroad, subject to compliance with the French laws and regulations applicable to credit institutions licensed by the Credit Institutions and Investment Firms Committee (*Comité des Etablissements de Crédit et des Entreprises d'Investissement*): any and all investment services, any and all services related to investment activities, any and all banking transactions, any and all services related to banking transactions, any and all equity investments, as defined in the French Monetary and Financial Code Book III – Section 1 (*Code Monétaire et Financier, Livre III, Titre 1^{er}*) governing banking transactions and Section II (Titre II) governing investment services and related services. The Bank's legal life was extended on 17 September 1993 for a period of ninety-nine (99) years. Each financial year begins on 1 January and ends on 31 December.

On June 30, 2014 the Bank entered into a comprehensive settlement that included agreements with and orders issued by U.S. federal and New York state government agencies and regulatory authorities comprising the U.S. Department of Justice, the New York County District Attorney's Office, the U.S. Attorney's Office for the Southern District of New York, the Board of Governors of the Federal Reserve System, the Office of Foreign Assets Control of the U.S. Department of the Treasury and the New York State Department of Financial Services, in settlement of investigations into violations of U.S. laws and regulations regarding economic sanctions.

The fines and penalties imposed on the Bank as part of this settlement include, among other things, the payment of monetary penalties totaling approximately \$8.97 billion (€6.6 billion), guilty pleas by BNP Paribas S.A., the parent company of the BNP Paribas group, to charges of having violated U.S. federal criminal law (conspiracy to violate the Trading with the Enemy Act and the International Emergency Economic Powers Act) and New York State criminal law (conspiracy and falsifying business records), and the suspension of the New York branch of BNP Paribas for (a) a one-year period (2015) of the USD direct clearing focused mainly on the Oil & Gas

Energy and Commodity Finance business line in certain locations and (b) a two-year period of U.S. dollar clearing as a correspondent bank for unaffiliated third party banks in New York and London.

Following the settlement, the Bank expects its banking licenses to be maintained where it operates (although this settlement could provide the basis for a regulator to rescind a license), and has received confirmations or assurances in this regard from its principal regulators. The Bank expects that the settlement will have no impact on its operational or business capabilities to serve the vast majority of its clients. There can be no assurance, however, that unanticipated collateral consequences of the settlement will not adversely affect its business. Such unanticipated collateral consequences include the possibility that clients, counter-parties and other persons or entities with whom the Bank does business may choose to limit their future business with the Bank. It also includes for some limited activities, in particular in the United States, the possibility that an authority may refuse to grant the Bank a waiver needed to pursue a specific activity, or may withdraw an authorization to conduct a specific activity. Similarly, the Bank cannot be certain that the suspension of U.S. dollar clearing in respect of certain of its business lines will not lead to a loss of business.

Share Capital

The shares of BNP Paribas are listed on Euronext Paris. The shares are also traded on the SEAQ International in London and on the Frankfurt Stock Exchange, as well as on the MTA International Exchange in Milan. A Level 1 144A ADR programme is active in the USA. The ADRs are traded on OTCQX International Premier.

As at 11 July 2014, BNP Paribas' share capital stood at 2,492,414,944 euros divided into 1,246,207,472 fully paid-up shares with a par value of 2 euros each. The shares are all fully paid-up and are held in registered or bearer form at the choice of their holders, subject to compliance with the relevant legal provisions. None of the Bank's shares entitle their holders to an increased dividend or double voting rights or limit the exercise of voting rights.

Business Overview

The Group is a leading provider in Europe of banking and financial services and has four domestic retail banking markets in Europe, namely in Belgium, France, Republic of Italy and Luxembourg. It has operations in seventy-five (75) countries and has almost 185,000 employees, including over 141,000 in Europe. BNP Paribas holds key positions in its three activities:

- Retail Banking: includes a set of Domestic Markets (comprising French Retail Banking (FRB), BNL banca commerciale (BNL bc), Italian retail banking, Belgian Retail Banking (BRB), and other Domestic Markets activities, including Luxembourg Retail Banking (LRB)); International Retail Banking (comprising Europe-Mediterranean and BancWest); and Personal Finance;
- Investment Solutions; and
- Corporate and Investment Banking (CIB).

At 31 December 2013, the Group had consolidated assets of €1,810.5 billion* (compared to €1,907.2 billion at 31 December 2012), consolidated loans and receivables due from customers of €612.5 billion* (compared to €630.5 billion at 31 December 2012), consolidated items due to customers of €553.5 billion* (compared to €539.5 billion at 31 December 2012) and shareholders' equity (Group share) of €87.5 billion* (compared to €85.4 billion at 31 December 2012).

*Restated following the application of accounting standards IFRS10, IFRS11 and IAS 32 revised.

Pre-tax income for the year ended 31 December 2013 was €8.2 billion* (compared to €10.4 billion for the year ended 31 December 2012). Net income, attributable to equity holders, for the year ended 31 December 2013 was €4.8 billion* (compared to €6.6 billion for the year ended 31 December 2012).

*Restated.

Main Shareholders of BNP Paribas

The main shareholders of BNP Paribas are: Société Fédérale de Participations et d'Investissement (SFPI) a public-interest *société anonyme* (public limited company) acting on behalf of the Belgian government and Grand Duchy of Luxembourg. As at 31 December 2013, SFPI was holding 10.3% of the share capital and Grand Duchy of Luxembourg was holding 1.0% of the share capital.

Management and administration

Pursuant to the Articles of Association of BNP Paribas, the business affairs of BNP Paribas are administered by the board of directors, which is composed of a total of not less than nine (9) nor more than eighteen (18) directors (excluding directors elected by employees). The board of directors currently comprises fourteen (14) directors, plus two (2) additional directors elected, in accordance with the terms of the Articles of Association, by employees of BNP Paribas. In accordance with French law, the directors of BNP Paribas may be removed at any time, with or without cause. Each director is elected or appointed for a term of three (3) years. The board of directors elects a chairman from among its members and also establishes the term of the appointment of the chairman that may not exceed the period or remaining period, as the case may be, of the chairman's appointment as a member of the board of directors.

Control

As a regulated bank, BNP Paribas is subject to oversight by the French financial regulators (*Autorité de contrôle prudentiel et de résolution, Comité de la Réglementation Bancaire, Banque de France, Autorité des Marchés Financiers*, etc.).

Accounting regulations and methods

BNP Paribas presents its accounts according to the provisions in use in all private industrial and commercial companies and is subject to tax in the same way as any commercial entity.

The statutory auditors (*Commissaires aux comptes*) of BNP Paribas are currently the following:

Deloitte & Associés was appointed as Statutory Auditor at the Annual General Meeting of 23 May 2012 for a six-year period expiring at the close of the Annual General Meeting called in 2018 to approve the financial statements for the year ending 31 December 2017. The firm was first appointed at the Annual General Meeting of 23 May 2006.

Deloitte & Associés is represented by Damien Leurent.

Deputy:

BEAS, 195, avenue Charles de Gaulle, Neuilly-sur-Seine (92), France, SIREN No. 315 172 445, Nanterre trade and companies register.

PricewaterhouseCoopers Audit was appointed as Statutory Auditor at the Annual General Meeting of 23 May 2012 for a six-year period expiring at the close of the Annual General Meeting called in 2018 to approve the financial statements for the year ending 31 December 2017. The firm was first appointed at the Annual General Meeting of 26 May 1994.

PricewaterhouseCoopers Audit is represented by Etienne Boris.

Deputy:

Anik Chaumartin, 63, Rue de Villiers, Neuilly-sur-Seine (92), France.

Mazars was appointed as Statutory Auditor at the Annual General Meeting of 23 May 2012 for a six-year period expiring at the close of the Annual General Meeting called in 2018 to approve the financial statements for the year ending 31 December 2017. The firm was first appointed at the Annual General Meeting of 23 May 2000.

Mazars is represented by Hervé Hélias.

Deputy:

Michel Barbet-Massin, 61 Rue Henri-Regnault, Courbevoie (92), France.

Deloitte & Associés, PricewaterhouseCoopers Audit, and Mazars are registered as Statutory Auditors with the Versailles Regional Association of Statutory Auditors, under the authority of the French National Accounting Oversight Board (*Haut Conseil du Commissariat aux comptes*).

The financial statements of BNP Paribas must be endorsed by its board of directors and, within six (6) months following the end of each financial year, are submitted, together with the statutory auditors' report, for examination by the shareholders meeting of BNP Paribas.

The Borrower Advances

The Borrower Advances shall be made available to the Borrower in an aggregate maximum amount equal to € 35,000,000,000 (the "**Borrower Facility Commitment**") for the purpose of financing the general financial needs of the Borrower and, in particular, any Affiliate Advance (as described in "**The Affiliates, the Affiliate Facility Agreements and the Affiliate Collateral Security**") under any Affiliate Facility Agreement (as described in "**The Affiliates, the Affiliate Facility Agreements and the Affiliate Collateral Security**").

Pursuant to the Borrower Facility Agreement, the Borrower shall send to the Administrator (with a copy to the Issuer acting as the Lender under the Borrower Facility Agreement) a duly completed drawdown request (a "**Drawdown Request**") in respect of the Borrower Advance to be made available under the Borrower Facility Agreement. Upon receipt of a Drawdown Request by the Administrator (with copy to the Lender), the Lender, together with the Administrator, shall elaborate (i) corresponding Final Terms of the Covered Bonds to be issued to fund such Drawdown Request, and (ii) final terms of Borrower Advance ("**Final Terms of Borrower Advance**") reflecting the terms and conditions of such corresponding Final Terms of the Covered Bonds.

The Borrower may (i) accept the terms and conditions of the Final Terms of Borrower Advance proposed by the Administrator and the Lender, in which case such Final Terms of Borrower Advance shall be definitive between the Borrower and the Lender and a Borrower Advance shall be made available according to such Final Terms of Borrower Advance, or (ii) refuse the terms and conditions of such Final Terms of Borrower Advance, in which case such Final Terms of Borrower Advance and the relevant Drawdown Request shall be considered as null and void between the Borrower and the Lender.

Principal and interest amounts

The terms and conditions regarding the calculation and the payment of principal and interest under a Borrower Advance shall mirror the equivalent terms and conditions of the Corresponding Final Terms of Covered Bonds, it being provided that, as a principle, the interest to be paid by the Borrower under a Borrower Advance shall be the financing costs of the Lender under the Covered Bonds funding such Borrower Advance. The terms and conditions regarding the calculation and the payment of principal and interest under a Borrower Advance shall be further described hereunder and in the relevant Final Terms of Borrower Advance. Any amounts repaid or prepaid under any Borrower Advance shall not be re-borrowed.

Representations, warranties and undertakings

The Borrower has made customary representations and warranties and undertakings to the Lender, the representations and warranties being given on the execution date of the Borrower Facility Agreement and continuing until all sums due by the Borrower under the Borrower Facility Agreement shall have been repaid in full.

Main other terms

The Borrower Facility Agreement also provides for:

- (a) (i) customary tax gross-up provisions relating to payments to be made by the Borrower to the Lender under the Borrower Facility Agreement and (ii) corresponding tax gross-up provision relating to payments to be made by the Issuer pursuant to Condition 9(b) of the Covered Bonds;
- (b) customary tax indemnity provisions relating to any payment to be made by the Lender on account of tax on or in relation to any sum received or receivable under the Borrower Facility Agreement by the Lender from the Borrower or any liability in respect of any such payment is asserted, imposed, levied or assessed against the Lender;
- (c) customary "increased costs" provisions;
- (d) general financial information covenants and other customary covenants of the Borrower.

The Borrower Facility Agreement will provide for the payment by the Borrower to the Issuer of commissions covering all the costs and expenses related to the structuring and the updating of the Programme, all the costs and expenses related to the issuance of Covered Bonds and taxes of the Issuer during the Programme.

Borrower Events of Default

Each of the following events constitutes the occurrence of an event of default under the Borrower Facility Agreement (each, a "**Borrower Event of Default**"):

- (a) the Borrower fails to pay any sum due under the Borrower Facility Agreement when due, in the currency and in the manner specified herein; provided, however, that where such non-payment is due to an administrative error or the failure of continuing external payment systems or clearing systems reasonably used by the Borrower and such payment is made by the Borrower within three (3) Business Days of such non-payment, such non-payment shall not constitute a Borrower Event of Default;
- (b) a Breach of Pre-Maturity Test occurs;
- (c) a Breach of Asset Cover Test occurs;
- (d) a Breach of Affiliate Debt Commingling Funding Requirement occurs;
- (e) any material representation or warranty made by the Borrower, in the Borrower Facility Agreement or in any notice or other document, certificate or statement delivered by it pursuant hereto or in connection herewith is or proves to have been incorrect or misleading in any material respect when made, and the same is not remedied (if capable of remedy) within sixty (60) Business Days after the Administrator or the Issuer has given notice thereof to the Borrower or (if sooner) the Borrower has knowledge of the same, provided that the Issuer, at its discretion, certifies that it is prejudicial to the interests of the holders of the relevant Covered Bonds;
- (f) the Borrower fails to comply with any of its material obligations under the Borrower Facility Agreement unless such breach is capable of remedy and is remedied within sixty (60) Business Days after the Administrator or the Issuer has given notice thereof to the Borrower or (if sooner) the Borrower has knowledge of the same, provided that the Issuer, at its discretion, certifies that it is prejudicial to the interests of the holders of the relevant Covered Bonds;
- (g) as regards the Borrower, an Insolvency Event occurs;
- (h) any effect, event or matter (regardless of its nature, cause or origin and in particular the commencement of any legal, administrative or other proceedings against the Borrower) occurs which is or could be reasonably expected to be materially adverse to (i) the financial or legal situation, assets, business or operations of the Borrower and (ii) the ability of the Borrower to perform its payment obligations or the financial covenants under any of the Programme Documents;
- (i) at any time it is or becomes unlawful for the Borrower to perform or comply with any or all of its material obligations under the Borrower Facility Agreement or any of the material obligations of the Borrower under the Borrower Facility Agreement are not or cease to be legal, valid and binding;
- (j) upon the occurrence of a Hedging Rating Trigger Event (as defined in section "**The Hedging Strategy**" of this Base Prospectus), (i) the Issuer (or the Administrator on its behalf) fails to enter into any Issuer Hedging Agreement (as defined in section "**The Hedging Strategy**" of this Base Prospectus) with any relevant Eligible Hedging Provider (as defined in section "The Hedging Strategy" of this Base Prospectus) within thirty (30) calendar days from the occurrence date of such Hedging Rating Trigger Event, as described under the Hedging Strategy (as defined in section "**The Hedging Strategy**" of this Base Prospectus) or (ii) the Issuer (or the Administrator on its behalf) or the Borrower fails to enter into any Borrower Hedging Agreement (as defined in section "The Hedging Strategy" of this Base Prospectus) within thirty (30) calendar days from the occurrence date of such Hedging Rating Trigger Event, as described under the Hedging Strategy (as defined in section "**The Hedging Strategy**" of this Base Prospectus); or
- (k) a Breach of Maximum Legal Substitution Assets Limit has occurred and is continuing and the license of the Issuer as a *société de financement de l'habitat* has been withdrawn following such breach.

Upon the occurrence of a Borrower Event of Default, the Issuer (represented by the Administrator or the Issuer Independent Representative) shall, by written notice (such notice to constitute a *mise en demeure*) to the Borrower (with copy to (ii) the Issuer Independent Representative (if the Borrower Enforcement Notice is delivered by the Administrator), (ii) the Administrator (if the Borrower Enforcement Notice is delivered by the Issuer Independent Representative) and (iii) (in each instance) the Rating Agencies), (x) declare that (i) no further Borrower Advances shall be available under the Borrower Facility Agreement, and (ii) the then outstanding Borrower Advances are immediately due and payable and (y) enforce the rights of the Lender under

the Borrower Collateral Security Agreement and the Cash Collateral Agreement for the repayment of any sum due by the Borrower under the Borrower Facility Agreement and not paid by the Borrower (whether at its contractual due date or upon acceleration) (a "**Borrower Enforcement Notice**").

Borrower's indemnities

Under the Borrower Facility Agreement, the Borrower undertakes to indemnify the Lender against:

- (a) any cost, claim, loss, expense (including legal fees) or liability (other than reasonable consequential losses including loss of profit), which it may (acting reasonably) sustain or incur as a consequence of the occurrence of any Borrower Event of Default or any default by the Borrower in the performance of any of the obligations expressed to be assumed by it in the Borrower Facility Agreement, for the avoidance of doubt, these costs, losses and expenses include, without limitation, any Administrative and Tax Cost, any Issuer Hedging Cost, any Issuer Hedging Subordinated Termination Cost and any other servicing fee or ancillary cost benefiting from the *Privilège* sustained or incurred by the Lender as from the occurrence of a Borrower Event of Default until the full redemption of the Covered Bonds; and
- (b) (other than by reason of negligence or default by the Lender) any loss it may suffer or incur as a result of its funding or making arrangements to fund a Borrower Advance requested by the Borrower under the Borrower Facility Agreement but not made by reason of the operation of any one or more of the provisions of the Borrower Facility Agreement.

In addition, the Borrower undertakes to hold the Issuer harmless against any liabilities that the Issuer may incur in connection with its funding or making arrangements to fund, through the issuance of Covered Bonds or otherwise, any Borrower Advance made available to the Borrower under the Borrower Facility Agreement (including but not limited to any indemnity payable by the Lender (in its capacity as Issuer) to any party under any Programme Documents and any termination costs due and payable by the Lender under any Hedging Agreement which would not be subordinated to the full and final redemption of the then outstanding Covered Bonds).

Guarantee

Subject to customary legal limitation under French law, the Borrower, as guarantor (in such capacity, the "**Guarantor**") irrevocably and unconditionally, (i) jointly and severally guarantees (*caution solidaire*) to the Lender the due and punctual observance and performance of the terms, conditions and covenants under each Affiliate Facility Agreement (as described in "**The main Programme Documents - The Affiliates, the Affiliate Facility Agreements and the Affiliate Collateral Security**") on the part of each relevant Affiliate (as described in "**The main Programme Documents - The Affiliate Facility Agreements**") (other than an Excluded Affiliate), including the payment of the Guaranteed Liabilities, and agrees to pay from time to time on demand of the Administrator any and every sum or sums of money which is at any time payable to the Lender in respect of the Guaranteed Liabilities and (ii) agrees as a primary obligation to indemnify the Lender from time to time on demand of the Administrator from and against any loss incurred by the Lender as a result of any of the obligations of any Affiliate (other than an Excluded Affiliate) under or pursuant to the Programme Documents being or becoming void, voidable, unenforceable or ineffective as against such Affiliate for any reason whatsoever, whether or not known to the Lender or any other person, the amount of such loss being the amount which the Lender would otherwise have been entitled to recover from such Affiliate.

For such purposes,

"Guaranteed Liabilities" means all present and future payment obligations (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each and any Affiliate under each and any Affiliate Facility Agreement; and

"Excluded Affiliate" means any of the Affiliates which the Borrower and the Lender agree in writing to designate as such.

Broken Funding Indemnity

If, as a consequence of the occurrence of a Borrower Event of Default, the Lender receives or recovers all or any part of a Borrower Advance otherwise than as described or scheduled under the relevant Finals Terms of Borrower Advance, the Borrower shall pay to the Lender on demand an amount equal to the amount (if any) of the difference (if positive) between (x) the additional interest which would have been payable on the amount so received or recovered had such Borrower Event of Default not occurred, and (y) the amount of interest which the Lender reasonably determines would have been payable to the Lender on the last day of the term thereof in respect of a deposit equal to the amount so received or recovered placed by it with a prime bank for a period starting on the third (3rd) Business Day following the date of such receipt or recovery and ending on the last day of the term thereof.

Limited Recourse - Non Petition - Amendments

The Borrower Facility Agreement includes "Limited Recourse", "Non petition" and "Amendments" provisions, as described in "**The Issuer - Issuer's Activities – Limited Recourse**", "**The Issuer - Issuer's Activities - Non-Petition**" and "**Terms and Conditions of the Covered Bonds - 5(h) Programme Documents**".

II. THE BORROWER COLLATERAL SECURITY AGREEMENT

This section sets out the main material terms of the Borrower Collateral Security Agreement.

Background

The Borrower Collateral Security Agreement refers to the agreement dated on or prior to the Programme Date and made between (i) the Issuer, in its capacity as "Lender", and (ii) BNP Paribas, in its respective capacity as "Borrower", "Administrator" and "Issuer Calculation Agent" (the "**Borrower Collateral Security Agreement**").

Borrower Secured Liabilities

The Borrower Collateral Security Agreement sets forth the terms and conditions upon which the Borrower shall grants financial assets (the "**Eligible Assets**") as collateral security (*remise en garantie financière à titre de sûreté*) pursuant to Articles L. 211-36 to L. 211-40 of the French Monetary and Financial Code (*Code monétaire et financier*) (the "**Borrower Collateral Security**") in favour of the Issuer (acting as Lender under the Borrower Facility Agreement) in order to secure, as they become due and payable, the payments of all and any amounts (whether in principal, interest, fees, indemnities or accessories) owed by the Borrower under the Borrower Facility Agreement, whether present or future and whether in its capacity as "Borrower" or "Guarantor" (the "**Borrower Secured Liabilities**").

The title to the Eligible Assets granted as Borrower Collateral Security shall not be transferred in favour of the Issuer until perfection of the Borrower Collateral Security. The Issuer shall be vested in the title to such Eligible Assets only upon enforcement of the Borrower Collateral Security, if any such enforcement occurs in accordance with the terms of the Borrower Collateral Security Agreement.

Eligible Assets

For the purposes of the Borrower Collateral Security Agreement, an "**Eligible Asset**" means any Home Loan Receivable that meets the requirements of the SFH Legal framework and complies or whose underlying Home Loan complies (each, a "**relevant Home Loan**") with all the following eligibility criteria (the "**Home Loan Eligibility Criteria**"):

- (a) prior to the date upon which the relevant Home Loan has been made available to the borrower thereof, all scoring, lending criteria and conditions precedent as applied by the originator of such relevant Home Loan pursuant to its customary lending procedures were satisfied;
- (b) the underlying property is located in the jurisdiction of the originator of the relevant Home Loan;
- (c) the relevant Home Loan is governed by the law of the jurisdiction where the originator of the relevant Home Loan is located;
- (d) the relevant Home Loan is denominated in Euro or in a Specified Currency;
- (e) all sums due under the relevant Home Loan (including interest and costs) are secured by a fully effective Home Loan Security;

- (f) on the date on which the Borrower notifies the other parties that the relevant Home Loan is effectively granted as Borrower Collateral Security (the "**Selection Date**"), the current principal balance of such Home Loan is no more than Euro 1,000,000 or its equivalent in the Specified Currency;
- (g) the Loan-To-Value of the relevant Home Loan is no more than one hundred per cent. (100%);
- (h) on the relevant Selection Date, the remaining term for the relevant Home Loan is less than thirty (30) years;
- (i) on the relevant Selection Date, the borrower under the relevant Home Loan has paid at least one (1) instalment (in principal and/or interest) in respect of the Home Loan, and to the best of the knowledge of the Borrower or any Affiliate, the borrower under the Home Loan is not subject to a recovery plan within the framework of a reconciliation carried out by a commission for the examination of the over-indebtedness of individuals (*commission de surendettement des particuliers*) or of a jurisdiction, whether pursuant to the provisions of Title III of Book III of the French Consumer Code (*Code de la consommation*) or of Article 1244-1 of the French Civil Code (*Code civil*), including any conservatory measures or forced execution measures which the borrower under the Home Loan may apply, as the case may be, on the financed or charged residential real estate property;
- (j) the borrower under the relevant Home Loan is an individual or individuals through a *société civile immobilière* who is not an employee of the originator of such relevant Home Loan;
- (k) the relevant Home Loan is current (i.e. does not present any arrears) as at the Selection Date;
- (l) the borrower under the relevant Home Loan does not benefit from a contractual right of set off;
- (m) the opening by the borrower under the relevant Home Loan of a bank account dedicated to payments due under such relevant Home Loan is not provided for in the relevant contractual arrangements as a condition precedent to the originator of such relevant Home Loan making such relevant Home Loan available to the borrower under such relevant Home Loan; and
- (n) subject to prior Rating Affirmation, no amount drawn under the relevant Home Loan is capable of being redrawn by the borrower thereof (i.e. the Home Loan is not flexible).

If it is confirmed that a relevant Home Loan ceases to comply with any of the Home Loan Eligibility Criteria (each, an "**Ineligible Home Loan**"), any Home Loan Receivables granted as Borrower Collateral Security under such Ineligible Home Loan shall account for zero for the purpose of calculation of the Asset Cover Test on the relevant Asset Cover Test Date (see section entitled "**Asset Monitoring - Asset Cover Test**"). In addition, the Borrower may request that such Ineligible Home Loan Receivables be released from the scope of the Borrower Collateral Security.

The Home Loan Eligibility Criteria may be amended from time to time subject to prior Rating Affirmation.

For the purpose hereof:

"**Construction**" means any residential property, provided that the construction itself has been terminated on the Selection Date.

"**Home Loan**" means each and any loan originated by the Borrower or any Affiliate financing (i) the Construction or the acquisition of a residential real estate property, and/or (ii) the acquisition of land for Construction and the cost of works for the Construction of a residential real estate property, and/or (iii) the cost of works carried out for the Construction or transformation of a surface, by way of extension or renovation, with a view of creating or expanding a residential real estate property, and/or (iv) debt consolidation of loans including only the three categories as described in (i), (ii), (iii) above (excluding any debt consolidation of consumer loans).

"**Home Loan Receivable**" means each and any loan receivable arising from any Home Loan.

"**Home Loan Security**" means together the Mortgages or the Home Loan Guarantees.

"**Home Loan Guarantee**" means (i) each and any joint and several guarantee or other type of guarantee provided by a credit institution or a financing company (*société de financement*) of the EEA specialised in the guaranteeing of loans financing the acquisition of residential real estate property and guaranteeing the Home

Loans; or (ii) each and any financial guarantee or other type of guarantee provided by insurance companies or mutual insurance companies and guaranteeing the Home Loans.

"**Loan-to-Value**" means in respect of a Home Loan, the ratio between the outstanding principal amount of a Home Loan Receivable at the relevant Selection Date and the valuation amount of the financed or charged residential real estate property as at the origination date of such Home Loan.

"**Mortgage**" means each duly registered first ranking mortgage (and in particular in respect of Home Loans governed by French law, any *hypothèque*) or similar first ranking legal privilege (and in particular in respect of Home Loans governed by French law, any *privilège de prêteur de deniers*) securing the repayment of any given Home Loan and applying to the residential real estate property financed by the relevant Home Loan.

Borrower Collateral Security Assets

Eligible Assets shall be validly granted as Borrower Collateral Security and shall qualify as "**Borrower Collateral Security Assets**" for the purposes of the Borrower Collateral Security Agreement only upon satisfaction of numerous conditions precedents, including in particular that the same shall have been duly identified in the Borrower's IT systems.

Creation and Perfection

The Borrower Collateral Security shall be created in accordance with Articles L. 211-36 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*). The Borrower Collateral Security shall not entail any transfer of title with respect to the relevant Eligible Assets until enforcement.

The Borrower Collateral Security shall be perfected pursuant to paragraphs I and II, 1°) and II, 2°) of Article L. 211-38 of the French Monetary and Financial Code (*Code monétaire et financier*).

The perfection of each security shall not be conditional upon any formality other than the identification of the assets subject to the Borrower Collateral Security.

Controlling Rights and Covenants

The Borrower Collateral Security Agreement provides that the Issuer benefits from controlling rights and covenants (the "**Controlling Rights and Covenants**") which should give it sufficient "control" over the Borrower Collateral Security Assets as required by Article L. 211-38 of the French Monetary and Financial Code (*Code monétaire et financier*).

The Controlling Rights and Covenants include the following undertakings from the Borrower to the benefit of the Issuer: (i) to maintain the Borrower Collateral Security Assets free from any encumbrance or any option to purchase or similar rights, except as contemplated under the Borrower Collateral Security Agreement; (ii) not to transfer, assign, pledge, delegate or in any way encumber any of the Borrower Collateral Security Assets other than pursuant to, or as permitted under, the Borrower Collateral Security Agreement; (iii) not to permit that similar restrictions apply which may materially affect the security created under the Borrower Collateral Security Agreement; (iv) to perform the servicing of the relevant Borrower Collateral Security Assets in accordance with applicable laws and its customary servicing procedures (the "**Servicing Procedures**"); (v) not to materially alter the Servicing Procedures without the prior consent of the Issuer (such consent not to be unreasonably withheld); (vi) not to agree any renegotiation, restructuring or amendment of the terms, conditions and main financial characteristics of the Borrower Collateral Security Assets which may materially and adversely affect the value of the Borrower Collateral Security Assets or the rights of the creditor thereunder without the prior consent of the Issuer; and (vii) for the purpose of satisfying itself whether the Borrower Collateral Security Assets remain Eligible Assets or controlling the information contained in the relevant asset reports, to grant (at reasonable times and intervals and upon reasonable notice) the Issuer (or any agent acting on its behalf) access to the Borrower's premises or to premises where the relevant asset records are located, in order to inspect or audit such asset records (such right of inspection or audit including taking copies of all or any document or data).

Asset Monitoring and Asset Cover Test

The Borrower shall monitor the Borrower Collateral Security Assets so as to at all times comply with the Asset Cover Test (as further described in "**Asset Monitoring – The Asset Cover Test**").

In particular, the Borrower may at any time add, substitute or release Borrower Collateral Security Assets (including Home Loan Receivables arising from Ineligible Home Loans) from the scope of the Borrower Collateral Security. However, any such addition, substitution and/or release shall be effective only subject to confirmation by the Issuer Calculation Agent that a Non Compliance with Asset Cover Test (as defined below) would not occur as a result of such addition, substitution and/or release. For such purpose, the Issuer Calculation Agent shall re calculate the Asset Percentage (as defined in "**Asset Monitoring – The Asset Cover Test**") that would be applicable following such addition, substitution and/or release each time any such addition, substitution or release is requested by the Borrower.

Upon non compliance with the Asset Cover Test on any applicable test date, the Borrower shall cure such non compliance by:

- (a) granting sufficient additional or substitute Eligible Assets as Borrower Collateral Security (or cause the Affiliates to grant additional or substitute Eligible Assets as Affiliate Collateral Security pursuant to the relevant terms of the relevant Affiliate Collateral Security Agreement); and/or
- (b) requesting that sufficient Borrower Collateral Security Assets be released from the scope of the Borrower Collateral Security (or cause the Affiliates to release Affiliate Collateral Security Assets from the Affiliate Collateral Security pursuant to the relevant terms of the relevant Affiliate Collateral Security Agreement),

A failure to cure a non compliance with the Asset Cover Test which has occurred on any Asset Cover Test Date prior to the next following Asset Cover Test Date shall constitute a "**Breach of Asset Cover Test**" under the Borrower Collateral Security Agreement. Any Breach of Asset Cover Test shall be deemed the occurrence of a "Borrower Event of Default" under the Borrower Facility Agreement.

Asset Servicing

The Borrower shall perform the servicing of the Borrower Collateral Security Assets in accordance with applicable laws and its customary servicing procedures (the "**Servicing Procedures**"), using the degree of skill, care and attention as for the servicing of its assets for its own account, without interfering with the Issuer's material rights under the Borrower Collateral Security Agreement.

The Borrower shall provide the Issuer with: (i) on each Asset Cover Test Date, an asset report (the "**Asset Report**") up-to-date as at the last Business Day of the calendar month immediately preceding such Asset Cover Test Date, and (if different from an Asset Cover Test Date) on each date upon which a Borrower Collateral Security Assets is selected by the Borrower for inclusion in the scope of the Borrower Collateral Security. Each Asset Report shall include the relevant data and information with respect to the relevant assets.

The Borrower shall furthermore, in accordance with the Servicing Procedures, establish, maintain or cause to be maintained and furthermore administer at all times accurate, complete and up-to-date records with respect to the Borrower Collateral Security Assets.

For the purpose of satisfying itself as to whether the Borrower Collateral Security Assets remain Eligible Assets or control Asset Reports, the Issuer (or any agent acting on its behalf) is granted the access to the Borrower's premises or to premises where the Asset Records are located, in order to inspect or audit such Asset Records (such right of inspection or audit including taking copies of all or any document or data).

If a Servicing Rating Trigger Event occurs, the Administrator will notify the Issuer in writing of the occurrence of such event and then within thirty (30) Business Days of such occurrence, the Issuer and the Borrower will, in accordance with provisions of Article L. 513-15 of the French Monetary and Financial Code (*Code monétaire et financier*), use reasonable endeavours to appoint a new servicer (whose (i) long-term senior unsecured, unsubordinated and unguaranteed debt obligations (if rated) are rated at least BBB by S&P or (ii) long-term senior issuer default rating (IDR) (if rated) is rated at least BBB- by Fitch), for the servicing of the Collateral Security Assets granted by the Affiliates and the Borrower.

For such purposes, "**Servicing Rating Trigger Event**" means the event in which:

- (i) the long-term senior unsecured, unsubordinated and unguaranteed debt obligations of the Borrower become rated below BBB by S&P; or

- (ii) the long-term senior issuer default rating (IDR) of the Borrower becomes rated below BBB- by Fitch;

or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations or as per the most recently public available rating criteria methodology reports published by the Rating Agencies and (ii) commensurate with the then current ratings of the Covered Bonds.

For the purpose hereof:

"Asset Records" means

- (a) the computer and manual records, files, internal data, books and all other information (including information stored in information systems) related to the Borrower Collateral Security Assets or the Affiliate Collateral Security Assets, together with the underlying contracts and other documents evidencing title of the relevant entity to such assets (including, with respect to Home Loans, the related Home Loan Security); and
- (b) the records, files, internal data, computer systems and all other information related to the Collection Accounts and the operation of the same.

"Collection Accounts" means any and all bank accounts opened in the name of the Borrower and the Affiliates to collect interest and principal paid under the Home Loan Receivables granted as Borrower Collateral Security or (as appropriate) Affiliate Collateral Security, as specified from time to time to the Issuer Calculation Agent pursuant to the relevant terms of the Borrower Collateral Security Agreement or (as appropriate) the Affiliate Collateral Security Agreement.

Representations, warranties and undertakings

The Borrower has made customary representations, warranties and undertakings in favour of the Issuer, such representations and warranties being given on the execution date of the Borrower Collateral Security Agreement and continuing until satisfaction in full of the Borrower Secured Liabilities.

Affiliate Debt Commingling Trigger Event

Upon downgrading of the credit rating of the Borrower below A-1 (S&P) or F1 (short-term) or A (long term) (Fitch) (or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations or as per the most recently public available rating criteria methodology reports published by the Rating Agencies and (ii) commensurate with the then current ratings of the Covered Bonds) (the **"Affiliate Debt Commingling Trigger Event"**) and within sixty (60) calendar days from the occurrence of such Affiliate Debt Commingling Trigger Event:

- (a) the Borrower and each relevant Affiliate shall take all necessary steps so that all and any amounts owed by any Affiliates under any Affiliate Facility, are paid into the credit of a single dedicated bank account to be opened within such period in the Issuer's name and in the books of the Issuer Accounts Bank (the **"Affiliate Debt Commingling Account"**); and
- (b) the Borrower shall grant any cash amount standing on the credit of the Affiliate Debt Commingling Account as Cash Collateral (*gage-espèces*) for the benefit of the Issuer so as to secure as they become due and payable the payments of the Borrower Secured Liabilities.

Enforcement

Upon the service of a Borrower Enforcement Notice subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement following the occurrence of a Borrower Event of, the Issuer (represented by the Issuer Independent Director or by the Administrator) shall be entitled to exercise all rights, actions and privileges with respect to the Borrower Collateral Security Assets as granted to a secured creditor in accordance with paragraph II, 3°) of Article L. 211-38 of the French Monetary and Financial Code (*Code monétaire et financier*). In particular, with immediate effect as from the service to the Borrower of a Borrower Enforcement Notice in respect of the Borrower Collateral Security Assets:

- (a) the Borrower shall no longer be entitled to service the Borrower Collateral Security Assets and shall refrain from taking any action whatsoever in connection with the Borrower Collateral Security Assets

- or vis à vis the debtors, except upon the written prior instructions of the Issuer or the Administrator, or any of its representative, agent or expert acting on the Issuer's or the Administrator's behalf;
- (b) the Issuer shall be vested in all the rights of title, all discretions, benefits and all other rights of the Borrower with respect to the Borrower Collateral Security Assets, related Asset Records and related documents, including, without formality whatsoever, all rights of title, all discretions, benefits and all other rights in relation to any right, privilege, guarantee or security interest (*droit accessoire, privilège, garantie ou sûreté*) ancillary or as the case may be attached to the Borrower Collateral Security Assets (and, in particular, any and all relevant Home Loan Security); and
- (c) the Issuer (represented by the Administrator (or the Substitute Administrator) or any of its representative, agent or expert acting on its behalf) shall:
- take whatever action required in order to perfect, or any other action which it deems necessary for the purpose of perfecting, the Issuer's rights of title, discretions, privileges, remedies and other rights with respect to any or all Borrower Collateral Security Assets and any related rights, privileges, guarantees and security interest ancillary or attached to any or all Borrower Collateral Security Assets; and/or
 - exercise all the Issuer's rights, discretions, privileges and remedies under any or all Borrower Collateral Security Assets or any related documents; and/or
 - enforce all the Issuer's rights, discretions, privileges and remedies under any or all Home Loan Security and the other guarantees and security interest ancillary or attached to any or all Borrower Collateral Security Assets; and/or
 - serve a notice to any or all the debtors and all other relevant entities under any or all Borrower Collateral Security Assets, mentioning the new payment instructions to be observed by the same with respect to the payment of sums due under the Borrower Collateral Security Assets and/or the related Asset Contractual Documentation (as defined below).

After transfer of title with respect to the Borrower Collateral Security Assets, the Issuer (represented by the Administrator or any representative, agent or expert acting on its behalf) may dispose of, transfer, sale or cause to be sold, any or all the Borrower Collateral Security Assets to any third party or refinance the same (by way of securitisation or otherwise).

For the purpose hereof:

"**Asset Contractual Documentation**" means, in relation to any and all Borrower Collateral Security Assets or Affiliate Collateral Security Assets, all originals or executive or true copies (*copies exécutoires*) of any contract, instrument or other document (such as riders, waivers and amendments) providing for the terms and conditions of, and/or evidencing title and benefit to, such Borrower Collateral Security Assets or Affiliate Collateral Security Assets and any right, privilege, guarantee or security interest (*droit accessoire, privilège, garantie ou sûreté*) ancillary or as the case may be attached thereto (and, in particular, any and all relevant Home Loan Security).

Conditions of enforcement

Enforcement of the Borrower Collateral Security following delivery of the Borrower Enforcement Notice shall not require the Issuer observing or undertaking, in the exercise of its rights as a secured party under the Borrower Collateral Security Agreement, any formality whatsoever (including the necessity to obtain a court order or conduct an auction), any notification requirements nor any other procedures (provided that, in order to direct payments due under the Borrower Collateral Security Assets to the Issuer, a notice shall be served by the Administrator to any or all the debtors and all other relevant entities under the Borrower Collateral Security Assets, mentioning the new payment instructions to be observed by the same with respect to the payment of sums due under the Borrower Collateral Security Assets and/or the related Asset Contractual Documentation).

No right of the Issuer to enforce its rights under the Borrower Collateral Security Agreement shall be in any manner affected or limited by any Insolvency Event with respect to the Borrower.

Borrower's obligations upon enforcement

With immediate effect as from the service to the Borrower of a Borrower Enforcement Notice and upon the instructions of the Issuer, the Administrator (or the Substitute Administrator) or any of its representative, agent or expert acting on its behalf (each, an "**Enforcing Party**"), the Borrower shall:

- (a) execute any document, take whatever action and do all such things required in order to perfect, or any other action that the Enforcing Party deems necessary for the purpose of perfecting, the Issuer's rights of title, discretions, privileges, remedies and other rights in relation to any or all Borrower Collateral Security Assets and any related rights, privileges, guarantees and security interest ancillary or attached thereto;
- (b) deliver such Asset Records and related documents to the Enforcing Party to such place as the same may reasonably designate;
- (c) allow to the Enforcing Party reasonable access to its facilities, premises, computer and/or software systems;
- (d) take all steps and do all things and cooperate in good faith to enable any entity which shall have been appointed as Substitute Administrator in replacement of the Administrator to take over its duties in such capacity;
- (e) take all steps and do all things and cooperate in good faith to permit enforcement of the Affiliate Collateral Security under any and all the Affiliate Collateral Security Agreements and transfer of title of any and all Affiliate Collateral Security Assets thereunder.

Application of proceeds

Once the Issuer shall have been vested in all rights of title, discretions, benefits and other rights with respect to any and all the Borrower Collateral Security Assets and Affiliate Collateral Security Assets following enforcement of both the Affiliate Collateral Security and the Borrower Collateral Security, any principal and interest payments, distributions, sale or liquidation proceeds and other sums (together, the "**Enforcement Proceeds**") received by the Issuer thereunder shall be held by the Issuer as cash collateral (*gage-espèces*) for the satisfaction in full of the Borrower Secured Liabilities.

Subject to the discharge in full of all the Borrower Secured Liabilities, the Borrower shall have the right to claim against the Issuer for repayment (*créance de restitution*) of the portion of the Enforcement Proceeds received by the Issuer and not applied to the satisfaction of the Borrower Secured Liabilities. Such repayment by the Issuer to the Borrower shall be made as soon as reasonably practicable following the day upon which all sums due under any and all the Tranches and Series of Covered Bonds shall have been repaid in full. For the avoidance of doubt, such claim for repayment (*créance de restitution*) does not benefit from the privilege referred to in article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*).

Limited Recourse - Non Petition - Amendments

The Collateral Security Agreement includes "Limited Recourse", "Non petition" and "Amendments" provisions, as described in "**The Issuer - Issuer's Activities – Limited Recourse**", "**The Issuer - Issuer's Activities - Non-Petition**" and "**Terms and Conditions of the Covered Bonds - 5(h) Programme Documents**".

III. THE CASH COLLATERAL AGREEMENT

This section sets out the main material terms of the Cash Collateral Agreement.

Background

The Cash Collateral Agreement refers to the agreement dated on or prior to the Programme Date and made between (i) the Issuer in its capacity as "Lender", and (ii) BNP Paribas in its capacity as "Cash Collateral Provider" (the "**Cash Collateral Provider**"), "Administrator" and "Calculation Agent" (the "**Cash Collateral Agreement**").

Borrower Secured Liabilities

The Cash Collateral Agreement sets forth the terms and conditions upon which the Cash Collateral Provider shall fund certain amounts as cash collateral (*gage espèces*) (each, a "**Cash Collateral**") into the Cash Collateral Account and the Affiliate Debt Commingling Account so as to secure the Borrower Secured Liabilities.

Creation and Perfection

Any Cash Collateral shall be created upon credit of the corresponding sums into the Cash Collateral Account and the Affiliate Debt Commingling Account.

The perfection of each Cash Collateral shall not be conditional upon any formality. Each Cash Collateral shall entail the transfer of title in favour of the Issuer with respect to the relevant cash funded into the Cash Collateral Account and the Affiliate Debt Commingling Account.

The positive balance from time to time outstanding on the the Cash Collateral Account and the Affiliate Debt Commingling Account shall at all times be kept and vested with the Issuer, form part of the Issuer's assets and be applied to the repayment of the Secured Liabilities.

Any such balance at any time standing to the credit of the Cash Collateral Account and the Affiliate Debt Commingling Account may be invested only in Permitted Investments whose maturity is earlier than the Final Maturity Date of the relevant Series of Covered Bonds. For the purpose of each Cash Collateral to be created hereunder, the Issuer shall be hereby entitled not to segregate the funds credited to the Cash Collateral Account and the Affiliate Debt Commingling Account from its other assets.

Cash Collateral Account

The Cash Collateral Provider shall fund the Cash Collateral Account up to an amount determined in accordance with the provisions of the Cash Collateral Agreement to meet certain liquidity tests as more described in section entitled "**Asset Monitoring - The Legal Liquidity Reserve**" and "**Asset Monitoring - The Pre-Maturity Test**" of this Base Prospectus.

Affiliate Debt Commingling Account

Upon downgrading of the credit rating of the Borrower below A-1 (S&P) or F1 (short-term) or A (long term) (Fitch) (or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations or as per the most recently public available rating criteria methodology reports published by the Rating Agencies and (ii) commensurate with the then current ratings of the Covered Bonds) (the "**Affiliate Debt Commingling Trigger Event**") and within sixty (60) calendar days from the occurrence of such Affiliate Debt Commingling Trigger Event:

- (a) the Borrower and each relevant Affiliate shall take all necessary steps so that all and any amounts owed by any Affiliates under any Affiliate Facility, are paid into the credit of a single dedicated bank account to be opened within such period in the name and in the books of the Borrower (the "**Affiliate Debt Commingling Account**"); and
- (b) the Borrower shall grant any cash amount standing on the credit of the Affiliate Debt Commingling Account as Cash Collateral (*gage-espèces*) for the benefit of the Issuer so as to secure as they become due and payable the payments of the Borrower Secured Liabilities.

All cash credited to the Affiliate Debt Commingling Account as described above shall be granted as Cash Collateral subject to, and in accordance with, the relevant terms of the Cash Collateral Agreement and shall secure the Borrower Secured Liabilities as they become due and payable.

Failure by the Borrower to fund the Affiliate Debt Commingling Account up to the required amount within the required period following the occurrence date of the Affiliate Debt Commingling Trigger Event shall constitute a "**Breach of Affiliate Debt Commingling Funding Requirement**" within the meaning of the Cash Collateral Agreement. A Breach of Affiliate Debt Commingling Funding Requirement constitutes the occurrence of a Borrower Event of Default.

Remuneration

The Issuer shall pay interest (each, an "**Interest Payment**") to the Cash Collateral Provider in respect of the principal amount of each of the Cash Collateral funded subject to, and in accordance with, the terms of the Cash Collateral Agreement. Each Interest Payment will accrue daily on each of such Cash Collateral at the Interest Rate. Each Interest Payment will be calculated for each Interest Period on each relevant Interest Payment Date for the Interest Period. On the contrary, subject to the SFH Legal Framework, if any of the Cash Collateral is funded or invested in an account opened in the name of the Issuer and is remunerated at a rate that is or become negative, the Cash Collateral Provider shall refund such negative remuneration to the Issuer.

For the purposes hereof:

"**Interest Rate**" means the lesser of (i) EONIA flat, or (ii) the remuneration received by the Issuer in investing the cash standing to the credit of (as applicable) the Cash Collateral Account and the Affiliate Debt Commingling Account during the relevant Interest Period.

"**Business Day**" means a day on which the banks are open for business in Paris and in London (excluding in any event Saturday and Sunday).

"**Interest Payment Date**" means the last day of each Interest Period. If an Interest Payment Date falls on a day other than a Business Day, the Interest Payment Date shall be postponed on the next Business Day.

"**Interest Period**" means, with respect to each Cash Collateral, a period of three (3) calendar months. The first Interest Period with respect to each Cash Collateral will start from and including any date upon which such Cash Collateral is funded subject to, and in accordance with, the relevant terms hereof, and will end on but excluding the last day of the three-month period following such date. Each following Interest Period with respect to such Cash Collateral will be the period from, and including, the preceding Interest Payment Date to, but excluding, the next Interest Payment Date.

The Interest Payments due with respect to each Cash Collateral shall accrue on a day-to-day basis and shall be credited on each Interest Payment Date to (as applicable) Cash Collateral Account and the Affiliate Debt Commingling Account. Each Interest Payment shall be compounded with the relevant Cash Collateral where the said Interest Payment has accrued for at least one year. Each Interest Payment shall be part of the Cash Collateral (*gage-espèces*) and, accordingly, be held by the Issuer and applied to the repayment of the Secured Liabilities.

Representations, warranties and undertakings

The Cash Collateral Provider has made customary representations and warranties and undertakings to the Issuer, the representations and warranties being given on the execution date of the Cash Collateral Agreement and continuing until satisfaction in full of the Borrower Secured Liabilities.

Enforcement

Upon the service by the Issuer (represented by the Issuer Independent Representative or by the Administrator) to the Borrower of a Borrower Enforcement Notice subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement following the occurrence of a Borrower Event of Default, the Issuer (represented by the Issuer Independent Representative or by the Administrator) shall be entitled to apply to the repayment of the Secured Liabilities (i) all sums standing to the credit of the Cash Collateral Account and the Affiliate Debt Commingling Account.

Any sum remaining to the credit of the Cash Collateral Account and the Affiliate Debt Commingling Account after satisfaction in full of the Secured Liabilities shall be promptly repaid to the Cash Collateral Provider in accordance with the relevant Priority Payments Orders. For the avoidance of doubt, such claim for repayment (*créance de restitution*) does not benefit from the *Privilège* referred to in article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*).

With immediate effect as from the service of a Borrower Enforcement Notice and upon the instructions of each of the Issuer, the Administrator or any of its representative, agent or expert acting on its behalf (each, an "**Enforcing Party**"), the Cash Collateral Provider shall:

- (a) execute any document, take whatever action and do all such things required in order to perfect, or any other action that the Enforcing Party deems necessary for the purpose of perfecting, the Issuer's rights hereunder; and
- (b) take all steps and do all things and cooperate in good faith to enable any entity which shall have been appointed as Substitute Administrator in replacement of the Administrator to take over its duties in such capacity.

Conditions of enforcement

Enforcement requires no other formality whatsoever (including the necessity to obtain a court order or conduct an auction), any notification requirements (to the Borrower, the Cash Collateral Provider or any other person) nor any other procedures.

No right of the Issuer to enforce its rights under the Cash Collateral Agreement shall be in any manner affected or limited by any insolvency proceedings with respect to the Borrower.

Release without discharge

In respect of each Cash Collateral funded pursuant to the terms of the Cash Collateral Agreement, the Cash Collateral Provider shall have the right to request from the Issuer the release of such Cash Collateral under the following circumstances (each, a "**Release Without Discharge Event**"):

- (a) in any event, if, on a given date, (i) the amount of Cash Collateral standing to the credit of the Cash Collateral Account exceeds the applicable CCRFA or (ii) the amount of Cash Collateral standing to the credit of the Affiliate Debt Commingling Account exceeds the amount that must be funded in such account pursuant to the terms of the Cash Collateral Agreement;
- (b) while such Cash Collateral has been funded upon a Pre-Maturity Rating Downgrade Event, the Borrower regains the Pre-Maturity Rating Required Levels; in such case, a release without discharge may be made for an amount equal to the amount of Cash Collateral standing to the credit of the Cash Collateral Account which exceeds the amount of the Legal Liquidity Reserve on such date.

Upon any release request by the Cash Collateral Provider following the occurrence of a Release Without Discharge Event, the Issuer shall release the relevant Cash Collateral and repay to the Cash Collateral Provider up to the relevant amount. Any release and repayment made as mentioned above shall not be deemed a discharge of the Cash Collateral Provider with respect to its obligations to fund further Cash Collateral pursuant to the terms of the Cash Collateral Agreement.

Final release and discharge

The Issuer shall, at the request and cost of the Cash Collateral Provider, give final release with respect to all Cash Collateral, cancel the security created under the Cash Collateral Agreement and discharge the Cash Collateral Provider from all its obligations to fund any further Cash Collateral pursuant to the terms of the Cash Collateral Agreement when all sums due under any and all the Tranches and Series of Covered Bonds shall have been repaid in full and the Secured Liabilities have been entirely and definitively discharged in full (independently of any intermediate or partial discharges).

In connection with the final release and cancellation described above, the Issuer shall do all such acts and things, at the cost of the Cash Collateral Provider, as are reasonably requested by the Cash Collateral Provider in order to release and cancel the security created under the Cash Collateral Agreement and discharge the Cash Collateral Provider from all its obligations to fund any further Cash Collateral pursuant to the terms of the Cash Collateral Agreement.

Limited Recourse - Non Petition - Amendments

The Cash Collateral Agreement includes "Limited Recourse", "Non petition" and "Amendments" provisions, as described in "**The Issuer - Issuer's Activities – Limited Recourse**", "**The Issuer - Issuer's Activities - Non-Petition**" and "**Terms and Conditions of the Covered Bonds - 5(h) Programme Documents**".

IV. THE AFFILIATE FACILITY AGREEMENTS

This section sets out the main material terms of the Affiliate Facility Agreements.

Background

Prior to its accession to the Programme, each relevant Affiliate enters into an affiliate facility agreement (each, an "**Affiliate Facility Agreement**") with BNP Paribas, as "Affiliate Lender" (the "**Affiliate Lender**") in order to determine the terms and conditions according to which the Affiliate Lender shall grant such Affiliate with advances under an Affiliate Facility (each, an "**Affiliate Advance**").

The Affiliate Lender may fund each Affiliate advance to be made available to the relevant Affiliate (i) with the proceeds of a Borrower Advance made available under the Borrower Facility or (ii) out of its own resources.

The Affiliates

Any Affiliate may access the Programme subject to the satisfaction of the following conditions precedent:

- (a) the Affiliate is an entity controlled by BNP Paribas within the meaning of Article L. 233-3 of the French Commercial Code (*Code de commerce*);
- (b) the Affiliate is a French legal entity located in France;
- (c) the Affiliate is licensed as credit institution (*établissement de crédit*) by the French *Autorité de contrôle prudentiel et de résolution*;
- (d) the Affiliate has duly concluded an Affiliate Facility Agreement with the Borrower and the execution of such Affiliate Facility Agreement has been approved by the general meeting of the shareholders of the Issuer;
- (e) the Affiliate has duly concluded an Affiliate Collateral Security Agreement with the Borrower and the execution of such Affiliate Collateral Security Agreement has been approved by the general meeting of the shareholders of the Issuer;
- (f) the accession to the Programme of such Affiliate is subject to prior Rating Affirmation;
- (g) no Borrower Event of Default has occurred and is continuing and the accession of the Affiliate to the Programme will not or is not likely to trigger the occurrence of a Borrower Event of Default; and
- (h) no Issuer Event of Default has occurred and is continuing and the accession of the Affiliate will not or is not likely to trigger the occurrence of an Issuer Event of Default.

Affiliate Facility

Each Affiliate Facility shall be made available to the Affiliate in an aggregate maximum amount to be determined by the relevant Affiliate and the Affiliate Lender (the "**Affiliate Facility Commitment**"), it being provided that the aggregated amounts of all the Affiliate Facility Commitments shall not exceed € 35,000,000,000. Each Affiliate Facility shall be made available for the purpose of financing the general financial needs of the relevant Affiliate.

Principal and interest amounts

The terms and conditions of an Affiliate Advance may not mirror those of the Borrower Advance funding such Affiliate Advance. Any amounts repaid or prepaid under any Affiliate Advance may be re-borrowed.

Representations, warranties and undertakings

The relevant Affiliate has made the customary representations and warranties and undertakings to the Affiliate Lender, the representations and warranties being given on the execution date of the relevant Affiliate Facility Agreement and continuing until all sums due by the Affiliate under the relevant Affiliate Facility Agreement shall have been repaid in full.

Main other terms

Each Affiliate Facility Agreement also provides for:

- (a) customary tax gross-up provisions relating to payments to be made by the Affiliate to the Affiliate Lender under the relevant Affiliate Facility Agreement;
- (b) customary tax indemnity provisions relating to any payment to be made by the Affiliate Lender on account of tax on or in relation to any sum received or receivable under the relevant Affiliate Facility Agreement by the Affiliate Lender from the Affiliate or any liability in respect of any such payment is asserted, imposed, levied or assessed against the Affiliate Lender;
- (c) customary "increased costs" provisions;
- (d) general financial information covenants and other customary covenants of the Affiliate.

Affiliate Event of Default

Each of the following events constitutes the occurrence of an event of default under the relevant Affiliate Facility Agreement (each, an "**Affiliate Event of Default**"):

- (a) the relevant Affiliate fails to pay any sum due under the Affiliate Facility Agreement when due, in the currency and in the manner specified herein; provided, however, that where such non-payment is due to an administrative error or the failure of continuing external payment systems or clearing systems reasonably used by the Affiliate and such payment is made by the Affiliate within three (3) Business Days of such non-payment, such non-payment shall not constitute an Affiliate Event of Default;
- (b) any material representation or warranty made by the Affiliate, in the relevant Affiliate Facility Agreement or in any notice or other document, certificate or statement delivered by it pursuant hereto or in connection herewith is or proves to have been incorrect or misleading in any material respect when made, and the same is not remedied (if capable of remedy) within sixty (60) Business Days after the Affiliate Lender has given notice thereof to the Affiliate or (if sooner) the Affiliate has knowledge of the same;
- (c) the Affiliate fails to comply with any of its material obligations under the Affiliate Facility Agreement unless such breach is capable of remedy and is remedied within sixty (60) Business Days after the earlier of (i) the date on which the Affiliate Lender has given notice thereof to the Affiliate or (ii) the date on which the Affiliate has knowledge of the same;
- (d) as regards the Affiliate, an Insolvency Event occurs;
- (e) any effect, event or matter (regardless of its nature, cause or origin and in particular the commencement of any legal, administrative or other proceedings against the Affiliate) occurs which

- is or could be reasonably expected to be materially adverse to (i) the financial or legal situation, assets, business or operations of the Affiliate and (ii) the ability of the Affiliate to perform its payment obligations or the financial covenants under any of the Programme Documents; or
- (f) at any time it is or becomes unlawful for the Affiliate to perform or comply with any or all of its material obligations under the Affiliate Facility Agreement or any of the material obligations of the Affiliate under the Affiliate Facility Agreement are not or cease to be legal, valid and binding.

Upon the occurrence of an Affiliate Event of Default, the Affiliate Lender may, by written notice (such notice to constitute a *mise en demeure*) to the relevant Affiliate declare that (i) no further Affiliate Advances shall be available under the relevant Affiliate Facility, Agreement and (ii) the relevant Affiliate Advances become immediately due and payable and enforce its rights under the relevant Affiliate Collateral Security Agreement (an "**Affiliate Enforcement Notice**").

Upon the occurrence of an Affiliate Event of Default, the Affiliate Lender shall, by written notice (such notice to constitute a *mise en demeure*) to the Affiliate (with copy to the Issuer Independent Representative, the Administrator and the Rating Agencies), (x) declare that (i) no further Affiliate Advances shall be available under the Affiliate Facility Agreement, and (ii) the then outstanding Affiliate Advances are immediately due and payable and (y) enforce the rights of the Affiliate Lender under the Affiliate Collateral Security Agreement for the repayment of any sum due by the Affiliate under the Affiliate Borrower Facility Agreement and not paid by the Affiliate (whether at its contractual due date or upon acceleration) (a "**Affiliate Enforcement Notice**").

Affiliate Facility early amortisation upon Borrower Event of Default

Any Affiliate Facility will be accelerated upon the occurrence of a Borrower Event of Default. For such purposes, upon the occurrence of a Borrower Event of Default, the Administrator, duly mandated by the Affiliate Lender for such purposes, shall, by written notice (such notice to constitute a *mise en demeure*) to the relevant Affiliate, (i) declare that no more Affiliate Advances shall be made under the relevant Affiliate Facility, (ii) declare that the Affiliate Facility shall be cancelled, and (iii) declare that the Affiliate Advances shall immediately become due and payable and enforce its rights under the relevant Affiliate Collateral Security Agreement (a "**Cross-Acceleration Enforcement Notice**").

Guarantee

Subject to customary legal limitations under French law and up to the maximum amount that may be owed by each Affiliate under the relevant Affiliate Facility Agreement, each Affiliate, as guarantor (in such capacity, the "**Affiliate Guarantor**") irrevocably and unconditionally and jointly and severally:

- (i) guarantees to the Lender the due and punctual observance and performance of the terms, conditions and covenants under the Borrower Facility Agreement (as described in "**The main Programme Documents - The Borrower Facility Agreement**") on the part of the Borrower, including the payment of the Guaranteed Liabilities (as defined herein), and agrees to pay from time to time on demand of the Administrator any and every sum or sums of money which is at any time payable to the Lender in respect of the Guaranteed Liabilities (as defined herein); and
- (ii) agrees as a primary obligation to indemnify the Lender from time to time on demand of the Administrator from and against any loss incurred by the Lender as a result of any of the obligations of the Borrower under or pursuant to the Programme Documents being or becoming void, voidable, unenforceable or ineffective as against the Borrower for any reason whatsoever, whether or not known to the Lender or any other person, the amount of such loss being the amount which the Lender would otherwise have been entitled to recover from the Borrower.

For such purposes,

"**Guaranteed Liabilities**" means all present and future payment obligations (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Borrower under the Borrower Facility Agreement.

Affiliate not incorporated in France

Variations to the above described terms of any Affiliate Facility Agreement may be agreed between the Affiliate Lender and any Affiliate not incorporated in France if required under the law of the jurisdiction where the relevant Affiliate is incorporated or the law governing the Home Loans and/or the Affiliate Collateral Security. Other variations to the above described terms of any Affiliate Facility Agreement can only be agreed subject to prior Rating Affirmation.

Limited Recourse - Non petition - Amendments

The Affiliate Facility Agreements include "Limited Recourse", "Non petition" and "Amendments" provisions, as described in "**The Issuer - Issuer's Activities – Limited Recourse**", "**The Issuer - Issuer's Activities - Non-Petition**" and "**Terms and Conditions of the Covered Bonds - 5(h) Programme Documents**".

V. THE AFFILIATE COLLATERAL SECURITY AGREEMENTS

This section sets out the main material terms of the Affiliate Collateral Security Agreements.

Background

An Affiliate Collateral Security Agreement refers to any agreement made between (i) any Affiliate which has concluded an Affiliate Facility Agreement, and (ii) BNP Paribas in its capacity as "Affiliate Lender", "Administrator" and "Issuer Calculation Agent" (each an "**Affiliate Collateral Security Agreement**").

Affiliate Secured Liabilities

Each Affiliate Collateral Security Agreement sets forth the terms and conditions upon which the relevant Affiliate grants financial assets (the "Eligible Assets" as collateral security (*remise en garantie financière à titre de sûreté*) pursuant to Articles L. 211-to L. 211-40 of the French Monetary and Financial Code (*Code monétaire et financier*) (the "**Affiliate Collateral Security**") in favour of the Affiliate Lender so as to secure as they become due and payable the payments of all and any amounts owed by the Affiliate under the relevant Affiliate Facility Agreement, whether present or future and whether in its capacity as "Affiliate" or "Affiliate Guarantor" (the "**Affiliate Secured Liabilities**").

The title to the Eligible Assets granted as Affiliate Collateral Security shall not be transferred in favour of the Issuer until perfection of the Affiliate Collateral Security. The Issuer shall be vested in the title to such Eligible Assets only upon enforcement of the Affiliate Collateral Security, if any such enforcement occurs in accordance with the terms of the Affiliate Collateral Security Agreement.

Eligible Assets

For the purposes of each Affiliate Collateral Security Agreement, an "**Eligible Asset**" means any Home Loans Receivable that meets the requirements of the SFH Legal framework and complies or whose underlying Home Loan complies with all the Home Loans Eligibility Criteria.

The "Home Loans Eligibility Criteria" are those described in "**The main Programme Documents – the Borrower Collateral Security Agreement**".

Affiliate Collateral Security Assets

Eligible Assets shall be validly granted as Affiliate Collateral Security and shall qualify as "**Affiliate Collateral Security Assets**" for the purposes of the relevant Affiliate Collateral Security Agreement only upon satisfaction of numerous conditions precedents, including in particular that the same shall have been duly identified in the Affiliate's IT systems.

Creation and Perfection

The creation and perfection of each Affiliate Collateral Security with respect to each Affiliate which is incorporated in France shall be created and perfected subject to the same requirements as that applicable to the creation and perfection of the Borrower Collateral Security.

The creation and perfection of each Affiliate Collateral Security with respect to each Affiliate which is not incorporated in France will depend on the applicable law and will be subject to prior Rating Affirmation.

Controlling Rights and Covenants

The Affiliate Collateral Security Agreement provides that the Issuer benefits from controlling rights and covenants (the "**Controlling Rights and Covenants**") which should give it sufficient "control" over the Affiliate Collateral Security Assets as required by Article L. 211-38 of the French Monetary and Financial Code (*Code monétaire et financier*).

The Controlling Rights and Covenants include the following undertakings from each Affiliate: (i) to maintain the Affiliate Collateral Security Assets free from any encumbrance or any option to purchase or similar rights, except as contemplated under the Affiliate Collateral Security Agreement; (ii) not to transfer, assign, pledge, delegate or in any way encumber any of the Affiliate Collateral Security Assets other than pursuant to, or as permitted under, the Affiliate Collateral Security Agreement; (iii) not to permit that similar restrictions apply which may materially affect the security created under the Affiliate Collateral Security Agreement; (iv) to perform the servicing of the relevant Affiliate Collateral Security Assets in accordance with applicable laws and its customary servicing procedures (the "**Servicing Procedures**"); (v) not to materially alter the Servicing Procedures without the prior consent of the Issuer (such consent not to be unreasonably withheld); (vi) not to agree any renegotiation, restructuring or amendment of the terms, conditions and main financial characteristics of the Affiliate Collateral Security Assets which may materially and adversely affect the value of the Affiliate Collateral Security Assets or the rights of the creditor thereunder without the prior consent of the Issuer; and (vii) for the purpose of satisfying itself whether the Affiliate Collateral Security Assets remain Eligible Assets or controlling the information contained in the relevant asset reports, to grant (at reasonable times and intervals and upon reasonable notice) the Issuer (or any agent acting on its behalf) access to each Affiliate's premises or to premises where the relevant asset records are located, in order to inspect or audit such asset records (such right of inspection or audit including taking copies of all or any document or data).

Top up requirements

Under each Affiliate Collateral Security Agreement and in order to preserve the value of its security thereunder, the Affiliate Lender will have the discretion to request from the relevant Affiliate to grant additional or substitute Eligible Assets as Affiliate Collateral Security upon conditions to be agreed on a case by case basis.

The Affiliate Lender will have also the right to accept or refuse any release from the scope of an Affiliate Collateral Security that may have been requested by the relevant Affiliate.

Asset Servicing

Each Affiliate shall perform the servicing of the Affiliate Collateral Security Assets in accordance with applicable laws, its customary servicing procedures, using the degree of skill, care and attention as for servicing of its assets for its own account.

Each Affiliate shall regularly provide the Affiliate Lender with an asset report on terms to be agreed between each Affiliate and the Affiliate Lender.

Each Affiliate shall furthermore, in accordance with its servicing procedures, establish, maintain or cause to be maintained and furthermore administer at all times accurate, complete and up-to-date records with respect to the relevant Affiliate Collateral Security Assets.

For the purpose of satisfying itself as to whether such Affiliate Collateral Security Assets remain Eligible Assets or control assets reports, the Affiliate Lender is granted the access to each Affiliate's premises or to premises where the asset records are located, in order to inspect, audit such assets records (including taking copies of all or

any document or data). In addition, the Affiliate Lender shall cause each Affiliate to grant access to each Affiliate's premises to the Issuer (or any agent acting on its behalf).

If an Affiliate Servicing Rating Trigger Event occurs, the Administrator will notify the Issuer in writing of the occurrence of such event and then within thirty (30) Business Days of such occurrence, the Issuer, the Borrower and the relevant Affiliate, in accordance with provisions of Article L. 513-15 of the French Monetary and Financial Code (*Code monétaire et financier*), use reasonable endeavours to appoint a new servicer (whose (i) long-term senior unsecured, unsubordinated and unguaranteed debt obligations (if rated) are rated at least BBB by S&P or (ii) long-term senior issuer default rating (IDR) (if rated) is rated at least BBB- by Fitch), or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations or as per the most recently public available rating criteria methodology reports published by the Rating Agencies and (ii) commensurate with the then current ratings of the Covered Bonds, for the servicing of the relevant Affiliate Collateral Security Assets.

For such purposes, "**Affiliate Servicing Rating Trigger Event**" means, as regards an Affiliate, the event in which (i) the long-term senior unsecured, unsubordinated and unguaranteed debt obligations of this Affiliate (or if long-term senior unsecured, unsubordinated and unguaranteed debt obligations of this Affiliate are not rated, the long-term senior unsecured, unsubordinated and unguaranteed debt obligations of the Borrower) become rated below BBB by S&P or (ii) the long-term senior issuer default rating (IDR) of this Affiliate (or if long-term senior issuer default rating (IDR) of this Affiliate is not rated, the long-term senior issuer default rating (IDR) of the Borrower) becomes rated below BBB- by Fitch, or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations or as per the most recently public available rating criteria methodology reports published by the Rating Agencies and (ii) commensurate with the then current ratings of the Covered Bonds.

Representations, warranties and undertakings

Each Affiliate shall make the customary representations and warranties and undertakings to the Affiliate Lender, the representations and warranties being given on the execution date of the Affiliate Collateral Security Agreement and continuing until satisfaction in full of the relevant Affiliate Secured Liabilities.

Enforcement

Upon the service of an Affiliate Enforcement Notice subject to, and in accordance with, the relevant terms of the relevant Affiliate Facility Agreement following the occurrence of an Affiliate Event of Default which is continuing unremedied, the Affiliate Lender shall be entitled to, at its discretion, exercise all rights, actions and privileges on the Affiliate Collateral Security Assets as granted to a secured creditor in accordance with applicable laws. Upon enforcement of an Affiliate Collateral Security pursuant to the terms of the relevant Affiliate Collateral Security Agreement, the Affiliate Lender undertakes to grant the relevant Affiliate Collateral Security Assets, title to which will have then been transferred to it, as Borrower Collateral Security in accordance with the relevant terms of the Borrower Collateral Security Agreement.

Conditions of enforcement

Conditions of enforcement of an Affiliate Collateral Security granted by an Affiliate which is incorporated in France will be those applicable to the enforcement of the Borrower Collateral Security.

Conditions of enforcement of an Affiliate Collateral Security granted by an Affiliate which is not incorporated in France will be those applicable under the relevant local laws.

Affiliate not incorporated in France

Variations to the above described terms of any Affiliate Collateral Security Agreement may be agreed between the Affiliate Lender and any Affiliate not incorporated in France if required under the law of the jurisdiction where the relevant Affiliate is incorporated or the law governing the Home Loans and/or the Affiliate Collateral Security. Other variations to the above described terms of any Affiliate Facility Agreement can only be agreed subject to prior Rating Affirmation.

Limited Recourse - Non petition - Amendments

The Affiliate Collateral Security Agreements include "Limited Recourse", "Non petition" and "Amendments" provisions, as described in "**The Issuer - Issuer's Activities – Limited Recourse**", "**The Issuer - Issuer's Activities - Non-Petition**" and "**Terms and Conditions of the Covered Bonds - 5(h) Programme Documents**".

VI. THE ISSUER ACCOUNTS AGREEMENT

This section sets out the main material terms of the Issuer Accounts Agreement pursuant to which the Issuer Accounts are opened in the books of the Issuer Accounts Bank.

Background

The Issuer Accounts Agreement refers to the agreement dated on or prior to the Programme Date and entered into between BNP Paribas Home Loan SFH, as Issuer and BNP Paribas, as "Issuer Accounts Bank" (the "**Issuer Accounts Bank**") (the "**Issuer Accounts Agreement**").

Purpose

Under the Issuer Accounts Agreement, BNP Paribas Home Loan SFH, as Issuer, appoints BNP Paribas as its account bank for the opening and operation of its bank accounts (the "**Issuer Accounts**"). The Issuer Accounts Bank will always act in the best and exclusive interest of BNP Paribas Home Loan SFH.

Issuer Accounts

The Issuer Accounts opened in the name of the Issuer in the books of the Issuer Accounts Bank include:

- (a) the "**Issuer Cash Accounts**", including the Issuer General Account (denominated in Euro), the Cash Collateral Account (denominated in Euro), the Share Capital Proceeds Account (denominated in Euro) and the Affiliate Debt Commingling Account; and
- (b) the "**Issuer Securities Accounts**", which are securities account (*comptes d'instruments financiers*) opened in relation to each Issuer Cash Account,

it being provided that, according to the Administrative Agreement, the Administrator may, to the extent permitted by the SFH Legal Framework, open these Issuer Cash Accounts and Issuer Securities Accounts in the books of any central bank in lieu of the Issuer Accounts Bank and may open within the books of the Issuer Accounts Bank or any central bank, any new bank cash account in the name of the Issuer which may be necessary or advisable for the performance by the Issuer of its rights and obligations under any Programme Document, and notably in case of issuance of Covered Bonds denominated in a Specified Currency other than Euro provided that an Issuer Securities Account (*compte de titres financiers*) is opened in relation to each such Issuer Cash Account.

The Administrator shall open, as the case may be, the swap collateral account in the name of the Issuer and within the books of the Issuer Accounts Bank or any central bank in accordance with the provisions of the Issuer Hedging Agreement.

Funds Allocation

Each of the Issuer Bank Accounts shall be exclusively allocated to the operation of the Issuer.

All sums standing to the credit balance of the Issuer Cash Accounts may be invested from time to time in Permitted Investments by the Administrator (see section entitled "**The Issuer - The Administrative Agreement**").

Operation

The Issuer Cash Accounts shall not be operated by the Issuer Accounts Bank otherwise than in accordance with the provisions of the Issuer Accounts Agreement and the Administrative Agreement and, in particular, the Issuer Accounts Bank shall be entitled to refuse to, without being liable for any such refusal:

- (a) deliver credit cards or other means of payment with respect to the Issuer Cash Accounts or make any transfer from any of the Issuer Cash Accounts upon instructions of the Administrator other than by bank transfer or any such other means as is agreed with the Issuer;
- (b) debit any of the Issuer Cash Accounts upon instructions of any person other than the Issuer or the Administrator;
- (c) debit any of the Issuer Cash Accounts upon instructions of the Administrator, if the Issuer Accounts Bank is aware that such instructions may cause a debit balance of the relevant Issuer Cash Accounts (in which case the Issuer Accounts Bank will promptly inform the Administrator and the Issuer and postpone the performance of the relevant instructions until it has received the relevant renewed written instructions of the same); or
- (d) implement any instruction from the Issuer (or the Administrator acting on its behalf) in connection with the Issuer Accounts if it is aware that an implementation of such instruction would constitute a breach of any provision of the Issuer Accounts Agreement.

Issuer General Account

As from the Programme Date and on any relevant date thereafter, the Issuer General Account shall be credited or debited by the Issuer Accounts Bank, acting upon the instructions of the Issuer (or the Administrator acting on its behalf), with any and all amounts which are not specified to be credited or debited to any other Issuer Cash Accounts (the "**Issuer General Account**").

Cash Collateral Account

The Cash Collateral Account shall be credited and debited only subject to, and in accordance with, the Cash Collateral Agreement as described in sections "**The main Programme Documents – The Cash Collateral Agreement - The Cash Collateral Account**", "**Asset Monitoring - The Legal Liquidity Reserve**" and "**Asset Monitoring - The Pre-Maturity Test**" (the "**Cash Collateral Account**").

Upon the occurrence of a Borrower Event of Default which is enforced subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement, the Issuer (or the Administrator acting on its behalf) will give the appropriate instructions in order to ensure that the balance of the Cash Collateral Account be allocated in accordance with the applicable Priority Payment Order.

Share Capital Proceeds Account

On or prior to the Programme Date and upon instruction of the Issuer (or the Administrator acting on its behalf), the Share Capital Proceeds Account shall be credited with the amount of the Issuer Share Capital, the Issuer Subordinated Loan and the Super Subordinated Bonds Issue (the "**Share Capital Proceeds Account**").

The funds standing to the Share Capital Proceeds Account shall be invested from time to time in Permitted Investments. Such funds and the proceeds from the relevant Permitted Investments shall be included in the Issuer's available funds and allocated to the payments due by the Issuer in accordance with the applicable Priority Payment Order.

Representations, warranties and undertakings

The Issuer Accounts Bank has made the customary representations and warranties and undertakings to the Issuer, the representations and warranties being given on the execution date of the Issuer Accounts Agreement and continuing until the Service Termination Date.

Indemnities

Pursuant to the Issuer Accounts Agreement, the Issuer Accounts Bank undertakes to hold harmless and fully and effectively indemnify the Issuer against all actions, proceedings, demands, damages, costs, expenses (including legal fees), claims, losses, prejudice or other liability, which the Issuer may sustain or incur as a consequence of the occurrence of any default by the Issuer Accounts Bank in its performance of any of its obligations under the Issuer Accounts Agreement.

Fees

In consideration of the services provided by the Issuer Accounts Bank to the Issuer under the Issuer Accounts Agreement, the Issuer (or the Administrator acting on its behalf) will pay to the Issuer Accounts Bank a fee to be computed subject to, and in accordance with, the provisions of the Issuer Accounts Agreement.

The Issuer Accounts Bank will not benefit from the *Privilège* for the payment of its fees or any other amounts that might be due by the Issuer under the Issuer Accounts Agreement.

Resignation of Issuer Accounts Bank

The Issuer Accounts Bank will not resign from the duties and obligations imposed on it as Issuer Accounts Bank pursuant to the Issuer Accounts Agreement, except as follows:

- (a) upon a determination that the performance of its duties under the Issuer Accounts Agreement will no longer be permissible under applicable law; and
- (b) in the case where the Issuer does not comply with any of its material obligations under the Issuer Accounts Agreement and fails to remedy the situation within one hundred and eighty (180) days from the receipt by the Issuer of a notice from the Issuer Accounts Bank (with copy to the Administrator).

Such resignation shall become effective upon replacement of the Issuer Calculation Agent.

Issuer Accounts Bank's Defaults

Each of the following events shall constitute an Issuer Accounts Bank's Default (an "**Issuer Accounts Bank's Default**"):

- (a) any material representation or warranty made by the Issuer Accounts Bank is or proves to have been incorrect or misleading in any material respect when made, and the same is not remedied (if capable of remedy) within sixty (60) Business Days after the Issuer has given notice thereof to the Issuer Accounts Bank or (if sooner) the Issuer Accounts Bank has knowledge of the same, provided that the Issuer, at its discretion, certifies that it is prejudicial to the interests of the holders of the relevant Covered Bonds;
- (b) the Issuer Accounts Bank fails to comply with any of its material obligations under the Issuer Accounts Agreement unless such breach is capable of remedy and is remedied within sixty (60) Business Days after the Issuer has given notice thereof to the Issuer Accounts Bank or (if sooner) the Issuer Accounts Bank has knowledge of the same, provided that the Issuer, at its discretion, certifies that it is prejudicial to the interests of the holders of the relevant Covered Bonds;
- (c) an Insolvency Event occurs in respect of the Issuer Accounts Bank; or
- (d) at any time it is or becomes unlawful for the Issuer Accounts Bank to perform or comply with any or all of its material obligations under the Issuer Accounts Agreement or any or all of its material obligations under the Issuer Accounts Agreement are not, or cease to be, legal, valid and binding.

If an Issuer Accounts Bank's Default occurs, the Issuer Accounts Bank shall notify the Issuer (or the Administrator) of such occurrence promptly after becoming aware of the same.

Issuer Accounts Bank Rating Trigger Event

If an Issuer Accounts Bank Rating Trigger Event occurs, the Issuer Accounts Bank will promptly notify the Issuer in writing of the occurrence of such event. Within thirty (30) calendar days of the occurrence of an Issuer Accounts Bank Rating Trigger Event:

- (a) the Issuer (or the Administrator acting on its behalf) shall have closed the then existing Issuer Bank Accounts and opened new accounts in its name under the terms of a new Issuer Accounts Agreement substantially on the same terms as the Issuer Accounts Agreement, with another financial institution whose (i) unsecured, unsubordinated and unguaranteed debt obligations are rated at least A-1 (short term) and A(long term) by S&P and (ii) issuer default rating (IDR) is rated at least F1 (short term) and at least A (long term) by Fitch (or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations or as per the most recently public available rating criteria methodology reports published by the Rating Agencies and (ii) commensurate with the then current ratings of the Covered Bonds); or
- (b) subject to prior Rating Affirmation, the Issuer Accounts Bank has obtained a guarantee of its obligations under the Issuer Accounts Agreement on terms acceptable to the Issuer, acting reasonably, from a financial institution whose (i) unsecured, unsubordinated and unguaranteed debt obligations are rated at least A-1 (short term) and A (long term) by S&P and (ii) issuer default rating (IDR) is rated at least F1 (short term) and A (long term) by Fitch (or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations or as per the most recently public available rating criteria methodology reports published by the Rating Agencies and (ii) commensurate with the then current ratings of the Covered Bonds),

provided that failure to comply with the provisions of paragraph (a) or paragraph (b) above (each, a "**Remedy to an Issuer Accounts Bank Rating Trigger Event**") within the relevant thirty (30) calendar day-period shall constitute an Issuer Accounts Bank Termination Event within the meaning of the Issuer Accounts Agreement.

For the purpose of the above, "**Issuer Accounts Bank Rating Trigger Event**" means the event in which:

- (i) the unsecured, unsubordinated and unguaranteed debt obligations of the then appointed Issuer Accounts Bank become rated below A-1 (short term) or A (long term) by S&P; or
- (ii) the issuer default rating (IDR) of the then Issuer Accounts Bank becomes rated below F1 (short term) or A (long term) by Fitch;

or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations or as per the most recently public available rating criteria methodology reports published by the Rating Agencies and (ii) commensurate with the then current ratings of the Covered Bonds.

The same provisions will apply each time an Issuer Accounts Bank Rating Trigger Event occurs in relation to any substitute financial institution appointed in replacement of an Issuer Accounts Bank.

Termination

"**Issuer Accounts Bank Termination Events**" under the Issuer Accounts Agreement will include the following events:

- (a) the Issuer Accounts Agreement has been terminated in accordance with its scheduled term;
- (b) the occurrence of any Issuer Accounts Bank's Default;
- (c) the failure to comply with one or the other remedies to an Issuer Accounts Bank Rating Trigger Event within the relevant 30 calendar day-period; or
- (d) as long as the Borrower is also the Issuer Accounts Bank, a Borrower Event of Default has occurred.

If an Issuer Accounts Bank Termination Event occurs, the Issuer shall terminate the appointment of the Issuer Accounts Bank under the Issuer Accounts Agreement by delivery of a written termination notice to the Issuer

Accounts Bank (the "**Notice of Termination**"). Upon receipt by the Issuer Accounts Bank of the Notice of Termination, the appointment of the Issuer Accounts Bank under the Issuer Accounts Agreement will terminate with effect not earlier than twenty (20) Business Days as from the receipt by the Issuer Accounts Bank of the Notice of Termination or at any other date that the Issuer may have specified in the Notice of Termination, save for any continuing obligations of the Issuer Accounts Bank contained in the Issuer Accounts Agreement.

Upon the resignation of the Issuer Accounts Bank or termination of its appointment as Issuer Accounts Bank hereunder in accordance with the terms of the Issuer Accounts Agreement, the Issuer shall replace BNP Paribas, as Issuer Accounts Bank, at the costs of BNP Paribas, by any legal entity (the "**Substitute Issuer Accounts Bank**"), the choice of which being subject to prior Rating Affirmation. Upon its appointment and unless otherwise agreed with the Issuer (but subject to prior Rating Affirmation), the Substitute Issuer Accounts Bank shall:

- (a) provide the Issuer with all necessary advice and assistance and know-how, whether technical or other, including in connection with the opening, maintaining and operation of the Issuer Accounts and the Programme Documents and, in particular, as described under the Issuer Accounts Agreement;
- (b) together with the Issuer Accounts Bank, take all steps necessary to replace the Issuer Accounts Bank in all rights and obligations arisen from the Programme Documents to which the Issuer Accounts Bank is a party and, for such purposes, become a party, as Issuer Accounts Bank, to any relevant Programme Documents to which the Issuer Accounts Bank is a party;

Notwithstanding its resignation or the termination of its appointment as Issuer Accounts Bank in accordance with the terms of the Issuer Accounts Agreement and notwithstanding any other provision of the Issuer Accounts Agreement, the duties of the Issuer Accounts Bank under the Issuer Accounts Agreement shall continue and the Issuer Accounts Bank shall continue to be bound by all its obligations under the Issuer Accounts Agreement until the earlier of (i) its replacement as Issuer Accounts Bank, or (ii) the termination of the Issuer Accounts Bank Agreement in accordance with its terms (the "**Service Termination Date**").

Term and Termination of the Issuer Accounts Bank Agreement

The Issuer Accounts Bank Agreement shall remain in effect for an initial period of ten (10) years and shall be automatically renewed for additional ten-year periods unless a party thereto notifies to the others its intention to terminate the Issuer Accounts Bank Agreement three (3) months prior to the end of the initial period or the additional periods, as the case may be in which case the Issuer Accounts Agreement shall terminate at the end of such three-month period.

Without prejudice to the other terms of the Issuer Accounts Bank Agreement, the Issuer Accounts Bank Agreement shall terminate:

- (a) on its term as defined above;
- (b) if earlier than its term as defined above, if the Issuer and any Substitute Issuer Accounts Bank replacing (i) BNP Paribas as Issuer Accounts Bank or (ii) a previous Issuer Accounts Bank having replaced BNP Paribas as Issuer Accounts Bank agree in writing to cease to be bound by the Issuer Accounts Bank Agreement and execute another agreement for the performance of the services contemplated by the Issuer Accounts Agreement; or
- (c) if earlier than its term as defined above and upon failure to replace the Issuer Accounts Bank (i) the last day of the ninety (90) calendar days period starting on the date of resignation of the Issuer Accounts Bank, or (ii) the last day of the sixty (60) calendar days period starting on the date a Notice of Termination is delivered to the Issuer Accounts Bank.

The termination of the Issuer Accounts Agreement in accordance with its terms shall trigger the termination of the appointment of BNP Paribas as Issuer Accounts Bank thereunder on the relevant termination date of the Issuer Accounts Agreement.

Limited Recourse - Non petition - Amendments

The Issuer Accounts Agreement includes "Limited Recourse", "Non petition" and "Amendments" provisions, as

described in "**The Issuer - Issuer's Activities – Limited Recourse**", "**The Issuer - Issuer's Activities - Non-Petition**" and "**Terms and Conditions of the Covered Bonds - 5(h) Programme Documents**".

VII. THE CALCULATION SERVICES AGREEMENT

This section sets out the main material terms of the Calculation Services Agreement.

Background

The "**Calculation Services Agreement**" refers to the agreement dated on or prior to the Programme Date and entered into between (i) BNP Paribas Home Loan SFH, in its capacity as "Lender" and (ii) BNP Paribas, in its capacity as "Issuer Calculation Agent" (the "**Issuer Calculation Agent**").

Purpose

Under the Calculation Services Agreement, BNP Paribas Home Loan SFH, as Issuer, appoints BNP Paribas as its servicer for the purposes of any calculation and determinations to be made under the Programme Documents (but excluding all calculation and determinations to be made with respect to the Series of Covered Bonds, such calculation and determinations to be made on behalf of the Issuer by the Calculation Agent under the Issuer Agency Agreement). The Issuer Calculation Agent will always act in the best and exclusive interest of BNP Paribas Home Loan SFH.

Duties of the Issuer Calculation Agent

Pursuant to the Calculation Services Agreement, the Issuer Calculation Agent will inter alia undertake:

- (a) any and all calculation in relation to the Borrower Facility Agreement and the Affiliate Facility Agreement, including, but not limited to, any interest and principal amounts and the effective global rate (*taux effectif global*);
- (b) any and all calculation in relation to the Borrower Collateral Security Agreement and the Affiliate Collateral Security Agreement, including, but not limited to, the Asset Cover Test (see section entitled "**Asset Monitoring**");
- (c) any and all calculation in relation to the Cash Collateral Agreement (see sections "**The main Programme Documents – The Cash Collateral Agreement**", "**The main Programme Documents – Affiliate Debt Commingling Account**" and "**Asset Monitoring**");
- (d) any and all calculation in relation to the Amortisation Test (see section entitled "**Asset Monitoring**").

Substitution and Agency

The Issuer Calculation Agent may not assign its rights and obligations under the Calculation Services Agreement but will have the right to be assisted by, to appoint or to substitute for itself any third party in the performance of certain or all its tasks under the Calculation Services Agreement provided that:

- (a) the Issuer Calculation Agent remains liable to the Issuer for the proper performance of those tasks and, with respect to the Issuer only, the relevant third party has expressly waived any right to any contractual claim against the Issuer; and
- (b) the relevant third party has undertaken to comply with all obligations binding upon the Issuer Calculation Agent under the Calculation Services Agreement.

Fees

In consideration of the services provided by the Issuer Calculation Agent to the Issuer under the Calculation Services Agreement, the Issuer will pay to the Issuer Calculation Agent a servicing fee computed subject to, and in accordance with, the provisions of the Calculation Services Agreement.

The Issuer Calculation Agent will not benefit from the *Privilège* for the payment of its fees or any other amounts that might be due to it by the Issuer under the Calculation Services Agreement.

Representations, warranties and undertakings

The Issuer Calculation Agent has made the customary representations and warranties and undertakings to the Issuer, the representations and warranties being given on the execution date of the Calculation Services Agreement and continuing until the Service Termination Date.

Indemnities

Pursuant to the Calculation Services Agreement, the Issuer Calculation Agent undertakes to hold harmless and fully and effectively indemnify the Issuer against all actions, proceedings, demands, damages, costs, expenses (including legal fees), claims, losses, prejudice or other liability, which the Issuer may sustain or incur as a consequence of the occurrence of any default by the Issuer Calculation Agent in its performance of any of its obligations under the Calculation Services Agreement.

Resignation of the Issuer Calculation Agent

The Issuer Calculation Agent will not resign from the duties and obligations imposed on it as Issuer Calculation Agent pursuant to the Calculation Services Agreement, except:

- (a) upon a determination that the performance of its duties under the Calculation Services Agreement will no longer be permissible under applicable law; and
- (b) in the case where the Issuer does not comply with any of its material obligations under the Calculation Services Agreement and fails to remedy the situation within one hundred and eighty days (180) from the receipt by the Issuer of a notice from the Issuer Calculation Agent.

Such resignation shall however be effective upon replacement of the Issuer Calculation Agent.

Issuer Calculation Agent's Defaults

Issuer Calculation Agent's Defaults will occur upon the occurrence of the following events:

- (a) any material representation or warranty made by the Issuer Calculation Agent is or proves to have been incorrect or misleading in any material respect when made, and the same is not remedied (if capable of remedy) within sixty (60) Business Days after the Issuer has given notice thereof to the Issuer Calculation Agent or (if sooner) the Issuer Calculation Agent has knowledge of the same, provided that the Issuer, at its discretion, certifies that it is prejudicial to the interests of the holders of the relevant Covered Bonds;
- (b) the Issuer Calculation Agent fails to comply with any of its material obligations under the Calculation Services Agreement unless such breach is capable of remedy and is remedied within sixty (60) Business Days after the Issuer has given notice thereof to the Issuer Calculation Agent or (if sooner) the Issuer Calculation Agent has knowledge of the same, provided that the Issuer, at its discretion, certifies that it is prejudicial to the interests of the holders of the relevant Covered Bonds;
- (c) an Insolvency Event occurs in respect of the Issuer Calculation Agent; or
- (d) at any time it is or becomes unlawful for the Issuer Calculation Agent to perform or comply with any or all of its material obligations under the Calculation Services Agreement or any or all of its material obligations under the Calculation Services Agreement are not, or cease to be, legal, valid and binding.

If an Issuer Calculation Agent's Default has occurred, the Issuer Calculation Agent shall notify the Issuer of such occurrence promptly after becoming aware of it.

Issuer Calculation Agent Rating Trigger Event

If an Issuer Calculation Agent Rating Trigger Event occurs, the Issuer Calculation Agent will notify the Issuer in writing of the occurrence of the Issuer Calculation Agent Rating Trigger Event within five (5) Business Days from the date upon which it becomes aware of such event and this will constitute a termination event under the Calculation Services Agreement.

For such purposes, "**Issuer Calculation Agent Rating Trigger Event**" means the event in which (i) the long-term senior unsecured, unsubordinated and unguaranteed debt obligations of the Issuer Calculation Agent become rated below BBB by S&P, or (ii) its senior long-term issuer default rating (IDR) becomes rated below BBB by Fitch (or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations or as per the most recently public available rating criteria methodology reports published by the Rating Agencies and (ii) commensurate with the then current ratings of the Covered Bonds).

Termination

"**Issuer Calculation Agent Termination Events**" under the Calculation Services Agreement will include the following events:

- (a) the occurrence of any Issuer Calculation Agent's Default;
- (b) the occurrence of the Issuer Calculation Agent Rating Trigger Event; or
- (c) the occurrence of a Borrower Event of Default.

If an Issuer Calculation Agent Termination Event occurs, the Issuer shall terminate the appointment of the Issuer Calculation Agent under the Issuer Calculation Services Agreement by delivery of a written termination notice to the Issuer Calculation Agent (the "**Notice of Termination**"). Upon receipt by the Issuer Calculation Agent of the Notice of Termination, the appointment of the Issuer Calculation Agent under the Issuer Calculation Services Agreement will terminate with effect:

- (a) not earlier than twenty (20) Business Days as from the receipt by the Issuer Calculation Agent of the Notice of Termination, if such Notice of Termination is served due to the occurrence of an Issuer Calculation Agent Rating Trigger Event;
- (b) not earlier than twenty (20) Business Days as from the receipt by the Issuer Calculation Agent of the Notice of Termination or at any other date that the Issuer may have specified in the Notice of Termination, if such Notice of Termination is served due to any other reason,

and save for any continuing obligations of the Issuer Calculation Agent contained in the Calculation Services Agreement.

Upon the resignation of the Issuer Calculation Agent or termination of its appointment as Issuer Calculation Agent hereunder in accordance with the terms of the Issuer Calculation Services Agreement, the Issuer shall replace BNP Paribas, as Issuer Calculation Agent, by any legal entity (the "**Substitute Issuer Calculation Agent**"), the choice of which being subject to prior Rating Affirmation. Upon its appointment and unless otherwise agreed with the Issuer (but subject to prior Rating Affirmation), the Substitute Issuer Calculation Agent shall:

- (a) provide the Issuer with all necessary assistance and know-how, whether technical or other, as described under this Calculation Services Agreement;
- (b) together with the Issuer Calculation Agent, take all steps necessary to replace the Issuer Calculation Agent in all rights and obligations arisen from the Programme Documents to which the Issuer Calculation Agent is a party and, for such purposes, become a party, as Issuer Calculation Agent, to any relevant Programme Documents to which the Issuer Calculation Agent is a party;

Notwithstanding its resignation or the termination of its appointment in accordance with the terms of the Issuer Calculation Services Agreement and notwithstanding any other provision of the Issuer Calculation Services Agreement, the duties of the Issuer Calculation Agent under the Issuer Calculation Services Agreement shall continue and the Issuer Calculation Agent shall continue to be bound by all its obligations hereunder until the earlier of (i) its replacement as Issuer Calculation Agent and (ii) the termination of the Issuer Calculation Services Agreement in accordance with its terms (the "**Service Termination Date**").

Term and Termination of the Issuer Calculation Services Agreement

The Issuer Calculation Services Agreement shall remain in effect for an initial period of ten (10) years and shall be automatically renewed for additional ten-year periods unless a party thereto notifies to the others its intention to terminate the Issuer Calculation Services Agreement three (3) months prior to the end of the initial period or the additional periods, as the case may be in which case this Calculation Services Agreement shall terminate at the end of such three-month period.

Without prejudice to the other terms of the Issuer Calculation Services Agreement, the Issuer Calculation Services Agreement shall terminate:

- (a) on its term as defined above;
- (b) if earlier than its term as defined above, if the Issuer and any Substitute Issuer Calculation Agent replacing (i) BNP Paribas as Issuer Calculation Agent or (ii) a previous Issuer Calculation Agent having replaced BNP Paribas as Issuer Calculation Agent agree in writing to cease to be bound by the Issuer Calculation Services Agreement and execute another agreement for the performance of the services contemplated by the Issuer Calculation Services Agreement; or
- (c) if earlier than its term defined above and upon failure to replace the Issuer Calculation Agent (i) the last day of the ninety (90) calendar days period starting on the date of resignation of the Issuer Calculation Agent, or (ii) the last day of the sixty (60) calendar days period starting on the date a Notice of Termination is delivered to the Issuer Calculation Agent.

The termination of the Issuer Calculation Services Agreement in accordance with its terms shall trigger the termination of the appointment of BNP Paribas as Issuer Calculation Agent thereunder on the relevant termination date of the Issuer Calculation Services Agreement.

Limited Recourse - Non petition - Amendments

The Calculation Services Agreement includes "Limited Recourse", "Non petition" and "Amendments" provisions, as described in "**The Issuer - Issuer's Activities – Limited Recourse**", "**The Issuer - Issuer's Activities - Non-Petition**" and "**Terms and Conditions of the Covered Bonds - 5(h) Programme Documents**".

VIII. THE ASSET MONITOR AGREEMENT

This section sets out the main material terms of the Asset Monitor Agreement.

Background

The "**Asset Monitor Agreement**" refers to the agreement dated on or prior to the Programme Date and made between (i) the Issuer, (ii) BNP PARIBAS as the "Issuer Calculation Agent" or, as the applicable, the "Administrator" and (iii) KPMG LLP as Asset Monitor (the "**Asset Monitor**").

Under the Asset Monitor Agreement, KPMG LLP has been appointed as Asset Monitor by the Issuer to carry out, subject to due receipt of the information to be provided by the Issuer Calculation Agent to the Asset Monitor, various testing and notification duties in relation to the calculations performed by the Calculation Agent in relation to the Asset Cover Test and the Amortisation Test subject to and in accordance with the terms of the Asset Monitor Agreement.

Services of the Asset Monitor

If the Asset Cover Test Date immediately preceding an anniversary of the Programme Date falls prior to the occurrence of a Borrower Event of Default, and subject to receipt of the information to be provided to it by the Issuer Calculation Agent in relation to the calculations performed by the Issuer Calculation Agent regarding the relevant Asset Cover Test, the Asset Monitor will test the arithmetic accuracy of the calculations performed by the Issuer Calculation Agent in relation to the Asset Cover Test on the Asset Cover Test Date immediately preceding an anniversary of the Programme Date, as applicable, with a view to reporting on the arithmetic accuracy or otherwise of such calculations.

On each Amortisation Test Date (it being provided that the first Amortisation Test Date shall be the 20th day of the calendar month immediately following the enforcement of a Borrower Event of Default) and subject to receipt of the information to be provided to it by the Issuer Calculation Agent in relation to the calculations performed by the Issuer Calculation Agent regarding the relevant Amortisation Test, the Asset Monitor will test the arithmetic accuracy of the calculations performed by the Issuer Calculation Agent in relation to the Amortisation Test on the relevant Amortisation Test Date, with a view to reporting on the arithmetic accuracy or otherwise of such calculations.

Upon the occurrence of a Calculation Monitoring Rating Trigger Event and for so long as such Calculation Monitoring Rating Trigger Event is continuing, or, if the Asset Monitor has been notified of the occurrence of a Non-Compliance with Asset Cover Test or of a Non-Compliance with Amortisation Test (see section entitled "**Asset Monitoring**"), and subject to receipt of the information to be provided to the Asset Monitor, the Asset Monitor shall conduct the tests of the Issuer Calculation Agent's calculations referred to above, as applicable, in respect of every Asset Cover Test Date or Amortisation Test Date, as applicable.

For the purposes of this section "**Calculation Monitoring Rating Trigger Event**" means the event in which (i) the long-term senior unsecured, unsubordinated and unguaranteed debt obligations of BNP Paribas become rated below BBB by S&P or (ii) the long-term senior issuer default rating (IDR) becomes rated below BBB by Fitch (or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations or as per the most recently public available rating criteria methodology reports published by the Rating Agencies and (ii) commensurate with the then current ratings of the Covered Bonds).

If the tests conducted by the Asset Monitor in accordance the provisions above, reveal arithmetic errors in the relevant calculations performed by the Issuer Calculation Agent such that:

- the Asset Cover Test had been failed on the relevant Asset Cover Test Date (where the Issuer Calculation Agent had recorded it as being satisfied); or
- the Amortisation Test had been failed on the relevant Amortisation Test Date (where the Issuer Calculation Agent had recorded it as being satisfied);

and subject to receipt of the information to be provided to the Asset Monitor, for a period of six (6) months thereafter, the Asset Monitor shall conduct the tests of the Issuer Calculation Agent's calculations referred to above, in respect of every Asset Cover Test Date or Amortisation Test Date, as applicable, occurring during such six (6) month period.

The Asset Monitor shall notify, on a confidential basis, the parties to the Asset Monitor Agreement (with copy to the Rating Agencies), in writing, of the relevant calculations performed by the Issuer Calculation Agent and of the results of its tests of the accuracy of the Issuer Calculation Agent's calculations. If the calculations performed by the Issuer Calculation Agent have not been performed correctly, the Asset Monitor will report the correct calculation of the Asset Cover Test or Amortisation Test, as applicable.

The Asset Monitor is entitled, in the absence of manifest error, to assume that all information provided to it is true and correct and is complete and not misleading and is not required to conduct an audit or other similar examination in respect of or otherwise take steps to verify the accuracy or completeness of such information.

Termination

The Issuer may, at any time, terminate the appointment of the Asset Monitor hereunder upon providing the Asset Monitor with sixty (60) days' prior written notice, provided that such termination may not be effected unless and

until a replacement has been found by the Issuer which agrees to perform the duties (or substantially similar duties) of the Asset Monitor set out in the Asset Monitor Agreement.

The Asset Monitor may, at any time, resign from its appointment under the Asset Monitor Agreement upon providing the Issuer (copied to the Rating Agencies) with sixty (60) days' prior written notice, provided that such resignation shall not be effected unless and until a replacement, which agrees to perform the duties (or substantially similar duties) of the Asset Monitor set out in the Asset Monitor Agreement has been found by the Issuer.

Fees

Under the terms of the Asset Monitor Agreement, the Issuer will pay to the Asset Monitor a fee for the tests to be performed by the Asset Monitor.

The Asset Monitor will not benefit from the *Privilège* for the payment of its fees or any other amounts that might be due to it by the Issuer under the Asset Monitor Agreement.

Limited Recourse - Non petition - Amendments

The Asset Monitor Agreement includes "Limited Recourse", "Non petition" and "Amendments" provisions, as described in "**The Issuer - Issuer's Activities – Limited Recourse**", "**The Issuer - Issuer's Activities - Non-Petition**" and "**Terms and Conditions of the Covered Bonds - 5(h) Programme Documents**".

ASSET MONITORING

For the avoidance of doubt, it is specified that the expression "Covered Bonds" will include German Law Covered Bonds and French Law Covered Bonds and the expression "Bondholders" includes any holder of such Covered Bonds, in the following section.

Under the Borrower Collateral Security Agreement and for so long as no Borrower Event of Default has occurred and been enforced subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement, the Borrower shall monitor the Borrower Collateral Security Assets and cause each Affiliate to monitor the relevant Affiliate Collateral Security Assets so as to ensure compliance with an asset cover test (the "**Asset Cover Test**").

Under the SFH Legal Framework, the Specific Controller shall monitor the Collateral Security Assets so as to ensure compliance with a Minimum Legal Overcollateralisation Ratio (the "**Minimum Legal Overcollateralisation Ratio**") and a maximum percentage of Legal Substitution Assets (the "**Maximum Legal Substitution Assets Percentage**").

Under the Cash Collateral Agreement and for so long as no Borrower Event of Default has occurred and been enforced subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement, the Borrower, as Cash Collateral Provider, shall fund the Cash Collateral Account up to an amount determined in accordance with the Cash Collateral Agreement.

Under Condition 5(f) and following the enforcement of a Borrower Event of Default subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement, the Issuer shall ensure compliance with an amortisation test (the "**Amortisation Test**").

I. THE ASSET COVER TEST

The following terms shall have the following definitions:

"**Asset Cover Test Date**" means the twentieth (20th) day of each calendar month and each issuance date of a Series or a Tranche of Covered Bonds. The first Asset Cover Test Date was on 20 December 2006.

"**Asset Cover Test Calculation Period**" means, in relation to any Asset Cover Test Date, each period starting on, and including, the immediately preceding Asset Cover Test Date, and ending on, and excluding such Asset Cover Test Date.

Compliance with the Asset Cover Test requires compliance with the asset cover ratio R specified below (the "**Asset Cover Ratio**"). Such compliance is tested by the Issuer Calculation Agent from time to time subject to, and in accordance with, the relevant terms of the Borrower Collateral Security Agreement and the Calculation Services Agreement.

The Asset Cover Ratio (R)

"**R**" means the following ratio which shall be at least equal to one (1) at each Asset Cover Test Date:

$$R = \left[\frac{\text{Adjusted Aggregate Asset Amount (AAAA)}}{\text{Aggregate Covered Bond Outstanding Principal Amount}} \right]$$

whereby:

"**Aggregate Covered Bond Outstanding Principal Amount**" or "**ACBOPA**" means, at any Asset Cover Test Date, the aggregate amount of principal (in Euro or Euro equivalent with respect to Covered Bonds denominated in a Specified Currency) outstanding at such date under all Covered Bonds.

"**Adjusted Aggregate Asset Amount (AAAA)**" means, at any Asset Cover Test Date:

$$(AAAA) = A + B + C + D$$

whereby:

"A" means the lower of "A1" and "A2".

"A1" is equal to the sum of all Adjusted Home Loan Outstanding Principal Amounts of all Relevant Home Loans (see section entitled "**The main Programme Documents - The Borrower Collateral Security**" for a description of the Home Loans Eligibility Criteria) during the applicable Asset Cover Test Calculation Period (the "**Relevant Home Loans**"), as such Adjusted Home Loan Outstanding Principal Amounts under Borrower Facility will be calculated on the relevant Asset Cover Test Date, whereby:

"Adjusted Home Loan Outstanding Principal Amount" means, with respect to each Relevant Home Loan granted as Borrower Collateral Security or Affiliate Collateral Security, the lower of:

- (i) the Home Loan Outstanding Principal Amount of such Relevant Home Loan minus the Applicable Deemed Reductions; and
- (ii) the LTV Cut-Off Percentage of the Indexed Valuation relating to such Relevant Home Loan minus the Applicable Deemed Reductions;

it being provided that the "Adjusted Home Loan Outstanding Principal" of each Home Loan granted as Affiliate Collateral Security by any Affiliate shall account for zero if the Borrower, at its discretion, elects not to enforce such Affiliate Collateral Security in its favour following the service by it of an Affiliate Enforcement Notice to such Affiliate in accordance with the relevant terms of the relevant Affiliate Facility Agreement.

"Applicable Deemed Reductions" means the aggregate sum of the financial losses incurred by the Borrower or (as appropriate) any Affiliate with respect to the Relevant Home Loans to the extent that such financial losses have been incurred as a direct result of a material breach of the Servicing Procedures by the Borrower or (as appropriate) such Affiliate during the applicable Asset Cover Test Calculation Period (see section entitled "**The main Programme Documents - The Borrower Collateral Security Agreement – Asset Servicing**" for a description of the Servicing Procedures).

"Home Loan Outstanding Principal Amount" means, with respect to each Relevant Home Loan, the amount of principal outstanding at the relevant Asset Cover Test Date under such Relevant Home Loan.

"Index" means the index of increases of house prices issued by INSEE in relation to residential properties in France.

"Indexed Valuation" means at any date in relation to any Relevant Home Loan secured over any property:

- (i) where the Original Market Value of that property is equal to or greater than the Price Indexed Valuation as at that date, the Price Indexed Valuation; or
- (ii) where the Original Market Value of that property is less than the Price Indexed Valuation as at that date, the Original Market Value plus eighty per cent. (80%) of the difference between the Price Indexed Valuation and the Original Market Value.

"LTV Cut-Off Percentage" means:

- (i) eighty per cent. (80%) for each Relevant Home Loan secured by a Mortgage;
- (ii) eighty per cent. (80%) for each Relevant Home Loan secured by a Home Loan Guarantee issued by *Crédit Logement*;
- (iii) a percentage which will be agreed with the Rating Agencies from time to time for each Relevant Home Loan that has the benefit of an insurance policy with an acceptable insurer or guarantee with an acceptable financial institution, insuring the credit risk under such Relevant Home Loan; and
- (iv) a percentage which will be determined in accordance with the methodologies published by S&P and Fitch from time to time for each Relevant Home Loan not mentioned under (i) to (iii) above.

"Original Market Value" in relation to any property means the purchase price of such property or (as applicable) the most recent valuation of such property, as disclosed to the Borrower or the relevant Affiliate by the relevant debtor under the related Relevant Home Loan.

"Price Indexed Valuation" in relation to any property at any date means the Original Market Value of that property increased or decreased as appropriate by the increase or decrease in the Index since the date of the Original Market Value.

"Relevant Home Loan" means, with respect to a given Asset Cover Test Date, any Home Loan from which Home Loan Receivables have been granted as Borrower Collateral Security or Affiliate Collateral Security, excluding Home Loans which do not comply any more with the applicable Home Loan Eligibility Criteria.

"A2" is equal to the sum of all unadjusted "Home Loan Outstanding Principal Amounts" of all Relevant Home Loans minus the Applicable Deemed Reductions (as defined above) multiplied by the applicable Asset Percentage, whereby:

"Asset Percentage" means (i) ninety-two point five per cent. (92.5%) or (ii) such percentage figure as is determined on quarterly basis by the Issuer Calculation Agent pursuant to the relevant terms of the Borrower Collateral Security Agreement.

For the purpose of the calculation of the Asset Percentage referred to in (ii) above, the Issuer Calculation Agent will calculate, on a quarterly basis (subject to below), the WARR, the WAFF, and the WALs (and/or such figures calculated by the Issuer Calculation Agent in accordance with any relevant alternative methodologies published by S&P and Fitch) for all Relevant Home Loans or for a random sample of the same. The WARR, WAFF and WALs (or other relevant figures) so calculated will be incorporated by the Issuer Calculation Agent into one (1) or more cash flow models designed by the Issuer Calculation Agent in accordance with the methodologies published by S&P and Fitch. Such models, which test the credit enhancement required in various cash flow scenarios, will indicate, on the basis of the latest WARR, WAFF and WALs figures (or other relevant figures), the Asset Percentage needed in order to provide credit enhancement to cover all such cash flow scenarios. Save where otherwise determined in accordance with the methodologies published by S&P and Fitch, the Asset Percentage will be adjusted in accordance with the various methodologies published by S&P and Fitch provided that the Asset Percentage may not, at any time, exceed ninety two point five per cent. (92.5%).

"B" is equal to the aggregate amount of cash standing to the credit of the Cash Collateral Account, as reported by the Borrower in the relevant Asset Report.

"C" is equal to the aggregate value outstanding under all Eligible Substitution Assets held by the Issuer (the **"Aggregate Eligible Substitution Asset Amount (AESAA)"**) provided that, the amount of the Aggregate Eligible Substitution Asset Amount (AESAA) (whatever such amount is at any Asset Cover Test Date) shall in any event account only for up to twenty per cent. (20%) of the Adjusted Aggregate Asset Amount (AAAA) for the purposes hereof. The Aggregate Eligible Substitution Asset Amount (AESAA) shall be reported by the Borrower in the relevant Asset Report. Eligible Substitution Assets will be valued on the last Business Day of the calendar month immediately preceding each Asset Cover Test Date and be taken into account for their mark-to-market value at a discount based on a methodology published by the Rating Agencies.

For the purposes of the above calculation, an **"Eligible Substitution Asset"** is:

- (a) any Legal Substitution Asset (other than a Permitted Investment) which is a Euro or another Specified Currency demand or time deposit, certificate of deposit, long-term debt obligation or short-term debt obligation (including commercial paper) provided that in all cases such investment has a remaining period to maturity of one (1) year or less and the short-term unsecured, unguaranteed and unsubordinated debt obligations or, as applicable, the long-term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposit is made (being duly licensed for such purposes) are rated at least A1+/AA- by S&P and AA- and F1+ by Fitch (or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations or as per the most recently public available rating criteria methodology reports published by the Rating Agencies and (ii) commensurate with the then current ratings of the Covered Bonds); or

- (b) any Legal Substitution Asset (other than a Permitted Investment) which is a Euro or another Specified Currency denominated government and public securities, provided that such investment has a remaining maturity of one (1) year or less and is rated at least AAA by S&P and AAA by Fitch (or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations or as per the most recently public available rating criteria methodology reports published by the Rating Agencies and (ii) commensurate with the then current ratings of the Covered Bonds); or
- (c) any substitution assets which are eligible for an investment by a *société de financement à l'habitat* and which comply with the then applicable criteria determined in accordance with the methodologies published by the Rating Agencies.

"D" is equal to the aggregate value outstanding under all Permitted Investments, as determined by the Issuer Accounts Bank (or the Administrator on its behalf) and reported to the Issuer Calculation Agent pursuant to the Issuer Accounts Bank Agreement. Permitted Investments will be valued on the last Business Day of the calendar month immediately preceding each Asset Cover Test Date and be taken into account for their mark-to-market value at a discount based on a methodology published by the Rating Agencies.

Calculation of the Asset Cover Ratio (R)

On each Asset Cover Test Date, the Asset Cover Ratio (R) shall be calculated by the Issuer Calculation Agent according to the terms, definitions and calculation formula set forth above.

No later than three (3) Business Days following any Asset Cover Test Date, the Issuer Calculation Agent shall inform the Issuer and the Borrower (with a copy to the Rating Agencies and to the Asset Monitor) of its calculation of the Asset Cover Ratio (R).

Non Compliance with Asset Cover Test

Non compliance with the Asset Cover Test (the "**Non Compliance with Asset Cover Test**") would result from the Asset Cover Test Ratio (R) being less than one (1).

Remedies

Upon Non Compliance with Asset Cover Test on any Asset Cover Test Date, the Borrower shall (or, at its sole discretion and subject to the relevant terms of, the Affiliate Collateral Security Agreements, shall procure that the Affiliates):

- (i) grant additional or Eligible Assets as Borrower Collateral Security or (as appropriate) as Affiliate Collateral Security; and/or
- (ii) request a release of Eligible Assets from the Borrower Collateral Security or (as appropriate) the relevant Affiliate Collateral Security;

in each case, as necessary to cure such Non Compliance with Asset Cover Test.

A Non Compliance with Asset Cover Test does not constitute the occurrence of an Issuer Event of Default or a Borrower Event of Default. However, it will prevent the Issuer from issuing any further Series as long as it remains unremedied.

Breach of Asset Cover Test

The failure by the Borrower to cure a Non Compliance with Asset Cover Test occurred on any Asset Cover Test Date prior to the next following Asset Cover Test Date shall constitute a "**Breach of Asset Cover Test**" within the meaning of the Borrower Collateral Security Agreement. The Issuer Calculation Agent will inform promptly the Issuer and the Borrower (with a copy to the Rating Agencies and to the Asset Monitor) of its calculation of the Asset Cover Ratio and, if applicable, the occurrence of a Breach of Asset Cover Test.

A Breach of Asset Cover Test constitutes the occurrence of a Borrower Event of Default.

A Breach of Asset Cover Test will not constitute the occurrence of an Issuer Event of Default but will prevent the Issuer from issuing any further Series, except for the purposes of subscription by the Issuer of Auto-held Covered-Bonds in accordance with Condition 19.

II. THE MINIMUM LEGAL OVERCOLLATERALISATION RATIO

In accordance with the French SFH Legal Framework on the date hereof, and in particular pursuant to Articles L. 513-12 and R. 515-7-2 of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer must at all times maintain a Minimum Legal Overcollateralisation Ratio (see section entitled "**Summary of the SFH Legal Framework**").

Non-compliance by the Issuer with the Minimum Legal Overcollateralisation Ratio shall constitute a "**Breach of Minimum Legal Overcollateralisation Ratio**". The Specific Controller is legally responsible for notifying promptly the Issuer and the *Autorité de contrôle prudentiel et de résolution* of the occurrence of a Breach of Minimum Legal Overcollateralisation Ratio. Upon such notification, the Issuer shall then notify the Borrower, the Rating Agencies, the Asset Monitor and the Issuer Calculation Agent of the same.

A Breach of Minimum Legal Overcollateralisation Ratio does not constitute the occurrence of a Borrower Event of Default or an Issuer Event of Default. However, it may trigger the withdrawal of the license of the Issuer as a *société de financement de l'habitat*.

III. THE MAXIMUM LEGAL SUBSTITUTION ASSETS PERCENTAGE

Pursuant to Articles L. 513-7 and R. 515-7 of the French Monetary and Financial Code (*Code monétaire et financier*), the Legal Substitution Assets of the Issuer shall not exceed the Maximum Legal Substitution Assets Percentage save for those Legal Substitution Assets set out in paragraph 2 of Article R. 515-7 and paragraph 2 of Article R. 515-16 of the French Monetary and Financial Code (*Code monétaire et financier*) (see section "**Summary of the SFH Legal Framework**").

Upon the Legal Substitution Assets of the Issuer exceeding the Maximum Legal Substitution Assets Percentage, this shall constitute a "**Breach of Maximum Legal Substitution Assets Limit**" by the Issuer. The Specific Controller ensures the Issuer and the *Autorité de contrôle prudentiel et de résolution* are promptly notified of the occurrence of a Breach of Maximum Legal Substitution Assets Limit. Upon receipt of such notice, the Issuer will then notify the Borrower, the Rating Agencies, the Asset Monitor and the Issuer Calculation Agent of the same.

A Breach of Maximum Legal Substitution Assets Limit does not constitute the occurrence of a Borrower Event of Default or an Issuer Event of Default. However, it may trigger the withdrawal of the license of the Issuer as a *société de financement de l'habitat*.

IV. THE LEGAL LIQUIDITY RESERVE

In order to enable the Issuer to meet its obligation to cover its liquidity needs in accordance with the SFH Legal Framework, pursuant to the provisions of the Cash Collateral Agreement, the Cash Collateral Provider shall fund the Cash Collateral Account up to an amount equal to, on each calendar day, the amount corresponding to the liquidity needs of the Issuer for the coming Legal Liquidity Cover Period calculated in accordance with the provisions of Article R. 515-7-1 of the French Monetary and Financial Code (*Code monétaire et financier*) (as it may be amended from time to time) by taking into account expected principal and interests inflows due by all the debtors under the Collateral Security Assets and net flows under the Hedging Agreements less, as the case may be, the amount of any Legal Substitution Assets held by the Issuer on such date and the value of any asset that are eligible as collateral to the credit transactions (*opérations de crédit*) of the *Banque de France* in accordance with the monetary policy and intra-day credit operations rules of the Eurosystem held by the Issuer on such date (the "**Legal Liquidity Reserve**").

Provided that, following the occurrence of a Pre-Maturity Rating Downgrade Event (as defined below), the obligations of the Cash Collateral Provider to fund the Legal Liquidity Reserve shall be read in conjunction with the obligation of the Cash Collateral Provider with respect to the Pre-Maturity Test (see section "**Asset monitoring - The Pre-Maturity Test**" below).

The failure by the Cash Collateral Provider to fund the Legal Liquidity Reserve in accordance with the relevant terms of the Cash Collateral Agreement does not constitute the occurrence of a Borrower Event of Default or an Issuer Event of Default but may trigger the withdrawal of the license of the Issuer as *société de financement de l'habitat*.

"**Legal Liquidity Cover Period**" means a period of one hundred and eighty (180) calendar days.

V. THE PRE-MATURITY TEST

The contractual liquidity test of the Issuer (the "**Pre-Maturity Test**") shall be deemed complied with for so long as, in relation to any and each Series of Covered Bonds, (i) no Pre-Maturity Rating Downgrade Event has occurred during any Pre-Maturity Test Period, or (ii) if, to the contrary, a Pre-Maturity Rating Downgrade Event has occurred during any Pre-Maturity Test Period, the Cash Collateral Provider has duly funded the Cash Collateral Account with the relevant Cash Collateral, up to the relevant amount within fourteen (14) calendar days from the day of occurrence of such Pre-Maturity Rating Downgrade Event.

The Cash Collateral Provider shall be requested to fund the Cash Collateral Account with the relevant Cash Collateral, up to the relevant amount, upon the occurrence of the downgrading, during any Pre-Maturity Test Period (as defined below), of the then applicable ratings of the Borrower below one (1) or more of the Pre-Maturity Rating Required Levels (as defined below) (each, a "**Pre-Maturity Rating Downgrade Event**"). The occurrence of a Pre-Maturity Rating Downgrade Event does not constitute the occurrence of a Borrower Event of Default or an Issuer Event of Default.

The following credit ratings with respect to the Borrower are defined as the "**Pre-Maturity Rating Required Levels**" for the purposes of the Cash Collateral Agreement:

- (i) A-1 (short-term) and A (long term) by S&P; and
- (ii) F1 + (short-term) by Fitch;

or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations or as per the most recently public available rating criteria methodology reports published by the Rating Agencies and (ii) commensurate with the then current ratings of the Covered Bonds.

Upon the occurrence of a Pre-Maturity Rating Downgrade Event, the Issuer Calculation Agent shall inform the Cash Collateral Provider of the same within three (3) Business Days from such occurrence by written notice (the "**Cash Collateral Funding Notice**") delivered to the Cash Collateral Provider (with a copy to the Issuer, the Administrator and the Rating Agencies).

At any relevant time and in particular upon receipt of a Cash Collateral Funding Notice by the Cash Collateral Provider, the Cash Collateral Provider shall fund the Cash Collateral Account within the required time period specified above up to an amount (the "**Cash Collateral Required Funding Amount**" or "**CCRFA**") calculated by the Issuer Calculation Agent as being equal to the greater of:

- (i) the Pre-Maturity Test Required Amount; and
- (ii) the amount of the Legal Liquidity Reserve on such date.

The following amount is defined as the "**Pre-Maturity Test Required Amount**" for the purposes of the Cash Collateral Agreement:

Pre-Maturity Test Required Amount = A+B+C

with:

- A = Pre-Maturity Covered Bond Principal Amount in relation to the relevant Series of Covered Bonds
- B = Pre-Maturity Covered Bond Interest Amount in relation to the relevant Series of Covered Bonds
- C = Pre-Maturity Costs

whereby:

"Pre-Maturity Costs" means the aggregate amount of fees, costs, expenses, taxes and other ancillary sums (excluding interest and principal amounts) scheduled to be paid by the Issuer within the next one hundred eighty (180th) calendar days and known by the Issuer at the date of the delivery of the Cash Collateral Funding Notice.

"Pre-Maturity Covered Bond Principal Amount" means the aggregate amount (in Euro or Euro equivalent with respect to Covered Bonds denominated in a Specified Currency) of principal that will become due and payable under any relevant outstanding Covered Bonds for which the relevant Pre-Maturity Test Period has started.

"Pre-Maturity Covered Bond Interest Amount" means the aggregate amount (in Euro or Euro equivalent with respect to Covered Bonds denominated in a Specified Currency) of interest that will become due and payable under any relevant outstanding Covered Bonds within the next one hundred eighty (180th) calendar days, taking into account the Hedging Strategy if applicable.

"Pre-Maturity Test Period" means (i) with respect to any Series of outstanding Covered Bonds which are not Soft Bullet Covered Bonds, the period starting from, and including, the one hundred eighty (180th) calendar day preceding the Final Maturity Date of that Series and ending on, and including, such Final Maturity Date, and (ii) with respect to any Series of outstanding Soft Bullet Covered Bonds, the period starting from, and excluding, the one hundred eighty (180th) calendar day preceding the Extended Final Maturity Date of that Series and ending on, and including, such Extended Final Maturity Date.

"Soft Bullet Covered Bonds" means the Covered Bonds containing an Extended Final Maturity Date specified in the relevant Final Terms.

The failure by the Cash Collateral Provider to fund the Cash Collateral Account up to the Pre-Maturity Test Required Amount within fourteen (14) calendar days from the day of occurrence of a Pre-Maturity Rating Downgrade Event shall constitute a **"Breach of Pre-Maturity Test"**. A Breach of Pre-Maturity Test constitutes the occurrence of a Borrower Event of Default.

VI. THE AMORTISATION TEST

Following the enforcement of a Borrower Event of Default subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement, the Issuer undertakes to comply with the Amortisation Test in accordance with Condition 5 (f) of the Terms and Conditions of the Covered Bonds.

For the purpose of the determination of the Amortisation Ratio, the following terms shall have the following definitions:

"Amortisation Test Date" means the twentieth (20th) day of each calendar month following the enforcement of a Borrower Event of Default.

"Amortisation Test Calculation Period" means, in relation to any Amortisation Test Date, each period starting on, and including, the immediately preceding Amortisation Test Date, and ending on, and excluding such Amortisation Test Date.

Compliance with the Amortisation Test requires compliance with the amortisation ratio RA specified below (the **"Amortisation Ratio (RA)"**). Such compliance is tested by the Issuer Calculation Agent from time to time throughout the period following the enforcement of a Borrower Event of Default subject to, and in accordance with the Condition 5(f) of the Terms and Conditions of the Covered Bonds and the Calculation Services Agreement.

The Amortisation Ratio

"RA" means the following ratio which shall be at least equal to one (1) at each Amortisation Test Date:

$$RA = \left[\frac{TAAA'}{ACBOPA} \right]$$

whereby:

"Aggregate Covered Bond Outstanding Principal Amount" or **"ACBOPA"** means, at any Amortisation Test Date, the aggregate amount of principal (in Euro or Euro equivalent with respect to Covered Bonds denominated in a Specified Currency) outstanding at such date under all Covered Bonds.

"Transferred Aggregate Asset Amount (TAAA')" means, at any Amortisation Test Date:

$$(TAAA') = A' + B + C + D + E$$

whereby:

"A" is equal to the sum of all **"Transferred Home Loan Outstanding Principal Amounts"** of all Home Loans title to which has been transferred to the Issuer upon enforcement of the Borrower Collateral Security and the Affiliate Collateral Security following the enforcement of a Borrower Event of Default (each, a **"Relevant Home Loan"**), as such **"Adjusted Home Loan Outstanding Principal Amounts"** will be calculated on the relevant Amortisation Test Date, whereby:

"Home Loan Outstanding Principal Amount" means, with respect to each Relevant Transferred Home Loan, the amount of principal outstanding at the relevant Amortisation Test Date under such Relevant Transferred Home Loan.

"Relevant Transferred Home Loan" means, with respect to a given Amortisation Test Date, any Home Loan from which Home Loan Receivables have been granted as Borrower Collateral Security and Affiliate Collateral Security provided that title to such Home Loan Receivables has been transferred to the Issuer upon enforcement of the Borrower Collateral Security and Affiliate Collateral Security following the enforcement of a Borrower Event of Default; and

"Transferred Home Loan Outstanding Principal Amount" means, with respect to each Relevant Transferred Home Loan, the Home Loan Outstanding Principal Amount of such Relevant Transferred Home Loan (in Euro or Euro equivalent with respect to Home Loans denominated in a Specified Currency) multiplied by M, where for all the Relevant Transferred Home Loans that are less than three (3) months in arrears, M = 1 and for all the Relevant Transferred Home Loans that are three (3) months or more in arrears, M = 0.7.

"B", **"C"** and **"D"** have the meaning ascribed to such terms, and shall be determined, on each relevant Amortisation Test Date, subject to, and in accordance with, the terms and formula described in **"The Asset Cover Test"** above.

"E" is equal to the aggregate amount of principal and interest payments, distributions, indemnities, insurance and other proceeds, payments under any Home Loan Security and other sums received during the applicable Amortisation Test Calculation Period by the Issuer from the debtors or other relevant entities under the Borrower Collateral Security Assets and Affiliate Collateral Security Assets whose title has been transferred to the Issuer following enforcement of the Borrower Collateral Security and each Affiliate Collateral Security, as the same shall be reported by the Issuer Calculation Agent on each Amortisation Test Date subject to, and in accordance with, the relevant terms of the Calculation Services Agreement.

Calculation of the Amortisation Ratio

On each Amortisation Test Date, the Amortisation Ratio (RA) shall be calculated by the Issuer Calculation Agent according to the terms, definitions and calculation formula set forth above.

No later than three (3) Business Days following any Amortisation Test Date, the Issuer Calculation Agent shall inform the Issuer (with a copy to the Rating Agencies, to the Asset Monitor and to the Specific Controller) of its calculation of the Amortisation Ratio (RA).

Non Compliance with Amortisation Test

A "**Non Compliance with Amortisation Test**" will result from the Amortisation Ratio (RA) being less than one (1).

A Non Compliance with Amortisation Test will not constitute an Issuer Event of Default. However, it will prevent the Issuer from issuing any further Series, except for the purposes of subscription by the Issuer of Auto-held Covered Bonds in accordance with Condition 19.

Breach of Amortisation Test

The failure by the Issuer to cure a Non Compliance with Amortisation Test occurred on any Amortisation Test Date prior to the next following Amortisation Test Date shall constitute a "**Breach of Amortisation Test**". The Issuer Calculation Agent will inform promptly the Issuer, each relevant Representative (with a copy to the Rating Agencies, to the Asset Monitor and to the Specific Controller) of the occurrence of a Breach of Amortisation Test.

A Breach of Amortisation Test constitutes the occurrence of an Issuer Event of Default.

CASH FLOW

For the avoidance of doubt, it is specified that the expression "Covered Bonds" will include German Law Covered Bonds and French Law Covered Bonds and the expression "Bondholders" includes any holder of such Covered Bonds, in the following section.

Cash management

Pursuant to the Administrative Agreement, the Administrator will assist the Issuer in operating its bank accounts, the management and investment of its available cash in Permitted Investments in accordance with the relevant Permitted Investments rules, and any other matters in relation to the management of its bank accounts and funds so as to ensure that the Issuer will at all times comply with the provisions of the Programme Documents and the SFH Legal Framework.

Pursuant to the Administrative Agreement and, subject to and, in accordance with the Terms and Conditions, the Administrator will invest any cash standing from time to time to the credit of the Issuer Cash Accounts pending application in accordance with the Priority Payment Orders (see section entitled "**Cash Flow - Priority Payment Orders**"), in instruments which qualify as "Permitted Investments" (as defined in "**The Issuer – The Administrative Agreement**").

Issuer Accounts

Available Funds of the Issuer will be from time to time credited and debited by the Administrator on behalf of the Issuer into the Issuer Cash Accounts opened in the books of the Issuer Accounts Bank (see section entitled "**The main Programme Documents – The Issuer Accounts Bank Agreement**" for a further description of the Issuer Accounts).

For the purposes hereof:

"**Available Funds**" means:

- (a) in the absence of service of a Borrower Enforcement Notice (and whether an Issuer Enforcement Notice has been served to the Fiscal Agent (with copy to the Issuer and to the Rating Agencies) or not):
 - (i) payment proceeds from the Borrower under the Borrower Facility Agreement;
 - (ii) cash standing to the credit of the Issuer General Account or the Share Capital Proceeds Account (including proceeds from Permitted Investments invested with such cash (if any));
 - (iii) any Cash Collateral (if any) standing to the credit of the Cash Collateral Account and the Affiliate Debt Commingling Account (including proceeds from Permitted Investments invested with any such Cash Collateral (if any)); and
 - (iv) payment proceeds from the Issuer Hedging Agreements and Borrower Hedging Agreements (if any).
- (b) following the service of a Borrower Enforcement Notice and enforcement of the Borrower Collateral Security and Affiliate Collateral Security (and whether an Issuer Enforcement Notice has been served to the Fiscal Agent (with copy to the Issuer and to the Rating Agencies) or not):
 - (i) payment proceeds, whether in interest, principal or otherwise, received by the Issuer following service of a notice to any or all debtors under the Home Loans mentioning the new payment instructions to be observed by the same with respect to the payment of sums due under the Home Loans and/or the related Asset Contractual Documentation and standing to the credit of the Issuer General Account;
 - (ii) insurance proceeds and other proceeds (other than that proceeds mentioned in (i)) above received entities by the Issuer under the Home Loans and standing to the credit of the Issuer General Account;

- (iii) payment proceeds, whether in interest, principal or otherwise, received by the Issuer from the debtors under the Legal Substitution Assets and standing to the credit of the Issuer General Account;
- (iv) proceeds from disposal of, transfer, sale or refinancing (by way of securitisation or otherwise) of the Home Loans and standing to the credit of the Issuer General Account;
- (v) proceeds from the enforcement of any Home Loan Security (if any) and standing to the credit of the Issuer General Account;
- (vi) cash from Permitted Investments (if any) standing to the credit of the Issuer General Account;
- (vii) cash standing to the credit of the Cash Collateral Account Account and the Affiliate Debt Commingling Account;
- (viii) payment proceeds from the Issuer Hedging Agreements and Borrower Hedging Agreements (if any);
- (ix) cash standing to the credit of the Share Capital Proceeds Account; and
- (x) proceeds from disposal of, transfer, sale or refinancing (by way of securitisation or otherwise) of all other eligible assets of the Issuer and standing to the credit of the Issuer General Account.

Priority Payment Orders

Pre-Enforcement Priority Payment Order

In the absence of service by the Issuer (represented by the Issuer Independent Representative or by the Administrator) to the Borrower of a Borrower Enforcement Notice and in the absence of service of an Issuer Enforcement Notice, on any Payment Date and (as applicable) Final Maturity Date (or the Extended Final Maturity Date, if any) of each relevant Series of Covered Bonds, the Administrator (on behalf of the Issuer) will give the appropriate instructions to the Issuer Accounts Bank to debit the relevant Issuer Cash Accounts and (as the case may be) the relevant Issuer Securities Accounts (other than the Issuer General Account) from the cash that shall constitute the Available Funds of the Issuer on such date and shall credit the same into the Issuer General Account. The Administrator (on behalf of the Issuer) shall then give the appropriate instructions on such date to the Issuer Accounts Bank and the Paying Agent to apply the Available Funds of the Issuer to the following payments owed by the Issuer on such date, in the following Pre-Enforcement Priority Payment Order:

- (i) **first**, in or towards payment or discharge *pari passu* and *pro rata* of any and all amounts (including in particular but without limitation any termination cost) then due and payable by the Issuer, if any, as the case may be, after netting if applicable in accordance with the provisions of Article L. 513-10 of the French Monetary and Financial Code (*Code monétaire et financier*), under the Issuer Hedging Agreements (other than the Issuer Hedging Subordinated Termination Costs, as defined below) (the "**Issuer Hedging Costs**");
- (ii) **secondly**, in or towards payment or discharge *pari passu* and *pro rata* of any and all Interest Amounts then due and payable by the Issuer under the relevant series of Covered Bonds;
- (iii) **thirdly**, in or towards payment or discharge *pari passu* and *pro rata* of any and all principal amounts then due and payable by the Issuer under the relevant series of Covered Bonds;
- (iv) **fourthly**, in or towards payment or discharge *pari passu* and *pro rata* of any and all amounts then due and payable by the Issuer, if any, in respect of any payments to be made by the Issuer following an early termination of the Issuer Hedging Agreements as a result of an event of default under the same in respect of which the relevant hedge counterparty of the Issuer is the defaulting party or following a termination event of the same in respect of which the hedge counterparty of the Issuer is the affected party (together, the "**Issuer Hedging Subordinated Termination Costs**");

- (v) **fifthly**, in or towards payment or discharge *pari passu* and *pro rata* of the amounts then due and payable by the Issuer to (a) the Administrator under Clauses 7, 8 and 9 of the Administrative Agreement, if any, and (b) the servicer under the servicing agreement pursuant to which the servicing of the Collateral Security Assets would be carried out by this new servicer in accordance with Article L. 513-15 of the French Monetary and Financial Code (*Code monétaire et financier*), as the case may be;
- (vi) **sixthly**, only after and subject to the payment of any due and payable amounts due to the Issuer's creditors under item (i) to item (v) hereabove (the "**Privileged Creditors**"), and, as applicable, in accordance with any statutory or preference right they may benefit from the then applicable general law, in or towards payment or discharge of (a) the Issuer's liability, if any, to taxation, (b) any costs, expenses, fees, remuneration and indemnity payments (if any) and any other amounts payable by the Issuer to any relevant entity in connection with the holding of any meeting of holders of Covered Bonds, to any stock exchange and other listing entities where the Covered Bonds are listed, any clearing systems entities where the Covered Bonds are cleared, BNP Paribas (with respect to any insurance premium, regulatory, professional and legal fees, costs and other expenses paid by BNP Paribas on behalf of the Issuer and to be repaid by the Issuer to BNP Paribas subject to, and in accordance with, the relevant terms of the *Convention d'Externalisation et de Mise à Disposition de Moyens*), the Administrator (other than the amounts referred to under item (v) above), the Issuer Calculation Agent, the Asset Monitor, the Issuer Accounts Bank, the Paying Agent(s), the Permanent Dealers, the Dealers, the Fiscal Agent(s), the Calculation Agent(s), the Issuer's Auditors, the Specific Controller, the Substitute Specific Controller, the Representatives and the Rating Agencies in respect of the monitoring fees (together (a) and (b), the "**Administrative and Tax Costs**"), (c) any and all amounts then due and payable by the Issuer to the Cash Collateral Provider under the Cash Collateral Agreement, (d) any and all amounts then due and payable by the Issuer, if any, under the Borrower Hedging Agreement(s) (including termination costs) and (e) any and all amounts then due and payable by the Issuer with respect to any other resources raised by the Issuer, if any, in accordance with Article L. 513-30 of the French Monetary and Financial Code (*Code monétaire et financier*) and which do not benefit from the *Privilège*;
- (vii) **seventhly**, in or towards payment *pari passu* and *pro rata* of any and all amounts then due and payable by the Issuer with respect to (i) any dividend to be then distributed to the Issuer's shareholders, and (ii) interest, principal and other payments then due and payable under the Subordinated Loan; and
- (viii) **eighthly**, in or towards payment *pari passu* and *pro rata* of any and all amounts then due and payable by the Issuer with respect to (i) any dividend to be then distributed to the Issuer's shareholders, and (ii) interest, principal and other payments then due and payable under the Super Subordinated Bonds Issue.

Controlled Post-Enforcement Priority Payment Order

In the event of service by the Issuer (represented by the Issuer Independent Representative or by the Administrator) to the Borrower of a Borrower Enforcement Notice and thereafter unless and until an Issuer Enforcement Notice is served to the Issuer, on any Payment Date and (as applicable) Final Maturity Date (or the Extended Final Maturity Date, if any) of each relevant Series of Covered Bonds, the Administrator (on behalf of the Issuer) will give the appropriate instructions to the Issuer Accounts Bank to debit the relevant Issuer Cash Accounts and (as the case may be) the relevant Issuer Securities Accounts (other than the Issuer General Account) from the cash that shall constitute the Available Funds of the Issuer on such date and shall credit the same into the Issuer General Account. The Administrator (on behalf of the Issuer) shall then give the appropriate instructions on such date to the Issuer Accounts Bank and the Paying Agent to apply the Available Funds of the Issuer to the following payments owed by the Issuer on such date, in the following Controlled Post-Enforcement Priority Payment Order:

- (i) **first**, in or towards payment or discharge *pari passu* and *pro rata* of any and all Issuer Hedging Costs then due and payable by the Issuer, if any; or
- (ii) **secondly**, in or towards payment or discharge *pari passu* and *pro rata* of any and all Interest Amounts then due and payable by the Issuer under the relevant series of Covered Bonds;

- (iii) **thirdly**, in or towards payment or discharge *pari passu* and *pro rata* of any and all principal amounts then due and payable by the Issuer under the relevant series of Covered Bonds;
- (iv) **fourthly**, in or towards payment or discharge *pari passu* and *pro rata* of any amounts then due and payable by the Issuer to (a) the Administrator under Clauses 7, 8 and 9 of the Administrative Agreement, if any, and/or (b) the new servicer under the servicing agreement entered into by the Issuer in accordance with Article L. 513-15 of the French Monetary and Financial Code (*Code monétaire et financier*), as the case may be;
- (v) **fifthly**, only after and subject to the full repayment of any outstanding Covered Bonds, in or towards payment or discharge *pari passu* and *pro rata* of any and all Issuer Hedging Subordinated Termination Costs then due and payable by the Issuer, if any;
- (vi) **sixthly**, only after and subject to the full repayment of any outstanding Covered Bonds, and, as applicable, in accordance with any statutory or preference right they may benefit from the then applicable general law, in or towards payment or discharge of (a) any and all Administrative and Tax Costs then due and payable by the Issuer and (b) any and all amounts then due and payable by the Issuer, if any, under the Borrower Hedging Agreement(s) (including termination costs) and (c) any and all amounts then due and payable by the Issuer with respect to any other resources raised by the Issuer, if any, in accordance with Article L. 513-30 of the French Monetary and Financial Code (*Code monétaire et financier*) and which do not benefit from the *Privilège*;
- (vii) **seventhly**, (a) only after and subject to the full repayment of any outstanding Covered Bonds, in or towards payment *pari passu* and *pro rata* of any and all amounts then due and payable by the Issuer with respect to any and all enforcement proceeds surplus amounts remaining after enforcement of the Borrower Collateral Security subject to, and in accordance with, the relevant terms of the Borrower Collateral Security Agreement and any and all amounts then due and payable by the Issuer to the Cash Collateral Provider under the Cash Collateral Agreement, (b) only after and subject to the full repayment of any outstanding Covered Bonds and sums referred to in (a) above, in or towards payment *pari passu* and *pro rata* of any and all amounts then due and payable by the Issuer to any third parties (with respect to any dividend already voted and to be then distributed to the Issuer's shareholders, and interest, principal and other payments then due and payable under the Subordinated Loan), and (c) only after and subject to the full repayment of any outstanding Covered Bonds and sums referred to in (a) and (b) above, in or towards payment *pari passu* and *pro rata* of any and all amounts then due and payable by the Issuer under the Super Subordinated Bonds Issue (including any dividend already voted and to be then distributed to the Issuer's shareholders, and interest, principal and other payments then due and payable).

Accelerated Post-Enforcement Priority Payment Order

In the event of service of an Issuer Enforcement Notice and thereafter (whether a Borrower Enforcement Notice shall have been served to the Borrower or not), the Administrator (on behalf of the Issuer) will promptly and no later than three (3) Business Days after receipt by the Issuer of such Issuer Enforcement Notice give the appropriate instructions to the Issuer Accounts Bank to debit all the Issuer Accounts (other than the Issuer General Account) from the cash that shall constitute the Available Funds of the Issuer on such date and shall credit the same into the Issuer General Account. The Administrator (on behalf of the Issuer) shall then give the appropriate instructions on such date to the Issuer Accounts Bank and the Paying Agent to apply the Available Funds of the Issuer to the following payments owed by the Issuer on such date, in the following Accelerated Post-Enforcement Priority Payment Order:

- (i) **first**, in or towards payment or discharge *pari passu* and *pro rata* of (a) any and all Issuer Hedging Costs then due and payable by the Issuer, if any, and remaining unpaid at such date, (b) any and all amounts then due and payable by the Issuer under the relevant Series of Covered Bonds (and remaining unpaid at such date), it being provided that in case of insufficient available funds to pay all the sums then due under such Series of Covered Bonds, if an amount of interests is due on the same day than an amount of principal under the same Series of Covered Bonds, the payment is made first on the interests amounts due and (c) any and all amounts then due and payable by the Issuer (and remaining unpaid at such date) to (x) the Administrator under Clauses 7, 8 and 9 of the Administrative Agreement, if any, and/or (y) any new servicer under the servicing agreement entered

into by the Issuer in accordance with Article L. 513-15 of the French Monetary and Financial Code (*Code monétaire et financier*), as the case may be;

- (ii) **secondly**, after and subject to the full repayment of any and all sums referred to in (i) above, in or towards payment or discharge *pari passu, pro rata* and in full of any and all Issuer Hedging Subordinated Termination Costs then due and payable by the Issuer and remaining unpaid at such date;
- (iii) **thirdly**, after and subject to the full repayment of any and all sums referred to in (i) to (ii) above, and, as applicable, in accordance with any statutory or preference right they may benefit from the then applicable general law, in or towards payment or discharge of (a) any and all Administrative and Tax Costs and (b) any and all amounts then due and payable by the Issuer, if any, under the Borrower Hedging Agreement(s) (including termination costs) and (c) any and all amounts then due and payable by the Issuer with respect to any other resources raised by the Issuer, if any, in accordance with Article L. 513-30 of the French Monetary and Financial Code (*Code monétaire et financier*) and which do not benefit from the *Privilège*; and
- (iv) **fourthly**, (a) after and subject to the full repayment of any and all sums referred to in (i) to (iii) above, in or towards payment *pari passu* and *pro rata* of any and all amounts due by the Issuer with respect to any and all enforcement proceeds surplus amounts remaining after enforcement of the Borrower Collateral Security subject to, and in accordance with, the relevant terms of the Borrower Collateral Security Agreement and any and all amounts then due and payable by the Issuer to the Cash Collateral Provider under the Cash Collateral Agreement, (b) after and subject to the full repayment of any and all sums referred to in (i) to (iii) above and any sums referred to in (a) above, in or towards payment *pari passu* and *pro rata* of any and all amounts due by the Issuer to any third parties (with respect to any dividend already voted and to be then distributed to the Issuer's shareholders, and interest, principal and other payments then due and payable under the Subordinated Loan), and (c) after and subject to the full repayment of any and all sums referred to in (i) to (iii) above and any sums referred to in (a) and (b) above, in or towards payment *pari passu* and *pro rata* of any and all amounts due by the Issuer under the Super Subordinated Bonds Issue (including any dividend already voted and to be then distributed to the Issuer's shareholders, and interest, principal and other payments then due and payable).

ORIGINATION OF THE HOME LOANS

For the avoidance of doubt, it is specified that the expression "Covered Bonds" will include German Law Covered Bonds and French Law Covered Bonds and the expression "Bondholders" includes any holder of such Covered Bonds, in the following section.

The large majority of home loans originated by salespersons within BNP Paribas are originated pursuant to a so called "Sesame" procedure which makes it possible, in real time and through computerised means, to (i) deal with requests in the client's presence, (ii) register the loan agreement, (iii) validate the technical and back-office aspects of the requests, (iv) open loan accounts and (v) prepare the various documents necessary for the successful completion of the transaction.

For home loans which do not comply with underwriting criteria, a so-called "Non-Sesame" procedure is implemented which, although partially computerised, is essentially manual (see below).

Pre Acceptance Controls

Prior to acceptance of a home loan, information on the client is collected from the French Fichier des Incidents de Remboursement des Crédits aux Particuliers (central administration for consumer loans) and the French Fichier Central des Chèques (central administration for checks). If it appears that the client is registered as a defaulting borrower, the application of such client for a home loan is immediately declined.

Under his sole responsibility, the relevant salesperson shall also collect information from a general information system within BNP Paribas (Système Général d'Information). The salesperson is also responsible for the completion of the loan file and collection of all necessary relevant documents (tax profile of the client, ownership of the property, insurance policies, etc.).

When a home loan guarantee is requested from Crédit Logement, the pre acceptance process is coupled with the acceptance process run by Crédit Logement via an exchange of electronic data system which operates in real time.

Scoring through the Sesame procedure

Through the Sesame procedure, two (2) scores are established, namely:

- (a) a rating score (*score de taux*) which provides the salesperson with a "recommended rate" based on the client's potential and the risk associated with the application; and
- (b) an acceptance score (*score d'octroi*).

Two (2) scoring matrices have been set up and are used depending on whether or not the home loan is requested by a client of the bank.

The scoring process take account of various criteria such as the existing indebtedness of the client, the valuation of the property, the maximum amount of the home loan, the assets and revenues of the client, the age and profession of the client, etc.

The scoring is a recommendation to the salesperson as to whether the home loan request may be immediately accepted or not.

Under the "Non-Sesame" procedure, no automatic scoring is established and the file form is prepared manually by the relevant salesperson.

Acceptance

Depending on the level of delegated responsibility of the relevant salesperson (in terms of acceptance of maximum amounts, negotiation of margins and fees, etc.), the relevant salesperson will be authorised to accept the home loan request on its own or not. If not, directors take the responsibility for the acceptance. No home

loan for a maximum principal amount exceeding one million (1,000,000) euro may be accepted by a salesperson alone but necessarily by directors. Only directors are authorised to accept home loans which have been originated through the Non-Sesame procedure.

Pre-Funding Controls

Once accepted, the home loan request file (in both its electronic and physical format) is transmitted to the one (1) of the eight (8) central agencies which are responsible within BNP Paribas for the commercial support for consumer loans (*Agence de Production et d'Appui Commercial Financement des Particuliers*).

The persons in charge at such agencies check that (i) all of the documents necessary for the funding of the home loan have been provided, (ii) the home loan complies with applicable laws and (iii) information provided on the client or the property is consistent. In the event that any documents are missing or are not compliant, the home loan funding process is put on hold.

During this phase, the persons in charge at such agencies are responsible for liaising with all relevant third parties (*Crédit Logement*, notary public, etc.). The home loan offer and home loan documentation may only be issued to the client once all of the required documents have been obtained and the required conditions have been met.

Upon the return of an offer by a client, the persons in charge at such agencies check the validity of the acceptance by the client (annotations, signatures, dates, etc.) and proceed with the funding of the home loan.

Servicing

The servicing of the home loans is carried out by the servicers at the relevant *Agence de Production et d'Appui Commercial Financement des Particuliers*.

Responsibilities of the servicers include in particular:

- (a) acceptance of full or partial early repayment;
- (b) renegotiations of rates;
- (c) rescheduling;
- (d) waivers;
- (e) substitution of borrower or guarantees.

Since the beginning of 2003, home loan files have been archived in one (1) single location. Home Loan files originated between 1999 and 2002 which were formerly archived in the local branches of BNP Paribas have now been moved to this single location.

The archiving is carried out by loan category and by frequency of instalments through electronic systems.

True copies of mortgage agreements (*copies exécutoires*) are filed separately from the corresponding home loan file using a specific electronic system called ARCHIVAL.

The BOOMERANG electronic system makes it possible to request the return of home loan files or of "true copies" recorded in the ARCHIVAL system.

Arrears management

As soon as a client experiences financial difficulties and, at the latest, upon the payment default, a specialised advisor within one (1) of the forty-nine (49) commercial negotiation agencies of BNP Paribas (*Agence de Négociation Commerciale*) becomes responsible of the servicing and collection with respect to the relevant home. This advisor examines all amicable solutions, aiming to avoid possible or further payment defaults.

If an amicable solution cannot be implemented and provided that three months of instalment remains unpaid, the responsibility for the servicing and collection of the home loan is handed over to a collection agency.

As from the third month of non-payment, with respect to a home loan guaranteed by *Crédit Logement*, the guarantee is drawn in favour of BNP Paribas. *Crédit Logement* must start paying the relevant guaranteed

amounts within one (1) month of receipt of the relevant drawing notice. Upon payment by *Crédit Logement*, the latter becomes responsible for the servicing of the home loan for a maximum duration of 24 months. *Crédit Logement* shall make its best efforts to reach an amicable solution with the client. During such 24 month period, *Crédit Logement* can opt either to reimburse to BNP Paribas only the guaranteed amounts which are due or immediately accelerate the payment of all guaranteed amounts. *Crédit Logement* is committed to accelerate the payment of all the guaranteed amounts at the end of the above mentioned 24 month period. At this point, it becomes solely responsible for the servicing of the home loan.

Five (5) interregional litigation departments within BNP Paribas (*services contentieux interrégionaux*) are responsible for collecting proceeds by enforcing the mortgages, insurance and other security and guarantees (other than the guarantees from *Crédit Logement*) securing the repayment of the home loan.

THE HEDGING STRATEGY

For the avoidance of doubt, it is specified that the expression "Covered Bonds" will include German Law Covered Bonds and French Law Covered Bonds and the expression "Bondholders" includes any holder of such Covered Bonds, in the following section.

The present section describes the hedging strategy (the "**Hedging Strategy**") to be implemented from time to time, by the Issuer upon the occurrence of a Hedging Rating Trigger Event (as defined below) and/or any Borrower Event of Default (as defined under section the "**The main Programme Documents - Borrower Facility Agreement**"), as applicable.

Hedging strategy before the occurrence of a Hedging Rating Trigger Event and/or any Borrower Event of Default

The Covered Bonds issued under the Programme may be Fixed Rate Covered Bonds or Floating Rate Covered Bonds. Each Series of Covered Bonds will be denominated in any Specified Currency (see "**Terms and Conditions of the Covered Bonds**").

The proceeds from the issuance of the Covered Bonds under the Programme will be used by the Issuer to fund Borrower Advances to be made available to the Borrower under the Borrower Facility. The terms and conditions regarding the calculation and the payment of principal and interest under a Borrower Advance shall mirror the equivalent terms and conditions of the Covered Bonds funding such Borrower Advance, as further described hereunder and in the relevant Final Terms of the Borrower Advance (see section entitled "**The main Programme Documents - The Borrower Facility Agreement**").

The Issuer is therefore not exposed to any risk of an interest rate or currency mismatch arising between the payments received on the Borrower Advances and the payments to be made under the Covered Bonds. As a consequence, in the absence of any Hedging Rating Trigger Event (as defined below) and of any Borrower Event of Default, the Issuer will have no obligation to hedge any interest rate or currency risk.

The determination of the currency and of the interest rate of each Series of Covered Bonds, as specified in each applicable Final Terms, shall be made by the Issuer regardless of the currencies in which the Borrower Collateral Security Assets are denominated and the interest rate conditions applicable, as the case may be, to such Borrower Collateral Security Assets (see section entitled "**The main Programme Documents - The Borrower Collateral Security**").

Before the enforcement of the Borrower Collateral Security, the Borrower retains any interest rate or currency risk linked to the mismatch between the Borrower Collateral Security Assets and the Borrower Debt. Thus until and unless such enforcement occurs, the Borrower will hedge these risks according to its usual and current strategies and practices.

Upon enforcement of the Borrower Collateral Security and of the Affiliate Collateral Security (if any) following the enforcement of a Borrower Event of Default, and the transfer of the title to the Borrower Collateral Security Assets and of the Affiliate Collateral Security Assets to the Issuer, the Issuer would need to have in place appropriate derivative transactions to hedge the currency and interest rate risks arising from such Home Loans and Home Loans Security.

Hedging Strategy upon the occurrence of a Hedging Rating Trigger Event

Provisions common to the Issuer Hedging Agreements and to the Borrower Hedging Agreements

Upon the issuance of each Series of Covered Bonds, the Issuer Calculation Agent shall communicate to the Issuer (with copy to the Borrower, the Administrator and the Rating Agencies) the margin (relative to Euribor (one (1) month)) to be paid by the Borrower when hedging the interest and principal payable by the Issuer under such Series in the relevant Specified Currency, into variable rate flows denominated in Euros and indexed to Euribor (one (1) month) (the "**Covered Bonds Hedging Margin**").

At the end of each three (3) calendar months' period as from the Programme Date and before the occurrence of a Hedging Rating Trigger Event, the Issuer Calculation Agent shall communicate to the Issuer (with copy to the Borrower, the Administrator and the Rating Agencies) the average margin (relative to Euribor (one (1) month)) to be received by the Issuer when hedging the interest and principal payable under the Borrower Collateral Security Assets in each relevant currency, into variable rate flows denominated in Euros and indexed to Euribor (one (1) month) (the "**Assets Hedging Margin**").

Upon the occurrence of a Hedging Rating Trigger Event, the Issuer (or the Administrator on its behalf) will enter into:

- (a) derivative agreement(s) with Eligible Hedging Providers (as defined below) (the "**Issuer Hedging Agreement(s)**");
- (b) a back-to-back derivative agreement concluded with BNP Paribas (the "**Borrower Hedging Agreement**" and together with the Issuer Hedging Agreement(s), the "**Hedging Agreements**").

These Hedging Agreements will hedge both:

- the amount of interest and principal payable by the Issuer under the relevant Series, in the relevant Specified Currency; and
- the amount corresponding to the interest and principal payable under the Borrower Collateral Security Assets and the Affiliate Collateral Security Assets, in each relevant currency,

into variable rate flows denominated in Euros and indexed to Euribor (one (1) month) or, subject to prior Rating Affirmation, to any other index (the "**Permitted Index**"). The financial conditions of these Hedging Agreements shall be determined so that (a) the margin payable by the Issuer under the Hedging Agreement related to a Series of Covered Bonds is no more than the Covered Bonds Hedging Margin calculated for such Series and (b) the margin received by the Issuer under the Hedging Agreement related to the Borrower Collateral Security Assets is at least as much as the last communicated Assets Hedging Margin.

Upon the occurrence of a Hedging Rating Trigger Event, a failure by the Issuer (or the Administrator on its behalf) to enter into any Issuer Hedging Agreement with any relevant Eligible Hedging Provider or into any Borrower Hedging Agreement with BNP Paribas within thirty (30) calendar days from the occurrence date of such Hedging Rating Trigger Event, as described under the Hedging Strategy, will constitute an Issuer Event of Default (see "**Terms and Conditions of the Covered Bonds**").

Each Hedging Agreement shall be in Approved Form (as defined below).

On 13 January 2012, following the occurrence of a Hedging Rating Trigger Event, the Issuer and the Borrower executed the Issuer Hedging Agreement (as it may be amended from time to time), the Borrower Hedging Agreement (as it may be amended from time to time) and the related Hedging Transactions in accordance with the provisions of the above and for which a Rating Affirmation was made. As a result, the Issuer's obligations under the Hedging Strategy and the Amended Hedging Approved Form Letter, as described above, are fully satisfied and completed on the date of this Base Prospectus.

Each Issuer Hedging Agreement provides that all amounts to be paid by the Issuer under such Hedging Agreement will be paid according to the relevant Priority Payment Order, as described in Condition 15 of the Terms and Conditions.

Any costs and expenses to be born by the Issuer when negotiating and/or entering into any Hedging Agreement (including, in particular, any sums to be paid to allow the Hedging Agreements to be transacted at the Covered Bonds Hedging Margin and the Assets Hedging Margin, given the market conditions prevailing at the time the Hedging Agreements are transacted (*soulte*)) shall be paid by BNP Paribas.

Pursuant to the terms of the Issuer Hedging Agreements, in the event that the relevant ratings of the Eligible Hedging Provider(s) (or its respective guarantor, as applicable) (the "**Hedging Provider**") is or are downgraded by a Rating Agency below the required ratings specified in the relevant Hedging Agreement and, where

applicable, as a result of such downgrade, the then current ratings of any outstanding Covered Bonds would be adversely affected, the relevant Hedging Provider will, in accordance with and pursuant to the terms of the relevant Hedging Agreement, be required to take certain remedial measures which may include one (1) or more of the following: (i) providing collateral for its obligations under the relevant Hedging Agreement; (ii) arranging for its obligations under the relevant Hedging Agreement to be transferred to a replacement hedging provider with the ratings required by the Rating Agencies (as specified in the relevant Hedging Agreement); (iii) procuring another entity with the ratings required by the relevant Rating Agency (as specified in the relevant Hedging Agreement) to become co-obligor in respect of its obligations under the relevant Hedging Agreement; and/or (iv) taking such other actions (including no action) as will result in the relevant ratings of the Covered Bonds then outstanding following the taking of such action (or inaction) being at, or restored to, the level it would have been, had the relevant downgrade of the Hedging Provider's ratings not occurred, and as confirmed by Fitch or S&P.

The Issuer Hedging Agreement(s)

Any sums due by the Issuer under any Issuer Hedging Agreements shall benefit from the *Privilège* provided for in Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*).

The Issuer Hedging Agreement(s) will be used to hedge mismatches between the Borrower Collateral Security Assets and the Covered Bonds in the following manner.

The interest rate payable by the Issuer with respect to a Series may be calculated in various manners, depending on the type of Covered Bonds (Fixed Rate Covered Bonds or Floating Rate Covered Bonds). Each Series of Covered Bonds may be denominated in any Specified Currency. To provide a hedge between:

- the amount of interest and principal payable by the Issuer under the relevant Series, in the relevant Specified Currency; and
- the amount corresponding to the interest and principal payable under the Borrower Collateral Security Assets and the Affiliate Collateral Security Assets, in each relevant currency,

each relevant Eligible Hedging Provider (where applicable with the appropriate collateralisation requirements), and the Issuer will enter into interest rate and/or currency derivative transactions (each, a "**Hedging Transaction**") in relation to each relevant Series in Approved Form and in substance acceptable to the Rating Agencies, upon the occurrence of a Hedging Rating Trigger Event.

Each Issuer Hedging Agreement may be terminated in accordance with certain termination events and events of default. An Issuer Event of Default will not constitute a termination event under any Issuer Hedging Agreement.

Any termination amount due by the Issuer upon termination of any Issuer Hedging Agreement and any Issuer Hedging Subordinated Termination Costs (as defined in section "**Cash Flow**" of this Base Prospectus) due by the Issuer to the counterparty under any relevant Issuer Hedging Agreement(s), after set-off as applicable, shall be paid in accordance with the relevant Priority Payment Order described under the section "**Cash Flow**" of the Base Prospectus (see section entitled "**Cash Flow - Priority Payment Orders**").

The Borrower Hedging Agreement

The Borrower Hedging Agreement will be used to hedge mismatches between the Borrower Collateral Security Assets and the Borrower Advances, and as such, the purpose of the Borrower Hedging Agreement will be to transfer to the Borrower the benefit of the Issuer Hedging Agreement(s).

The sums due under any Borrower Hedging Agreement(s) will not benefit from the *Privilège* provided for in Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*).

The terms and conditions regarding the calculation and the payment of principal and interest under a Borrower Advance shall mirror the equivalent terms and conditions of the Covered Bonds funding such Borrower Advance. As a consequence, the interest rate payable by the Borrower with respect to a Borrower Advance may be calculated in various manners, depending on the type of Covered Bonds funding such Borrower Advance (Fixed Rate Covered Bonds or Floating Rate Covered Bonds). Moreover, each Borrower Advance may be denominated in one (1) or two (2) Specified Currencies. To provide a hedge between:

- the amount of interest and principal payable by the Borrower under the relevant Borrower Advance, in the relevant Specified Currencies (which shall be equivalent to the amount of interest and principal payable by the Issuer under the Covered Bonds funding such relevant Borrower Advance); and
- the amount of interest and principal payable to the Borrower under the Borrower Collateral Security Assets and the Affiliate Collateral Security Assets, in each relevant currency,

BNP Paribas and the Issuer will enter into interest rate and/or currency derivative transactions (each, a "**Borrower Hedging Transaction**") in relation to each relevant Series in form and substance acceptable to the Rating Agencies, upon the occurrence of a Hedging Rating Trigger Event.

Each Borrower Hedging Agreement may be terminated in accordance with certain termination events and events of default. In particular, a Borrower Event of Default which is enforced subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement constitutes the occurrence of a termination event under a Borrower Hedging Agreement but does not constitute the occurrence of a termination event under an Issuer Hedging Agreement.

Hedging Strategy upon the occurrence of a Borrower Event of Default

Upon the occurrence of a Borrower Event of Default which is enforced subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement, and the subsequent transfer in favour of the Issuer of title to the Home Loan Receivables (and related Home Loans Security) following an enforcement of the Borrower Collateral Security and of the Affiliate Collateral Security (in any):

- (a) the Issuer will maintain its rights and obligations under the existing Issuer Hedging Agreement(s);
- (b) the Issuer will immediately terminate the Borrower Hedging Agreement.

For the purposes of this section:

"**Approved Form**" means a 1992 (Multicurrency - Cross Border) or 2002 ISDA Master Agreement (including its schedule), credit support document and confirmation governed thereby or, as the case may be, a 2001 FBF Master Agreement relating to transactions on forward financial instruments (including its schedule), collateral annex and confirmation governed thereby, in a form agreed by the Issuer and the Borrower pursuant to the Hedging Approved Form Letter, as amended from time to time, or otherwise agreed subject to prior Rating Affirmation.

"**Hedging Rating Trigger Event**" means the event in which (i) the short term senior unsecured, unsubordinated and unguaranteed debt obligations of BNP Paribas become rated below A-1 (short term) by S&P or (ii) the short term senior issuer default rating (IDR) becomes rated below F-1+ (short term) or AA- (long term) by Fitch (or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations or as per the most recently public available rating criteria methodology reports published by the Rating Agencies and (ii) commensurate with the then current ratings of the Covered Bonds).

"**Eligible Hedging Provider**" means a financial institution which meets the following conditions:

- such financial institution is permitted under any applicable and relevant law to enter into derivative contracts with French residents; and
- (i) the rating of its senior unsecured, unsubordinated and unguaranteed debt obligations or senior issuer default rating (IDR), as the case may be, is at least a Hedging Required Rating, or (ii) the rating of the senior unsecured, unsubordinated and unguaranteed debt obligations of its guarantor or the guarantor's senior issuer default rating (IDR), as the case may be, under the relevant Hedging Agreement is at least a Hedging Required Rating, or (iii) this financial institution has provided collateral for its obligations under the relevant Hedging Agreement and taken any remedial action as required by the relevant Rating Agencies.

"Hedging Required Rating" means, as regards any Eligible Hedging Provider or, as applicable, its guarantor under the relevant Hedging Agreement:

- in relation to the hedging of currency risks and other risks, A-1 (short-term) by S&P, and F-1 (short-term)/A (long-term) by Fitch (or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations or as per the most recently public available rating criteria methodology reports published by the Rating Agencies and (ii) commensurate with the then current ratings of the Covered Bonds); or
- in relation to the hedging of interest risks, A-1 (short-term) by S&P, and F-1 (short-term)/A (long-term) by Fitch (or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations or as per the most recently public available rating criteria methodology reports published by the Rating Agencies and (ii) commensurate with the then current ratings of the Covered Bonds).

"Hedging Approved Form Letter" means any letter agreement, as amended from time to time dated on or prior to the Programme Date and pursuant to which the Issuer and the Borrower agree on the Approved Form of the Hedging Agreements.

TAXATION

For the avoidance of doubt, it is specified that the expression "Covered Bonds" will only include French Law Covered Bonds, in the following section

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

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a paying agent located in a Member State to, or for the benefit of, an individual resident in another Member State or to certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive 2014/48/EU amending and broadening the scope of the requirements describe above (the "**Amending Directive**"). In particular, the changes will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. The Amending Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union. Member States are required to apply these new requirements from 1 January 2017.

For a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. On 10 April 2013, Luxembourg officially announced its intention no longer to apply the withholding system as from 1 January 2015, and to provide details of payment of interest (or similar income) as from this date. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). The rate of this withholding tax is currently 35 per cent.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

France

The following is a summary of certain French withholding tax considerations relating to the holding of the Covered Bonds by a beneficial holder of the Covered Bonds who does not concurrently hold shares of the Issuer and who is not affiliated with the Issuer, including within the meaning of Article 39, 12 of the French General Tax Code (Code général des impôts). This summary is based on the tax laws and regulations of France, as currently in force and applied by the French tax authorities, all of which are subject to change or to different interpretation. This summary is for general information and does not purport to address all French tax considerations that may be relevant to specific holders in light of their particular situation. Persons considering the purchase of Covered Bonds should consult their own tax advisers as to French tax considerations relating to the purchase, ownership and disposition of Covered Bonds in light of their particular situation.

Savings Directive

The Savings Directive was implemented into French law under Article 242 ter of the French General Tax Code (*Code général des impôts*), which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

French Withholding Tax

- (a) Following the introduction of the French *loi de finances rectificative pour 2009* no. 3 (n° 2009-1674 dated 30 December 2009) (the "**Law**"), payments of interest and other revenues made by the Issuer with respect to the Covered Bonds will not be subject to the withholding tax set out under Article 125 A III of the French General Tax Code (*Code général des impôts*) unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French General Tax Code (*Code général des impôts*) (a "**Non-Cooperative State**"). If such payments under the Covered Bonds are made in a Non-Cooperative State, a seventy-five per cent. (75 %) withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French General Tax Code (*Code général des impôts*).

Notwithstanding the foregoing, the Law provides that the seventy-five per cent. (75%) withholding tax will not apply in respect of the issue of the Covered Bonds if the Issuer can prove that the principal purpose and effect of such issue of Covered Bonds was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant the official guidelines issued by the French tax authorities under the references BOI-INT-DG-20-50-20140211, no. 990 and BOI-RPPM-RCM-30-10-20-40-20140211, no. 70, an issue of Covered Bonds will benefit from the Exception without the issuer having to provide any proof of the purpose and effect of such issue of covered bonds if such covered bonds are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French Monetary and Financial Code (*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 Monetary and Financial Code (*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.

Furthermore, pursuant to Article 238 A of the French General Tax Code (*Code général des impôts*), interest and other revenues on such Covered Bonds are, inter alia, not deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established (i) in a State or territory where they benefit from a preferential tax regime under the meaning of Article 238 A mentioned above or (ii) in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 *et seq.* of the French General Tax Code (*Code général des impôts*), in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French General Tax Code (*Code général des impôts*), at a rate of thirty per cent. (30%) or seventy-five (75%), subject to the more favourable provisions of an applicable double tax treaty, if any.

However, neither the non-deductibility set out under Article 238 A of French General Tax Code (*Code général des impôts*), nor the withholding tax set out under article 119 *bis* 2 of the French General Tax Code

(*Code général des impôts*) will apply in respect of the Covered Bonds solely by the reason of the relevant payments being made to persons domiciled or established in a State or territory where they benefit from a preferential tax regime under the meaning of Article 238 A mentioned above or in a Non-Cooperative State or paid in such a Non-Cooperative State if the Issuer can prove that it can benefit from the Exception and that the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount. Pursuant to official guidelines issued by French tax authorities under the references BOI-INT-DG-20-50-20140211, no. 550, BOI-RPPM-RCM-30-10-20-40-20140211 no 80 and BOI-ANXX-000364-20120912, no. 20 and BOI-IR-DOMIC-10-20-20-60-20140211 no. 10 the issue of the Covered Bonds will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Covered Bonds if the Covered Bonds satisfy to one of the three above-mentioned conditions.

- (b) Payments of interest and other revenues with respect (i) Covered Bonds issued (or deemed issued) outside France as provided under Article 131 *quater* of the French General Tax Code (*Code général des impôts*), before 1 March 2010 and (ii) Covered Bonds which are assimilated (*assimilables* for the purpose of French law) and form a single series with such Covered Bonds, will continue to be exempt from the withholding tax set out under Article 125 A III of the French General Tax Code (*Code général des impôts*).

Covered Bonds issued before 1 March 2010, whether denominated in Euro or in any other currency, and constituting *obligations* under French law, or *titres de créances négociables* within the meaning of the official guidelines issued by the French tax authorities under the reference BOI-RPPM-RCM-30-10-30-30-20140211, or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside the Republic of France for the purpose of Article 131 *quater* of the French General Tax Code (*Code général des impôts*), in accordance with the official guidelines issued by the French tax authorities under the reference BOI-RPPM-RCM-30-10-30-30-20140211.

Furthermore, neither the non-deductibility set-out under Article 238 A of the French General Tax Code (*Code général des impôts*), nor the withholding tax set out under article 119 *bis* 2 of the same code will apply in respect of the Covered Bonds which are assimilated (*assimilés*) with Covered Bonds issued before 1 March 2010 solely by reason of the relevant payments being made to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State if the Issuer can prove that the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount.

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

FOREIGN ACCOUNT TAX COMPLIANCE ACT

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("FATCA") impose a new reporting regime and potentially a thirty (30) per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "FFI" (as defined by FATCA)) that does not become a "Participating FFI" by entering into an agreement with the U.S. Internal Revenue Service ("IRS") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer (a "Recalcitrant Holder"). The Issuer is classified as an FFI.

The new withholding regime will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Covered Bonds characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the "grandfathering date", which is the date that is six (6) months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Covered Bonds characterized as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "IGA"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "Reporting FI" not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "FATCA Withholding") from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and France have entered into an IGA based largely on the Model 1 IGA (the "US-France IGA").

If the Issuer is not treated as exempt from FATCA, the Issuer expects to be treated as a Reporting FI pursuant to the US-France IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. However, no assurance can be given that the Issuer will be treated as a Reporting FI. If the Issuer becomes a Participating FFI under FATCA, the Issuer and financial *institutions* through which payments on the Covered Bonds are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Covered Bonds is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Covered Bonds are held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Covered Bonds by the Issuer, any paying agent and the common depository, *given* that each of the entities in the payment chain between the Bank and the participants in the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Covered Bonds. The documentation expressly contemplates the possibility that the Covered Bonds may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA

compliant holder could be subject to FATCA Withholding. However, definitive Covered Bonds will only be printed in remote circumstances.

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

PLAN OF DISTRIBUTION

For the avoidance of doubt, it is specified that the expression "Covered Bonds" will only include French Law Covered Bonds and the expression "Bondholders" includes any holder of such French Law Covered Bonds, in the following section.

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated on or around 15 July 2014 between the Issuer, the Arranger and the Permanent Dealer (the "**Dealer Agreement**"), the Covered Bonds will be offered by the Issuer to the Permanent Dealer. However, the Issuer has reserved the right to sell Covered Bonds directly on its own behalf to Dealers that are not Permanent Dealers. The Covered Bonds 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 Covered Bonds may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Covered Bonds to be issued in syndicated Tranches that are jointly and severally underwritten by two (2) or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Covered Bonds subscribed by it. The Issuer has agreed to reimburse the Arranger for their expenses incurred in connection with the Programme and the Dealers for certain of their activities in connection with the Programme.

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

Selling Restrictions

General

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

Each Dealer 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 Covered Bonds or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility therefore.

United States of America

The Covered Bonds have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act. The Covered Bonds are being offered and sold only outside the United States in offshore transactions to non-U.S. persons in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S.

Materialised Covered Bonds having a maturity of more than three hundred and sixty-five (365) days are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code, as amended and regulations thereunder.

Each Dealer has represented and agreed that it has not and will not offer, sell or, in the case of Materialised Covered Bonds, deliver the Covered Bonds of any identifiable Tranche, (i) as part of their distribution at any time, or (ii) otherwise until forty (40) days after the completion of the distribution of such Tranche as determined, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Covered Bonds during this period a confirmation or other notice setting forth the

restrictions on offers and sales of the Covered Bonds within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further represented that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to Covered Bonds sold pursuant to Regulation S.

In addition, until forty (40) days after the commencement of the offering, an offer or sale of Covered Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

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

Any person who purchases or acquires the Covered Bonds will be deemed to have represented, warranted and agreed, by accepting delivery of this Base Prospectus or delivery of the Covered Bonds, that it is purchasing or acquiring the Covered Bonds in compliance with Rule 903 of Regulation S in an offshore transaction, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Japan

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended, the "**FIEA**") and each of the Dealers has represented and agreed that it will not, directly or indirectly, offer or sell any Covered Bonds in Japan or to, or for the benefit of, any resident in Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act No. 228 of 1949, as amended), or to others for re-offering or resale, directly or indirectly in Japan or to a resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

European Economic Area

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a **Relevant Member State**), each of the Dealers and the Issuer have represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of French Law Covered Bonds 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 French Law Covered Bonds to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- (b) 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 Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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

For the purposes of this provision, the expression an "**offer of French Law Covered Bonds to the public**" in relation to any French Law Covered Bonds 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 French Law Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the French Law Covered Bonds, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC of 4 November 2009 (and the 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 of 24 November 2010.

The qualification of German law Covered Bonds, in particular their qualification as securities within the meaning of the implementing measures to the Prospectus Directive, and other regulations and directives applicable in the relevant jurisdictions to the offering of the German law Covered Bonds to the public may vary among the different Member States of the European Economic Area. Therefore, each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make any offer of German Law Covered Bonds to the public or otherwise in any Relevant Member State unless in compliance with the laws applicable in that Relevant Member State to German law Covered Bonds.

France

Each of the Dealers and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Covered Bonds to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Covered Bonds and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) investing for their own account, or (c) a restricted circle of investors (*cercle restreint d'investisseurs*) investing for their own account, all as defined in, and in accordance with, Articles L. 411-1, L. 411-2, D. 411-1 and D. 411-4 of the French Monetary and Financial Code (*Code monétaire et financier*).

Germany

No Base Prospectus or any prospectus within the meaning of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) or the German Investment Product Act (*Vermögensanlagengesetz*) has been, or will be, published in Germany or filed with the German Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) with regard to any Covered Bond.

Covered Bonds may not be offered, sold or delivered, and will not be offered, sold or delivered, directly or indirectly to the public in Germany, except in compliance with all applicable laws, in the case of German Law Covered Bonds in particular the exemptions from the prospectus requirement under Section 2 of the German Investment Product Act and Sections 3 and 4 of the German Securities Prospectus Act.

The Issuer assumes no responsibility and makes no representation regarding the suitability of Covered Bonds including, without limitation, German Law Covered Bonds as an investment product for any investor. In particular, the Issuer assumes no responsibility for the eligibility of any Covered Bonds as investment for any Bondholder domiciled in Germany and subject to particular regulatory requirements with regard to its investments, including, without limitation, insurance companies, pension funds, credit institutions and investment funds. Unless explicitly stated otherwise in the Conditions and/or the terms and conditions of the German Law Covered Bonds or the Final Terms, no reference therein to particular German law regulatory requirements implies or may be construed to imply any representation or warranty by the Issuer as to the suitability of the relevant Covered Bond for the Bondholder.

United Kingdom

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

- (a) in relation to any Covered Bonds which have a maturity of less than one (1) year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Covered Bonds 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 Covered Bonds would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the United Kingdom.

The Netherlands

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

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

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

Republic of Italy

This Base Prospectus has not been, nor will be, published in the Republic of Italy in connection with the offering of Covered Bonds and such offering of Covered Bonds has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("Consob") in the Republic of Italy pursuant to Legislative Decree no. 58 of 24 February 1998 as amended (the "**Financial Services Act**") and to Consob Regulation no. 11971 of 14 May 1999, as amended (the "**Issuers Regulation**") and, accordingly, no Covered Bond may be offered, sold or delivered, and will not be offered, sold or delivered, directly or indirectly, in the Republic of Italy in an offer to the public as defined under Article 1, paragraph 1, letter (t) of the Financial Services Act, nor may, or will, copies of this Base Prospectus or of any other document relating to the Covered Bonds be distributed in the Republic of Italy, except:

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

In addition, and subject to the foregoing, any offer, sale or delivery of Covered Bonds or distribution of copies of this Base Prospectus or any other document relating to the Covered Bonds in the Republic of Italy under (a) or

(b) above must, and will, be effected in accordance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations and, in particular, will be made:

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

Any investor purchasing Covered Bonds in the offering is solely responsible for ensuring that any offer or resale of Covered Bonds it purchased in the offering occurs in compliance with applicable Italian laws and regulations. No person resident or located in the Republic of Italy other than the original addressees of this Base Prospectus may rely on this Base Prospectus or its content or any other document relating to the Covered Bonds.

(This form of Final Terms will only apply to the French Law Covered Bonds. The form of the final terms applicable to German Law Covered Bonds is included in the Agency Agreement)

**FORM OF FINAL TERMS
FOR USE IN CONNECTION WITH ISSUES OF COVERED BONDS WITH A SPECIFIED
DENOMINATION OF LESS THAN € 100,000 TO BE ADMITTED TO TRADING ON A REGULATED
MARKET IN THE EUROPEAN ECONOMIC AREA**

Final Terms dated [●]
[LOGO, if document is printed]

BNP PARIBAS HOME LOAN SFH
Issue of [Aggregate Nominal Amount of Tranche] [Title of Covered Bonds]
under the € 35,000,000,000
Covered Bond Programme

Issue Price: [●] per cent.

[Name(s) of Dealer(s)]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the Base Prospectus dated 15 July 2014 which received visa No. 14-407 from the *Autorité des marchés financiers* (the "**AMF**") on 15 July 2014 [and the supplement(s) to the Base Prospectus dated [●] which received visa No. [●] from the AMF on [●]], which [together] constitute[s] a base prospectus for the purposes of article 5.4 of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 [as amended by Directive 2010/73/UE] (the "**Prospectus Directive**").

This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [the supplement to the Base Prospectus] and these Final Terms are available for viewing on the websites of BNP Paribas (www.invest.bnpparibas.com/ - heading BNP Paribas Debt) and of the AMF (www.amf-france.org), and during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent(s) where copies may be obtained. [In addition⁵ the Base Prospectus [the supplement to the Base Prospectus] and these Final Terms are available for viewing [on/at] [●].]

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 terms and conditions which are the [2010 Covered Bonds Conditions]/[2011 Covered Bonds Conditions]/[2012 Covered Bonds Conditions]/[2013 Covered Bonds Conditions] which are incorporated by reference in this Base Prospectus (as defined below). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of article 5.4 of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 [as amended by Directive 2010/73/UE] (the "**Prospectus Directive**") and must be read in conjunction with the base prospectus dated 15 July 2014 which received visa No. 14-407 from the AMF on 15 July 2014 [and the supplements thereto which received visa No. [●] from the AMF], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"), including the Conditions which are incorporated by reference in this Base Prospectus. Full information on the Issuer and the Covered Bonds is only available on the basis of the combination of these Final Terms, Base Prospectus and the [2010 Covered Bonds Conditions]/[2011 Covered Bonds Conditions]/[2012 Covered Bonds Conditions]/[2013 Covered Bonds Conditions]. The Base Prospectus and these Final Terms are available for viewing on the websites of BNP Paribas (www.invest.bnpparibas.com/ - heading BNP Paribas Debt) and of the AMF (www.amf-france.org), and during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent(s) where copies may be obtained. [In addition⁶, the Base Prospectus and these Final Terms are available for viewing [on/at] [●].]

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

- | | | |
|----|--|--|
| 1. | Issuer: | BNP Paribas Home Loan SFH |
| 2. | (i) Series Number: | [●] |
| | (ii) Tranche Number: | [●] |
| | [(iii) Date on which the Covered Bonds will be assimilated (assimilables) and form a single Series: | The Covered Bonds will be assimilated (<i>assimilables</i>) and form a single Series [<i>identify earlier Tranches</i>] on [the Issue Date/exchange of the Temporary Global Certificate for interests in the Definitive Materialised Covered Bonds, as referred in paragraph 21(iv) below, |

⁵ If the Covered Bonds are admitted to trading on a Regulated Market other than Euronext Paris.

⁶ If the Covered Bonds are admitted to trading on a Regulated Market other than Euronext Paris.

- which is expected to occur on or about [●].]
3. **Specified Currency or Currencies:** [●]
4. **Aggregate Nominal Amount of Covered Bonds:** [●]
- (i) **Series:** [●]
- (ii) **Tranche:** [●]
5. **Issue Price:** [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6. **Specified Denominations:** [●] (*one (1) denomination only for Dematerialised Covered Bonds*) (*Not less than € 1,000 or its equivalent in other currency at the Issue Date, when the Covered Bonds are admitted to trading on a Regulated Market of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive*)⁷
7. (i) **Issue Date:** [●]
- (ii) **Interest Commencement Date:** [*Specify*/Issue Date/Not Applicable]
8. **Final Maturity Date:** [*Specify date or (for Floating Rate Covered Bonds) Interest Payment Date falling in or nearest to the relevant month and year*]
9. **Extended Final Maturity Date:** [[●]/Not Applicable]
10. **Interest Basis:** [[●] per cent. Fixed Rate]
[[*EURIBOR, EONIA, LIBOR, CMS, TEC or other*] +/- [●] per cent. Floating Rate]
(*further particulars specified below*)
11. **Redemption/Payment Basis:** Redemption at par
(*further particulars specified below*)
12. **Change of Interest Basis:** [*Specify details of any provision for convertibility of Covered Bonds into another interest basis*]
13. **Put/Call Options:** [Bondholder Put]
[Issuer Call]
[(*further particulars specified below*)]
14. **Date of the Board of Directors (*Conseil d'administration*) of the Issuer authorising the issuance of Covered Bonds:** Authorisation of the Board of Directors (*Conseil d'administration*) dated [●].

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Covered Bond 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 in arrear on each Interest Payment Date

⁷ Covered Bonds denominated in Sterling in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitute a contravention of section 19 of FSMA and having a maturity of less than one year must have a minimum denomination of Sterling 1,000 (or its equivalent in other currencies).

- (ii) Interest Payment Date(s): [●] in each year *[where applicable (adjusted pursuant to the [specify applicable Business Day Convention])]*
- (iii) Fixed Coupon Amount[(s)]: [●] per [●] in Specified Denomination
- (iv) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]*
- (v) Day Count Fraction: [Actual/365 / Actual/365-FBF / Actual/Actual-ISDA / Actual/Actual-ICMA / Actual/Actual-FBF / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF/ 30E/360 / Eurobond Basis / 30E/360-FBF]
- (vi) Determination Dates: [●] in each year
(insert regular Interest Payment Dates, ignoring Issue Date, Final Maturity Date or Extended Final Maturity Date, if any, in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))

16. Floating Rate Covered Bond Provisions:

[Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Interest Period(s): [[●] [, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment, as the Business Day Convention in (v) below is specified to be Not Applicable]]
- (ii) Specified Interest Payment Dates: [[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment, as the Business Day Convention in (v) below is specified to be Not Applicable]]
- (iii) First Interest Payment Date: [●]
- (iv) Interest Period Date: [●] [Interest Payment Date / Other *(specify)*]
- (v) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention] [Not Applicable]
- (vi) Business Centre(s) (Condition 6(a)): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ FBF Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and / or Interest Amount(s) (if not the [Calculation Agent]): [●]
- (ix) Screen Rate Determination: [Applicable/Not Applicable]
- Benchmark: [●] *(specify Benchmark [EURIBOR, EONIA, LIBOR, CMS, TEC or other] and months [e.g. EURIBOR 3 months])*
- Linear Interpolation: [Applicable/Not Applicable] The Rate of

	Interest for the [long/short] [first/last] Interest Period shall be calculated using linear Interpolation (<i>specify for each short or long interest period</i>)
Relevant Time:	[●]
Interest Determination Date(s):	[●]
Primary Source :	[Specify relevant screen page or "Reference Banks"]
Reference Banks (if Primary Source is "Reference Banks"):	[Specify four]
Relevant Financial Centre:	[The financial centre most closely connected to the benchmark - specify if not Paris]
Representative Amount:	[Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]
Effective Date:	[Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]
Specified Duration:	[Specify period for quotation if not duration of Interest Accrual Period]
(x) FBF Determination:	[Applicable/Not Applicable]
Floating Rate (<i>Taux Variable</i>):	[●] (<i>specify Benchmark [EURIBOR, EONIA, LIBOR, CMS, TEC or other] and months [e.g. EURIBOR 3 months]</i>)
Linear Interpolation:	[Applicable/Not Applicable] The Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using linear Interpolation (<i>specify for each short or long interest period</i>)
Floating Rate Determination Date (<i>Date de Détermination du Taux Variable</i>):	[●]
(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:	[Actual/365 / Actual/365-FBF / Actual/Actual-ISDA / Actual/Actual-ICMA / Actual/Actual-FBF / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF/ 30E/360 / Eurobond Basis / 30E/360-FBF]

PROVISIONS RELATING TO REDEMPTION

17. Call Option:

	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining subparagraphs of this paragraph</i>)
(i) Optional Redemption Date(s):	[●]
(ii) Components of the formula of the Optional Redemption Amount(s) of each Covered Bond:	Y = [●] per cent. [●] per Covered Bond of [●] Specified Denomination
(iii) If redeemable in part:	

- (a) Minimum Redemption Amount: [●]
- (b) Maximum Redemption Amount: [●]
- 18. Put Option:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
- (ii) Components of the formula of the Optional Redemption Amount(s) of each Covered Bond: Y = [●] per cent.
[●] per Covered Bond of [●] Specified Denomination
- 19. Final Redemption Amount of each Covered Bond:** [[●] per Covered Bond of [●] Specified Denomination / Specified Denomination /]
- 20. Early Redemption Amount:**
Early Redemption Amount(s) of each Covered Bond payable on redemption for taxation reasons (Condition (7(e)), Illegality (Condition 7(f)) or on event of default (Condition 10): [Not applicable/Condition 7(d) applies]
- GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS**
- 21. Form of Covered Bonds:** Dematerialised Covered Bonds/ Materialised Covered Bonds] (*Materialised Covered Bonds are only in bearer form*)
(Delete as appropriate)
- (i) Form of Dematerialised Covered Bonds: [Not Applicable / if Applicable specify whether bearer form (*au porteur*) / registered form (*au nominatif*)]
- (ii) Registration Agent: [Not Applicable/if applicable give name and address] (*Note that a Registration Agent must be appointed in relation to Fully Registered Dematerialised Covered Bonds only*)
- (iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Covered Bonds on [●] (the "**Exchange Date**"), being forty (40) calendar days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]
- 22. Financial Centre(s) or other special provisions relating to payment dates for the purposes of Condition 8(g):** [Not Applicable/Give details. *Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraphs 15 (ii) and 16(v) relate*]

23. Talons for future Coupons to be attached to Definitive Materialised Covered Bonds (and dates on which such Talons mature):

[Yes/No/Not Applicable. As the Covered Bonds have more than 27 coupons payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made] *(Only applicable to Materialised Covered Bonds)*

24. Masse:

[[Full Masse]/[Contractual Masse] shall apply] *(Note that: (i) in respect of any Tranche of Covered Bonds issued outside France, Condition 12(ii) (Contractual Masse) may be elected by the Issuer, and (ii) in respect of any Tranche of Covered Bonds issued inside France, Condition 12(i) (Full Masse) shall apply. Insert, as the case may be, details of the Representative and Alternative Representative and remuneration.)*

GENERAL

The aggregate principal amount of Covered Bonds issued has been translated into Euro at the rate of [●] per cent. producing a sum of: [●]

THIRD PARTY INFORMATION

[(Relevant third party information) has been extracted from (specify source). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (specify source), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing(s): [Euronext Paris/other (*specify*)/None]
- (ii) [(a)] Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on [*specify relevant regulated market*] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on [*specify relevant regulated market*] with effect from [●].] [Not Applicable]
- [The [*first/(specify)*] Tranche(s) of the Covered Bonds are already listed as from [its/their respective] Issue Date.] (*Where documenting a fungible issue need to indicate that original Covered Bonds are already admitted to trading.*)

[(b) Regulated Markets or equivalent markets on which, to the knowledge of the Issuer, securities of the same class of the Covered Bonds to be admitted to trading are already admitted to trading:

[●]

Estimate of total expenses related to admission to trading:

[●]

Additional publication of Base Prospectus and Final Terms:

[●] (*See paragraph 11 of the section "General Information" of this Base Prospectus which provides that the Base Prospectus and Final Terms will be published on the website of the AMF at least during a period of twelve (12) months from the date of the Base Prospectus and that the Final Terms related to Covered Bonds on any Regulated Market will be published on the website of the AMF. Please provide for additional methods of publication in respect of an admission to trading on a regulated market other than Euronext Paris.*)

2. RATINGS

Ratings: [The Covered Bonds to be issued [have been rated/are expected to be rated]/[The following ratings reflect ratings assigned to Covered Bonds of this type issued under the Programme generally]]:

[S & P: [●]]

[Fitch: [●]]

[[Other]: [●]]

[Each such credit agency is established in the European Union, registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council dated 16 September 2009, as amended, and included in the list of registered credit rating agencies published at the website of the European Securities and Markets Authority (www.esma.europa.eu/page/List-registered-and-certified-CRAs).]

(*The above disclosure should reflect the rating allocated to Covered Bonds of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

3. [NOTIFICATION]

The AMF, which is the French competent authority for the purposes of the Prospectus Directive [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

4. SPECIFIC CONTROLLER

The specific controller (*contrôleur spécifique*) of the Issuer has certified that the value of the assets of the Issuer will be greater than the value of its liabilities benefiting from the *privilège* defined in Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*), after settlement of this issue.

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

5. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

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

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the issue". The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. (*Amend as appropriate if there are other interests*)]

(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under article 16 of the Prospectus Directive.*)

6. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: [●]
(See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from general corporate purposes will need to include those reasons here.)
- (ii) Estimated net proceeds: [●]
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)
- (iii) Estimated total expenses: [●] (*Include breakdown of expenses*)

7. [YIELD - FIXED RATE COVERED BONDS ONLY]

- 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. HISTORIC INTEREST RATES - FLOATING RATE COVERED BONDS ONLY

Details of historic [EURIBOR, EONIA, LIBOR, CMS, TEC or other] rates can be obtained from [Reuters/other].]

9. OPERATIONAL INFORMATION

ISIN Code:

Common Code:

Depositories:

(i) Euroclear France to act as Central Depository

(ii) Common Depository for Euroclear Bank and Clearstream Banking, *société anonyme*

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

Delivery: Delivery [against/free of] payment

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

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

10. DISTRIBUTION

Method of distribution:

(i) If syndicated:

(A) Names and addresses of Managers and underwriting commitments/quotas:

(B) Date of Subscription Agreement:

(C) Stabilising Manager(s) (if any):

(ii) If non-syndicated, name of Dealer:

(iii) Indication of the overall amount of the underwriting commission and of the placing commission: per cent of the Aggregate Nominal Amount

(iv) U.S. selling restrictions:
[The Issuer is Category 2 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.]
[TEFRA C/ TEFRA D/ TEFRA not Applicable]

[ANNEX - ISSUE SPECIFIC SUMMARY]

(Issuer to annex issue specific summary to the final terms on a drawdown)

(This form of Final Terms will only apply to the French Law Covered Bonds. The form of the final terms applicable to German Law Covered Bonds is included in the Agency Agreement)

**FORM OF FINAL TERMS
FOR USE IN CONNECTION WITH ISSUES OF COVERED BONDS WITH A SPECIFIED
DENOMINATION OF AT LEAST € 100,000 TO BE ADMITTED TO TRADING ON A REGULATED
MARKET**

Final Terms dated [●]
[LOGO, if document is printed]

BNP PARIBAS HOME LOAN SFH
Issue of [Aggregate Nominal Amount of Tranche] [Title of Covered Bonds]
under the € 35,000,000,000
Covered Bond Programme

Issue Price: [●] per cent.

[Name(s) of Dealer(s)]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the Base Prospectus dated 15 July 2014 which received visa No. 14-407 from the *Autorité des marchés financiers* (the "**AMF**") on 15 July 2014 [and the supplement(s) to the Base Prospectus dated [●] which received visa No. [●] from the AMF on [●]], which [together] constitute[s] a base prospectus for the purposes of article 5.4 of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 [as amended by Directive 2010/73/UE] (the "**Prospectus Directive**").

This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [the supplement to the Base Prospectus] and these Final Terms are available for viewing on the websites of BNP Paribas (www.invest.bnpparibas.com/ - heading BNP Paribas Debt) and of the AMF (www.amf-france.org), and during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent(s) where copies may be obtained. [In addition⁸ the Base Prospectus [the supplement to the Base Prospectus] and these Final Terms are available for viewing [on/at] [●].]

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 terms and conditions which are the [2010 Covered Bonds Conditions]/[2011 Covered Bonds Conditions]/[2012 Covered Bonds Conditions]/[2013 Covered Bonds Conditions] which are incorporated by reference in this Base Prospectus (as defined below). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of article 5.4 of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 [as amended by Directive 2010/73/UE] (the "**Prospectus Directive**) and must be read in conjunction with the base prospectus dated 15 July 2014 which received visa No. 14-407 from the AMF on 15 July 2014 [and the supplements thereto which received visa No. [●] from the AMF], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"), including the Conditions which are incorporated by reference in this Base Prospectus. Full information on the Issuer and the Covered Bonds is only available on the basis of the combination of these Final Terms, Base Prospectus and the [2010 Covered Bonds Conditions]/[2011 Covered Bonds Conditions]/[2012 Covered Bonds Conditions]/[2013 Covered Bonds Conditions]. The Base Prospectus and these Final Terms are available for viewing on the websites of BNP Paribas (www.invest.bnpparibas.com/ - heading BNP Paribas Debt) and of the AMF (www.amf-france.org), and during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent(s) where copies may be obtained. [In addition⁹, the Base Prospectus and these Final Terms are available for viewing [on/at] [●].]

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

- | | | |
|----|---|--|
| 1. | Issuer: | BNP Paribas Home Loan SFH |
| 2. | (i) Series Number: | [●] |
| | (ii) Tranche Number: | [●] |
| | [(iii) Date on which the Covered Bonds will be assimilated (<i>assimilables</i>) and form a single Series: | The Covered Bonds will be assimilated (<i>assimilables</i>) and form a single Series [<i>identify earlier Tranches</i>] on [the Issue Date/exchange of the Temporary Global Certificate for interests in the Definitive Materialised Covered Bonds, as referred in paragraph 21(iv) below, |

⁸ If the Covered Bonds are admitted to trading on a Regulated Market other than Euronext Paris.

⁹ If the Covered Bonds are admitted to trading on a Regulated Market other than Euronext Paris.

- which is expected to occur on or about [●].]
3. **Specified Currency or Currencies:** [●]
4. **Aggregate Nominal Amount of Covered Bonds:** [●]
- (i) **Series:** [●]
- (ii) **Tranche:** [●]
5. **Issue Price:** [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6. **Specified Denominations:** [●] (*one (1) denomination only for Dematerialised Covered Bonds*) (*Not less than € 100,000 or its equivalent in other currency at the Issue Date, when the Covered Bonds are admitted to trading on a Regulated Market of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive*)¹⁰
7. (i) **Issue Date:** [●]
- (ii) **Interest Commencement Date:** [*Specify*/Issue Date/Not Applicable]
8. **Final Maturity Date:** [*Specify date or (for Floating Rate Covered Bonds) Interest Payment Date falling in or nearest to the relevant month and year*]
9. **Extended Final Maturity Date:** [[●]/Not Applicable]
10. **Interest Basis:** [[●] per cent. Fixed Rate]
[[*EURIBOR, EONIA, LIBOR, CMS, TEC or other*] +/- [●] per cent. Floating Rate]
(*further particulars specified below*)
11. **Redemption/Payment Basis:** Redemption at par
(*further particulars specified below*)
12. **Change of Interest Basis:** [*Specify the date when any fixed to floating rate change occurs or refer to paragraphs 15 and 16 below and identify there*/Not Applicable]
13. **Put/Call Options:** [Bondholder Put]
[Issuer Call]
[(*further particulars specified below*)]
14. **Date of the Board of Directors (*Conseil d'administration*) of the Issuer authorising the issuance of Covered Bonds :** Authorisation of the Board of Directors (*Conseil d'administration*) dated [●].

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Covered Bond 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 in arrear on each Interest Payment Date

¹⁰ Covered Bonds denominated in Sterling in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitute a contravention of section 19 of FSMA and having a maturity of less than one year must have a minimum denomination of Sterling 100,000 (or its equivalent in other currencies).

- (ii) Interest Payment Date(s): [●] in each year
- (iii) Fixed Coupon Amount[(s)]: [●] per [●] in Specified Denomination
- (iv) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]*
- (v) Day Count Fraction: [Actual/365 / Actual/365-FBF / Actual/Actual-ISDA / Actual/Actual-ICMA / Actual/Actual-FBF / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF/ 30E/360 / Eurobond Basis / 30E/360-FBF]
- (vi) Determination Dates: [●] in each year
(insert regular Interest Payment Dates, ignoring Issue Date, Final Maturity Date or Extended Final Maturity Date, if any, in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))
- 16. Floating Rate Covered Bond Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Interest Period(s): [[●] [, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment, as the Business Day Convention in (v) below is specified to be Not Applicable]]
- (ii) Specified Interest Payment Dates: [[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment, as the Business Day Convention in (v) below is specified to be Not Applicable]]
- (iii) First Interest Payment Date: [●]
- (iv) Interest Period Date [●] [Interest Payment Date / Other (*specify*)]
- (v) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention] *[Insert "unadjusted" if the application of the relevant business day convention is not intended to affect the Interest Amount]*
- (vi) Business Centre(s) (Condition 6(a)): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ FBF Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and / or Interest Amount(s) (if not the [Calculation Agent]): [●]
- (ix) Screen Rate Determination: [Applicable/Not Applicable]
- Benchmark: [●] (*specify Benchmark [EURIBOR, EONIA, LIBOR, CMS, TEC or other] and months [e.g. EURIBOR 3 months]*)
- Linear Interpolation: [Applicable/Not Applicable] The Rate of

	Interest for the [long/short] [first/last] Interest Period shall be calculated using linear Interpolation (<i>specify for each short or long interest period</i>)
Relevant Time:	[●]
Interest Determination Date(s):	[●]
Primary Source :	[Specify relevant screen page or "Reference Banks"]
Reference Banks (if Primary Source is "Reference Banks"):	[Specify four]
Relevant Financial Centre:	[The financial centre most closely connected to the benchmark - specify if not Paris]
Representative Amount:	[Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]
Effective Date:	[Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]
Specified Duration:	[Specify period for quotation if not duration of Interest Accrual Period]
(x) FBF Determination:	[Applicable/Not Applicable]
Floating Rate (<i>Taux Variable</i>):	[●] (<i>specify Benchmark [EURIBOR, EONIA, LIBOR, CMS, TEC or other] and months [e.g. EURIBOR 3 months]</i>)
Linear Interpolation:	[Applicable/Not Applicable] The Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using linear Interpolation (<i>specify for each short or long interest period</i>)
Floating Rate Determination Date (<i>Date de Détermination du Taux Variable</i>):	[●]
(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:	[Actual/365 / Actual/365-FBF / Actual/Actual-ISDA / Actual/Actual-ICMA / Actual/Actual-FBF / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF/ 30E/360 / Eurobond Basis / 30E/360-FBF]

PROVISIONS RELATING TO REDEMPTION

17. Call Option:

	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining subparagraphs of this paragraph</i>)
(i) Optional Redemption Date(s):	[●]
(ii) Components of the formula of the Optional Redemption Amount(s) of each Covered Bond:	Y = [●] per cent. [●] per Covered Bond of [●] Specified Denomination
(iii) If redeemable in part:	

- (a) Minimum Redemption Amount: [●]
- (b) Maximum Redemption Amount: [●]
- 18. Put Option:** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
- (ii) Components of the formula of the Optional Redemption Amount(s) of each Covered Bond: Y = [●] per cent.
[●] per Covered Bond of [●] Specified Denomination
- 19. Final Redemption Amount of each Covered Bond:** [[●] per Covered Bond of [●] Specified Denomination / Specified Denomination /]
- 20. Early Redemption Amount:**
Early Redemption Amount(s) of each Covered Bond payable on redemption for taxation reasons (Condition (7(e)), Illegality (Condition 7(f)) or on event of default (Condition 10): [Not applicable/Condition 7(d) applies]
- GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS**
- 21 Governing Law:** French law
- (i) Form of Covered Bonds: Dematerialised Covered Bonds/ Materialised Covered Bonds] *(Materialised Covered Bonds are only in bearer form)*
(Delete as appropriate)
- (ii) Form of Dematerialised Covered Bonds: [Not Applicable / if Applicable specify whether bearer form (*au porteur*) / registered form (*au nominatif*)]
- (iii) Registration Agent: [Not Applicable/if applicable give name and address] *(Note that a Registration Agent must be appointed in relation to Fully Registered Dematerialised Covered Bonds only)*
- (iv) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Covered Bonds on [●] (the "Exchange Date"), being forty (40) days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]
- 22. Financial Centre(s) or other special provisions relating to payment dates for the purposes of Condition 8(g):** [Not Applicable/Give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest,

to which sub-paragraphs 15 (ii) and 16(v) relate]

23. Talons for future Coupons to be attached to Definitive Materialised Covered Bonds (and dates on which such Talons mature):

[Yes/No/Not Applicable. *As the Covered Bonds have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupons payments are still to be made*] (Only applicable to Materialised Covered Bonds)

24. Masse:

[[Full Masse]/[Contractual Masse] shall apply] (Note that: (i) in respect of any Tranche of Covered Bonds issued outside France, Condition 12(ii) (Contractual Masse) may be elected by the Issuer, and (ii) in respect of any Tranche of Covered Bonds issued inside France, Condition 12(i) (Full Masse) shall apply. Insert, as the case may be, details of the Representative and Alternative Representative and remuneration.)

GENERAL

The aggregate principal amount of Covered Bonds issued has been translated into Euro at the rate of [●] per cent. producing a sum of: [●]

THIRD PARTY INFORMATION

The Issuer accepts responsibility for the information contained in these Final Terms. [(Relevant third party information) has been extracted from (specify source). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (specify source), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing(s): [Euronext Paris/other (*specify*)/None]
- (ii) [(a)] Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on [*specify relevant regulated market*] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on [*specify relevant regulated market*] with effect from [●].] [Not Applicable]
- [The [*first/(specify)*] Tranche(s) of the Covered Bonds are already listed as from [its/their respective] Issue Date.] (*Where documenting a fungible issue need to indicate that original Covered Bonds are already admitted to trading.*)

[(b)] Regulated Markets or equivalent markets on which, to the knowledge of the Issuer, securities of the same class of the Covered Bonds to be admitted to trading are already admitted to trading:

[●]

Estimate of total expenses related to admission to trading:

[●]

Additional publication of Base Prospectus and Final Terms:

[●] (*See paragraph 11 of the section "General Information" of this Base Prospectus which provides that the Base Prospectus and Final Terms will be published on the website of the AMF at least during a period of twelve (12) months from the date of the Base Prospectus and that the Final Terms related to Covered Bonds on any Regulated Market will be published on the website of the AMF. Please provide for additional methods of publication in respect of an admission to trading on a regulated market other than Euronext Paris.*)

2. RATINGS

Ratings: [[The Covered Bonds to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Covered Bonds of this type issued under the Programme generally]]:

[S & P: [●]]

[Fitch: [●]]

[[Other]: [●]]

[Each such credit agency is established in the European Union, registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council dated 16 September 2009, as amended, and included in the list of registered credit rating agencies published at the website of the European Securities and Markets Authority (www.esma.europa.eu/page/List-registered-and-certified-CRAs).]

(*The above disclosure should reflect the rating allocated to Covered Bonds of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

3. [NOTIFICATION]

The AMF, which is the French competent authority for the purposes of the Prospectus Directive [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

4. SPECIFIC CONTROLLER

The specific controller (*contrôleur spécifique*) of the Issuer has certified that the value of the assets of the Issuer will be greater than the value of its liabilities benefiting from the *privilège* defined in Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*), after settlement of this issue.

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

5. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

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

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the issue". The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. (*Amend as appropriate if there are other interests*)]

(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under article 16 of the Prospectus Directive.*)

6. [YIELD - FIXED RATE COVERED BONDS ONLY]

Indication of yield: [●]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7. HISTORIC INTEREST RATES - FLOATING RATE COVERED BONDS ONLY

Details of historic [EURIBOR, EONIA, LIBOR, CMS, TEC or other] rates can be obtained from [Reuters/other].]

8. OPERATIONAL INFORMATION

ISIN Code: [●]

Common Code: [●]

Depositories:

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

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

Any clearing system(s) other than Euroclear

Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/*give name(s) and number(s) and address(es)*]

Delivery: Delivery [against/free of] payment

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

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

9. DISTRIBUTION

Method of distribution: [Syndicated/Non-syndicated]

(i) If syndicated:

(A) Names of Managers: [Not Applicable/*give names*]

(B) Stabilisation Manager(s) (if any): [Not Applicable/*give names*]

(iii) If non-syndicated, name of Dealer: [Not Applicable/*give name*]

(iv) U.S. selling restrictions: [The Issuer is Category 2 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.]
[TEFRA C/ TEFRA D/ TEFRA not Applicable]

GENERAL INFORMATION

For the avoidance of doubt, it is specified that the expression "Covered Bonds" will only include French Law Covered Bonds and the expression "Bondholders" includes any holder of such French Law Covered Bonds, in the following section, except as otherwise specified.

- (1) Application has been made for the AMF to approve this document as a base prospectus and this Base Prospectus has received visa n° 14-407 on 15 July 2014. Application will be made in certain circumstances to list and admit the Covered Bonds on Euronext Paris and application may be made for the listing and admission to trading on any other Regulated Market in a Member State of the EEA.
- (2) The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in France in connection with the update of the Programme. Any issuance of Covered Bonds under the Programme, to the extent that such Covered Bonds constitute *obligations* under French law or similar instruments, requires the prior authorisation of the Board of Directors (*Conseil d'Administration*) of the Issuer, which may delegate its power to any member of the Board of Directors (*Conseil d'Administration*), to the Chief Executive Officer (*Directeur Général*), or with the latter's agreement to any of the Deputy Chief Executive Officer (if any), or to any other person. For this purpose, the Board of Directors (*Conseil d'Administration*) of the Issuer held on 20 January 2014 delegated, *inter alia*, to its Chairman and to the Chief Executive Officer (*Directeur Général*) of the Issuer the power to issue *obligations ou autres titres ou autres instruments financiers ou titres de dette équivalents de droit étranger* under the Programme up to a maximum aggregate amount of EUR 10,000,000,000 (or its equivalent in other currency), for a period starting on 20 January 2014 and ending on 20 January 2015.
- (3) There has been no material adverse change in the financial or trading position or prospects of the Issuer since 31 December 2013.
- (4) There has been no material adverse change in the prospects of the Issuer since 31 December 2013.
- (5) The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceeding which are pending or threatened of which the Issuer is aware), during a period covering at least the previous twelve (12) months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.
- (6) Save as disclosed in this Base Prospectus, there are no material contracts that are not entered into the ordinary course of the Issuer's business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to Bondholders in respect of the Covered Bonds being issued.
- (7) Application may be made for Covered Bonds to be accepted for clearance through Euroclear France (66, rue de la Victoire, 75009 Paris, France) and/or Euroclear (boulevard du Roi Albert II, 1210 Bruxelles, Belgique) and Clearstream, Luxembourg (42, avenue JF Kennedy, 1855 Luxembourg, Luxembourg). The Common Code and the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of Covered Bonds will be set out in the relevant Final Terms.
- (8) PricewaterhouseCoopers Audit, 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France and Deloitte & Touche, 185, avenue Charles de Gaulle, 92524 Neuilly-sur-Seine cedex, France (both entities regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux comptes*) have been appointed as *Commissaires aux comptes* to the Issuer as from 4 June 2012.
- (9) The Issuer does not intend to provide post-issuance transaction information regarding the Covered Bonds to be admitted to trading and the performance of the underlying collateral, except if required by any applicable laws and regulations.
- (10) The Issuer does not produce consolidated financial statements.
- (11) This Base Prospectus and any supplements thereto will be published on the websites of BNP Paribas (www.invest.bnpparibas.com/ - heading BNP Paribas Debt) and of the AMF (www.amf-france.org). The Final Terms related to Covered Bonds admitted to trading on any Regulated Market of the EEA in

accordance with the Prospectus Directive will be published, so long as such Covered Bonds are admitted to trading on any Regulated Market, on the websites of of BNP Paribas (www.invest.bnpparibas.com/ - heading BNP Paribas Debt) and of the AMF (www.amf-france.org).

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

- (12) So long as Covered Bonds (including German Law Covered Bonds) are capable of being issued under the Programme, copies of the following documents will, when published, be available during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the registered office of the Issuer and at the specified office of the relevant Paying Agent(s):
- (a) the *statuts* of the Issuer;
 - (b) the audited non-consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2012 and 2013;
 - (c) the Agency Agreement (which includes the form of the *Lettre Comptable*, the Temporary Global Certificates, the Definitive Materialised Covered Bonds, the Coupons and the Talons);
 - (d) Final Terms for Covered Bonds that are listed and traded on Euronext Paris or any other Regulated Market in the EEA;
 - (e) a copy of this Base Prospectus together with any supplement to this Base Prospectus;
 - (f) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus.
- (13) In accordance with the provisions of EC Regulation 44/2001, a judgment rendered by a court of England (the "**Foreign Judgment**") shall be recognised in France without any special procedure being required. However, the Foreign Judgment will not be recognised by French courts:
- (a) if such recognition is manifestly contrary to public policy in France;
 - (b) where it was given in default of appearance, if the defendant was not served with the document which instituted the proceedings or with an equivalent document in sufficient time and in such a way as to enable him to arrange for his defence, unless the defendant failed to commence proceedings to challenge the judgment when it was possible for him to do so;
 - (c) if it is irreconcilable with a judgment given in a dispute between the same parties in France;
 - (d) if it is irreconcilable with an earlier judgment given in another Member State or in a third State involving the same cause of action and between the same parties, provided that the earlier judgment fulfils the conditions necessary for its recognition in France; or
 - (e) if it conflicts with Sections 3, 4 or 6 of Chapter II of EC Regulation 44/2001, or in a case provided for in Article 72 of EC Regulation 44/2001.

The Foreign Judgment will be declared enforceable by French courts in accordance with the provisions of EC Regulation 44/2001 if the Foreign Judgment has been declared enforceable in England.

The judgment shall be enforced in France when, on the application of any interested party, it has been declared enforceable there.

The party seeking enforcement shall submit to the competent court with its application for a declaration of enforceability, (i) a copy of the judgment which satisfies the conditions necessary to establish its authenticity and (ii) a certificate given by the court where the decision was issued according to provisions of Article 54 of EC Regulation 44/2001.

The judgment shall be declared enforceable immediately on completion of the formalities described above. The party against whom enforcement is sought shall not at this stage of the proceedings be entitled to make any submissions on the application.

The declaration of enforceability shall be served on the party against whom enforcement is sought, accompanied by the judgment.

This decision may be appealed against by either party in accordance with EC Regulation 44/2001. The rules governing French procedure in contradictory matters shall apply to the appeal proceedings.

- (14) The yield of the Fixed Rate Covered Bonds will be specified in the relevant Final Terms. The yield will be calculated at the time of issue on the basis of the Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Covered Bonds and will not be an indication of future yield.

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