

PROSPECTUS SUPPLEMENT NO. 2 DATED 23 APRIL 2015  
TO THE BASE PROSPECTUS DATED 15 JULY 2014



**BNP PARIBAS**  
**HOME LOAN SFH**

**BNP Paribas Home Loan SFH**

(duly licensed French specialised credit institution (*établissement de crédit spécialisé*))

**€ 35,000,000,000**

**COVERED BOND PROGRAMME**

for the issue of *Obligations de Financement de l'Habitat*

This prospectus supplement No. 2 (the "**Supplement**") constitutes a second supplement to and must be read in conjunction with the Base Prospectus dated 15 July 2014 which received visa No. n°14-407 on 15 July 2014 from the *Autorité des marchés financiers* (the "**AMF**") and the first supplement dated 16 October 2014 which received visa No. n°14-558 on 16 October 2014 from the AMF (together, the "**Base Prospectus**") prepared in relation to the € 35,000,000,000 Covered Bond Programme (the "**Programme**") established by BNP Paribas Home Loan SFH (the "**Issuer**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement has been prepared pursuant to Article 16.1 of Directive 2003/71/EC, as amended (the "**Prospectus Directive**") and Article 212-25 of the AMF General Regulation (*Règlement général de l'AMF*).

This Supplement has been prepared in connection with (i) the amendment of the terms and conditions related to the Borrower Collateral Security and the Affiliate Collateral Security in order to replace the pledging of Home Loan Receivables as collateral security (*remise en garantie financière à titre de sûreté*) by the transfer in full title by way of security (*remise en pleine propriété à titre de garantie*) of Home Loan Receivables and (ii) the publication of the audited financial statements of the Issuer for the financial year ended 31 December 2014 and the statutory auditors' report thereon.

To the extent that there is any inconsistency between any statement in this Supplement and any other statement in, or incorporated in, the Base Prospectus, the statements in this Supplement will prevail.

The Base Prospectus and this Supplement will be published on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and of the Issuer ([www.invest.bnpparibas.com](http://www.invest.bnpparibas.com) - heading "bnpparibasdebt"). The documents incorporated by reference in this Supplement are currently published on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and of BNP Paribas ([www.invest.bnpparibas.com](http://www.invest.bnpparibas.com)). In addition, the Base Prospectus and this Supplement and all documents incorporated by reference therein may be obtained, without charge on request, at the principal office of the Issuer and the Paying Agents set out at the end of the Base Prospectus during normal business hours so long as any of the Covered Bonds are outstanding.

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## GLOBAL FORMAL CHANGES TO THE BASE PROSPECTUS

As a result of the entry into force under French law of the Decree n° 2014-1315 dated 3 November 2014 relating to various provisions for the adaptation to European Union law concerning financial matters and financing companies (*portant diverses dispositions d'adaptation au droit de l'Union européenne en matière financière et relative aux sociétés de financement*), the regulatory provisions of the French Monetary and Financial Code (*Code monétaire et financier*) relating to *sociétés de crédit foncier* (Articles R. 515-2 to R. 515-14) and to *sociétés de financement de l'habitat* (R. 515-15 to R. 515-17) were renumbered respectively as Articles R. 513-1 to R. 513-18 and Articles R. 513-19 to L. 513-21; as a result, the references to the former numbering shall be read as references to the new numbering in accordance with the concordance table below:

<b>Concordance table</b>	
<b>Former numbering</b>	<b>New numbering</b>
Article R. 515-2	Article R. 513-1
Article R. 515-3	Article R. 513-2
Article R. 515-4	Article R. 513-3
Article R. 515-5	Article R. 513-4
Article R. 515-6	Article R. 513-5
Article R. 515-7	Article R. 513-6
Article R. 515-7-1	Article R. 513-7
Article R. 515-7-2	Article R. 513-8
Article R. 515-8	Article R. 513-9
Article R. 515-9	Article R. 513-10
Article R. 515-10	Article R. 513-11
Article R. 515-11	Article R. 513-12
Article R. 515-11-1	Article R. 513-13
Article R. 515-11-2	Article R. 513-14
Article R. 515-12	Article R. 513-15
Article R. 515-13	Article R. 513-16
Article R. 515-13-1	Article R. 513-17
Article R. 515-14	Article R. 513-18
Article R. 515-15	Article R. 513-19
Article R. 515-16	Article R. 513-20
Article R. 515-17	Article R. 513-21

## SUMMARY OF THE PROGRAMME

The section headed "**SUMMARY OF THE PROGRAMME**" of the Base Prospectus is modified as follows:

1. On page 10 of the Base Prospectus, the element headed "**B.12 Selected historical key financial information**" is deleted in its entirety and replaced with the following:

### Comparative Annual Financial Data (in millions of EUR)

<b>Income Statement</b>	31/12/2014	31/12/2013
Net banking income	1.629	2.441
Gross operating income	0.808	1.585
Net income	0.511	0.998
<b>Balance sheet</b>		
Total consolidated balance sheet	25.966.914	30.970.199
Shareholders equity	286.762	287.392
Debt securities	23.653.646	25.882.275

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 2014 and there has been no significant change in the financial or trading position of the Issuer.

2. On page 10 of the Base Prospectus, the element headed "**B.14 Extent to which the Issuer is dependent upon other Group entities**" is amended by replacing the reference to "granted" with "transferred (*remis en pleine propriété à titre de garantie*)".
3. On pages 10 and 11 of the Base Prospectus, the element headed "**B.15 Principal activities of the Issuer**" is amended as follows:

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*) (the "**Home Loans**") and other financial assets which are eligible under the legal framework applicable to *sociétés de financement de l'habitat* and in order to finance such transactions, the Issuer may issue bonds called *obligations de financement de l'habitat* that benefit from the *privilège* provided for in Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*) (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*.

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* 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**"), such Borrower Advances being fully secured by the ~~granting~~ transfer by way of security of the full title (*remise en pleine propriété à titre de garantie*) 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 a collateral security agreement (the "**Borrower Collateral Security Agreement**").

Please see schedule attached to this summary of the Programme for an explanatory structure diagram.

4. On pages 15,16 and 17 of the Base prospectus, the element headed "**C.9 Interest, maturity and redemption provisions, yield and representation of the Bondholders**" is amended as follows:

- The paragraph "**Representative of the French law Bondholders**" is amended as follows :

***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 *masse* (in each case, the "**Masse**"), provided that:

(a) If the relevant Final Terms specify "Full Masse", the Masse will be governed by all the provisions of the French Commercial Code (*Code de commerce*), and

(b) If the relevant Final Terms specify "Contractual Masse", the Masse will be governed by the provisions of the French Commercial Code (*Code de commerce*) subject to certain exceptions.

The *Masse* 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**").

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~~ [MCM Avocat, 10 rue de Sèze, 75009 Paris](#), 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 Frisecat, 57100 Thionville~~ [M. Antoine LACHENAUD, Partner at MCM Avocat law firm and M. Philippe MAISONNEUVE, Partner at MCM Avocat law firm, 10 rue de Sèze, 75009 Paris](#), 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.

- The paragraph "**Representative of the Bondholders**" is deleted in its entirety and replaced as follows:

***Representative of the Bondholders***

Bondholders are grouped automatically for the defence of their common interests in a Masse.

[Full Masse]/[Contractual Masse] shall apply.

The initial Representative for all Series of Covered Bonds is: MCM Avocat, 10 rue de Sèze, 75009 Paris, France, represented by M. Antoine LACHENAUD, Partner at MCM Avocat law firm.

The alternate Representative at this date is: M. Philippe MAISONNEUVE, Partner at MCM Avocat law firm, 10 rue de Sèze, 75009 Paris, France.

5. On page 20 of the Base Prospectus, the paragraphs of the Schedule entitled "**Schedule to the summary of the Programme - Structure diagram**" are amended as follows:

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~~ transfers by way of security of the full title (*remettre en pleine propriété à titre de garantie*) of Home Loan Receivables, in accordance with Article L. 211-38 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*).

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 the~~ transfer by way of security of the full title (*remise en pleine propriété à titre de garantie*) of home loan receivables, in accordance with Articles L. 211-38 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*) as collateral security.

## RESUME DU PROGRAMME

The section headed "**RESUMÉ DU PROGRAMME**" of the Base Prospectus is modified as follows:

1. On page 23 of the element headed "B.12 *Sélection d'informations financières historiques clés*" is deleted in its entirety and replaced with the following:

### Données financières annuelles comparées (en millions d'euros)

<b>Compte de résultat</b>	31/12/2014	31/12/2013
Produit net bancaire	1,629	2,441
Résultat brut d'exploitation	0,808	1,585
Résultat net	0,511	0,998
<b>Bilan</b>		
Total du bilan consolidé	25,966,914	30,970,199
Fonds propres	286,762	287,392
Titres de créance	23,653,649	25,882,275

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 2014, et il n'est survenu aucun changement significatif dans la situation financière et commerciale de l'Émetteur.

2. On page 24 of the Base Prospectus, the element headed "**B.15 Principales activités de l'Émetteur**" is amended by replacing the reference to "en garantie financière à titre de sûreté" with "en pleine propriété à titre de garantie".

3. On page 29 and 30 of the Base Prospectus, the element headed "**C.9 Intérêts, échéance et modalités de remboursement, rendement et représentation des Porteurs**" is amended as follows:

- The paragraph "**Représentants des Porteurs d'Obligations Sécurisées de Droit Français**" is amended as follows:

#### **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 :

- (a) si les Conditions Définitives applicables spécifient « Masse Complète », la Masse sera régie par les dispositions du Code de commerce ; et
- (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.

La Masse agira en tant qu'entité juridique distincte, en partie par l'intermédiaire d'un représentant (le "**Représentant**") et en partie par l'intermédiaire d'une assemblée générale des Porteurs d'Obligations Sécurisées de Droit Français ("**Assemblée Générale**").

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~~ MCM Avocat, 10 rue de Sèze, 75009 Paris, 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 Friseaty, 57100 Thionville~~ Antoine LACHENAUD, Avocat Associé au sein du cabinet MCM Avocat et par M. Philippe MAISONNEUVE, Avocat Associé au sein du cabinet MCM Avocat, 10 rue de Sèze, 75009 Paris, 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.

- The paragraph "**Représentants des Porteurs**" is deleted in its entirety and replaced as follows:

**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 : MCM Avocat, 10 rue de Sèze, 75009 Paris, France, représenté par M. Antoine LACHENAUD, Avocat Associé au sein du cabinet MCM Avocat.

Le Représentant suppléant, à cette date, est : M. Philippe MAISONNEUVE, Avocat Associé au sein du Cabinet MCM Avocat, 10 rue de Sèze, 75009 Paris, France

4. On page 31 of the Base Prospectus, the element "**D.2 Risques clés propres à l'Emetteur**" is amended by replacing the reference to "affectés à titre de sûreté" with "remis en pleine propriété à titre de garantie".

5. On pages 34 and 35 of the Base Prospectus, the paragraphs of the Schedule entitled "**Annexe au résumé du Programme - Diagramme de structure**" are amended as follows:

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 pleine propriété à titre de garantie, conformément aux Articles L. 211-38 et suivants du Code monétaire et financier, 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 pleine propriété à titre de garantie de créances de prêt à l'habitat.



## RISK FACTORS

The following sub-sections of the section headed "***I. RISK RELATED TO THE ISSUER***" of the Base Prospectus are modified as follows:

1. On page 47 of the Base Prospectus, the sub-section headed "***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***" is amended as follows:

***The Issuer relies on third parties including BNP Paribas and entities of the Group and their successors for the ~~monitoring~~ servicing of the Borrower Collateral Security Assets and Affiliate 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~~ service the Borrower Collateral Security Assets ~~and/or the~~ the Affiliate Collateral Security Assets, the Borrower Collateral Security ~~and/or the Affiliate 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 Borrower Collateral Security Assets, the Affiliate Collateral Security Assets, the Borrower Collateral Security and/or the Affiliate Collateral Security, this may lead to diminished value of the Borrower Collateral Security or any part thereof, and in turn, the ability of the Issuer to make payments under the Covered Bonds.

2. On page 48 of the Base Prospectus, the sub section headed "***Substitution Risk***" is amended as follows:

### ***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.

3. On page 48 of the Base Prospectus, in the first paragraph of the sub-section headed "**Modification, alteration or amendment of the Programme Documents without Bondholder prior consent**" the terms "of any" are deleted.

4. On page 49 of the Base Prospectus, the fourth indent of the fourth paragraph of the sub section of the risk factors headed "**Insolvency and examinership laws in France could limit the ability of the Bondholders to enforce their rights under the Covered Bonds**" is amended by replacing the reference to "procedure de conciliation" with "*procédure de conciliation*".

5. On page 51 of the Base Prospectus, the sub section headed "**Limited resources are available to the Issuer**" is amended as follows:

***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~~ transferred by way of security (*remis en pleine propriété à titre de garantie*) 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 Borrower Collateral Security or Affiliate Collateral Security (if any) 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.

6. On page 52 of the Base Prospectus, the third paragraph of the sub section headed "*Affiliates' ability to pay under the Affiliate Debt*" is amended as follows:

"However, in such event, BNP Paribas or 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)."

The following sub-sections of the section headed "**IV. RISK RELATED TO THE ISSUER**" of the Base Prospectus are modified as follows:

1. On page 53 of the Base Prospectus, the sub section headed "***No interpretation by French courts of rules applicable to Borrower Collateral Security and Affiliate Collateral Security***" is amended as follows:

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~~ are governed by the provisions of Articles L. 211-36 to L. 211-40 of the French Monetary and Financial Code (*Code monétaire et financier*) 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.~~ Articles L. 211-36 et seq. of the French Monetary and Financial Code (*Code monétaire et financier*).

2. On page 54 of the Base Prospectus, the sub section headed "***No prior notification to debtors under the Home Loan Receivables granted as Borrower Collateral Security or as Affiliate Collateral Security***" is amended as follows:

***No prior notification to debtors under the Home Loan Receivables ~~granted~~transferred 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~~ transferred by way of security (*remis en pleine propriété à titre de garantie*) without notification to the underlying debtors of such Home Loans. Such debtors will only be notified if and when the relevant ~~Collateral Security~~ 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~~ has been validly transferred by way of security (*remis en pleine propriété à titre de garantie*) 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**").

3. On page 54 of the Base Prospectus, the sub section headed "***Set-off by debtors***" is amended as follows:

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, as long as the debtors are not notified of such transfer,~~ 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~~ After the notification of the transfer, 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 still 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.

4. On page 55 of the Base Prospectus, the sub section headed "***Disproportionate guarantee***" is amended as follows:

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 Borrower Collateral Security and the Affiliate 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*), save in case of fraud.

5. On page 54 of the Base Prospectus, the sub section headed “**Risks related to maintenance of Borrower Collateral Security or Affiliate Collateral Security value prior to or following enforcement thereof**” is amended as follows:

If the collateral value of the Home Loans Receivables and related Home Loan Security ~~granted~~ transferred by way of security (*remis en pleine propriété à titre de garantie*) 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 Borrower Collateral Security Assets or the Affiliate Collateral Security Assets (if any) 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~~ transferred by way of security (*remis en pleine propriété à titre de garantie*) 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.

6. On page 56 of the Base Prospectus, the second paragraph of the sub-section headed “**Debtor's ability to pay under the Home Loans**” is amended by replacing the reference to “Collateral Security” with “Borrower Collateral Security or the Affiliate”.

7. On page 57 of the Base Prospectus, the paragraph of the sub-section headed "***Changes to the lending criteria of the Borrower and of the Affiliates***" is amended by the deletion of the following terms "and ultimately effect transfer of title to the Home Loan Receivables and Home Loan Security in favour of the Issuer."
8. On page 59 of the Base Prospectus, the sub-section headed "***Enforcement of Home Loan Guarantees***" is amended as follows:

***Enforcement of Home Loan Guarantees***

~~Following~~If 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 and notification~~ of the debtors under ~~such~~the Home Loans ~~is~~and then ~~given, and the Issuer enforces~~enforcement of its rights ~~by the Issuer~~ under the relevant Home Loan Guarantees against the guarantor. ~~If thereafter, such guarantor,~~ the later 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.

The section headed "**VI. RISKS RELATING TO THE OPERATION OF THE ISSUER**" of the Base Prospectus is modified as follows:

### ***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~~ The Borrower Collateral Security and the Affiliate Collateral Security (if any); are constituted by the transfers by way of security (*remises en pleine propriété à titre de garantie*) to the benefit of the Issuer of the full title of Home Loan Receivables and related Home Loans Security ~~will be transferred to the Issuer. In this case. As a consequence,~~ 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. ~~515513-7-1~~ 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. ~~515513-7-1~~ 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 [Borrower Collateral Security Assets and Affiliate](#) 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**").

The following sub-section of the section headed "**VII. RISKS RELATED TO COVERED BONDS GENERALLY**" of the Base Prospectus is modified as follows:

1. On page 63 of the Base Prospectus, the first paragraph of the sub-section headed "**Ratings of the Covered Bonds and rating Affirmation**" is amended as follows:

***Ratings of the Covered Bonds and Rating Affirmation***

The ratings assigned to the Covered Bonds by the Rating Agencies are based on the [Borrower Collateral Security Assets](#), the [Borrower Collateral Security](#), [the Affiliate Collateral Security Assets](#), [the Affiliate 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.

## TERMS AND CONDITIONS OF THE COVERED BONDS

The section headed "**TERMS AND CONDITIONS OF THE COVERED BONDS**" of the Base Prospectus is modified as follows:

1. On page 75 of the Base Prospectus, the paragraph "**(h) Programme Documents**" of the sub-section headed "**Covenants**" is amended as follows:

### (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~~any amendment, modification, alteration or supplement ~~shall be made~~ to any Programme Document to which it is a party ~~without~~shall be made with prior Rating Affirmation if the same materially and adversely affects the interest of the Issuer or the Bondholders but without the prior consent or sanction of 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 and without the prior consent or sanction of the Bondholders:

- (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.

2. On page 76 of the Base Prospectus, the paragraph "**(j) No further Issuance**" of the sub-section headed "**Covenants**" is amended as follows:

### (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~~ the required Cash Collateral Required Funding Amount (CCRFA) has not been funded within the required time frame, except for the purposes of subscription by the Issuer of Auto-held Covered Bonds in accordance with Condition 19.

3. On page 92 of the Base Prospectus, the second and third paragraphs "**(B) Representative**" of the sub-section headed "**Representations of Bondholders**" are deleted in their entirety and replaced as follows:

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 MCM Avocat:

MCM AVOCAT  
10 rue de Sèze  
75009 Paris  
France

represented by M. Antoine LACHENAUD, Partner at MCM Avocat law firm

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 alternative representative shall be M. Philippe MAISONNEUVE, Partner at MCM Avocat law firm, 10 rue de Sèze, 75009 Paris, France.

## THE ISSUER

The section headed "**THE ISSUER**" of the Base Prospectus is modified as follows:

1. On pages 101 and 102 of the Base Prospectus, the second paragraph of the sub-section headed "**Issuer's Activities**" is amended as follows:

### 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 transfer by way of security of the full title (*remise en pleine propriété à titre de garantie*), 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.

2. On page 110 of the Base Prospectus, the following paragraphs of the sub-section headed "**Issuer Management bodies**" are amended as follows:

### 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*), Mrs. Sonia GEORGES, Deputy Chief Executive Officer (*Directeur Général Délégué*) 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.

<b>Name</b>	<b>Position</b>	<b>Date of appointment</b>
<b>Valérie BRUNERIE</b>	Chairman of the Board of Directors ( <i>Président du Conseil d'Administration</i> )	1 April 2011
<b>Véronique FLOXOLI</b>	Director ( <i>administrateur</i> ) and Chief Executive Officer ( <i>directeur général</i> )	20 June 2014
<b>Jean CLAMON</b>	Director ( <i>administrateur</i> )	1 April 2011
<b>Aude de CHAUNAC</b>	Director ( <i>administrateur</i> )	20 June 2014
<b>BNP PARIBAS S.A</b>	Director ( <i>administrateur</i> )	1 April 2011
<b>Marie COLEMAN</b>	Director ( <i>administrateur</i> )	20 June 2014
<b>Sonia GEORGES</b>	Director ( <i>administrateur</i> ) <a href="#">Deputy Chief Executive Officer</a> ( <i>directeur général délégué</i> )	25 September 2013 <a href="#">23 Janvier 2015</a>
<b>Alexis LATOUR</b>	Director ( <i>administrateur</i> )	17 October 2011
<b>Albert BOSSUET</b>	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 [former](#) head of the Compliance and Internal Control within the Group.

BNP Paribas is represented by Mr. Jean-Louis GODARD, who is [Global](#) head of the Group's ALM [Treasury](#).

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.

3. On page 111 of the Base Prospectus, the paragraph "***The Specific Controller***" of the subsection headed "***External Supervision and oversight of the Issuer***" is amended as follows:

*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~~ [transferred 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~~transferred 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.

4. On pages 112 and 113 of the Base Prospectus, the (i) of the paragraph "**Administrator's duties**" of the sub-section headed "**The Administrative Agreement**" is amended as follows:

- (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~~the relevant Home Loan Receivables 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;



5. On page 115 of the Base Prospectus, the definition of "**Insolvency Event**" in the sub-section headed "**Administrator's Defaults**" of the sub-section headed "**The Administrative Agreement**" is amended as follows:

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

- ~~(i)(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;
- ~~(ii)(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*);
- ~~(iii)(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;
- ~~(iv)(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;
- ~~(v)(e)~~ any order for the winding-up or administration of the relevant entity is issued;
- ~~(vi)(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*), the accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*) 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
- ~~(vii)(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.

## SUMMARY OF THE SFH LEGAL FRAMEWORK

The section headed "**SUMMARY OF THE SFH LEGAL FRAMEWORK**" of the Base Prospectus is modified as follows:

1. On pages 119 and 120 of the Base Prospectus, the sub-section headed "**Eligible assets**" is amended as follows:

### **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~~513-54 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~~transfers by way of security (*remise en garantie financière*) of the full title (*remises en pleine propriété à titre de sûreté*) of Home Loan Receivables ~~in favour of the Issuer~~ pursuant to the provisions of Articles L. 211-36 to L. 211-40~~et seq.~~ 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. ~~515513-76~~ and R. ~~515-16~~513-20 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. ~~515513-7-4~~ 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. ~~515513-76~~ 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. ~~515513-7-28~~ 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 Borrower Collateral Security Assets. With respect to the Issuer, this requirement would be taken into account in the Borrower Collateral Security Agreement and for each issuance of Covered Bonds.

Pursuant to Article R. ~~515513-14~~18 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.

2. On page 122 of the Base Prospectus, the sub-section headed "**Minimum Legal Overcollateralisation Ratio**" is amended as follows:

#### **Minimum Legal Overcollateralisation Ratio**

Pursuant to Articles L. 513-12 and R. ~~515-7-2~~ 513-8 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 Borrower Collateral Security Assets.

Article R. ~~515513-7-28~~ 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.

3. On page 122 of the Base Prospectus, the sub-section headed "**Liquidity needs**" is amended as follows:

### **Liquidity needs**

Pursuant to Articles L. 513-8 and R. ~~515~~[513](#)-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 [Borrower](#) 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.

## THE BORROWER COLLATERAL SECURITY

The section headed "**THE BORROWER COLLATERAL SECURITY AGREEMENT**" of the Base Prospectus is modified as follows:

1. On page 130 of the Base Prospectus, the sub-section headed "**Borrower Secured Liabilities**" is deleted in its entirety and replaced as follows:

In order to secure the full and timely payment of all and any amounts (whether in principal, interest, fees, indemnities or guarantees) 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**") which constitute financial obligations (*obligations financières*) within the meaning of Article L. 211-36 of the French Monetary and Financial Code (*Code monétaire et financier*), the Borrower undertakes to, from time to time throughout the Borrower Security Period, and in accordance with Articles L. 211-38 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*), transfer by way of security to the benefit of the Issuer the full title (*remettre en pleine propriété à titre de garantie*) of Home Loan Receivables.

For the avoidance of doubt, the Borrower Collateral Security shall secure all the Borrower Secured Liabilities taken as a whole so that there is no segregation between the Borrower Collateral Security Assets depending on, notably, the Selection Date on which they were transferred.

2. On page 131 of the Base Prospectus, the first paragraph in the sub-section headed "**Eligible Assets**" is amended by replacing in the sub-paragraph (f) the reference to "granted" with "transferred".
3. On page 131 of the Base Prospectus, the second paragraph in the sub-section headed "**Eligible Assets**" is amended by replacing the reference to "granted" with "transferred".
4. On page 132 of the Base Prospectus, the sub-section headed "**Borrower Collateral Security Assets**" is amended by replacing the reference to "granted" with "transferred".
5. On page 133 of the Base prospectus, the sub-section headed "**Borrower Collateral Security Assets**" is amended as follows:

### *Borrower Collateral Security Assets*

Eligible Assets shall be validly ~~granted~~transferred 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.

[For the avoidance of doubt, the Borrower Collateral Security Assets may comprise Affiliate Collateral Security Assets that were previously transferred in full title as security to the Borrower in accordance with the provisions of any Affiliate Collateral Security Agreement \(see section "The main Programme Documents" - "The Affiliate Collateral Security Agreements"\).](#)

6. On page 132 of the Base Prospectus, the sub-sections headed initially "**Creation and Perfection**" and "**Controlling Rights and Covenants**" are renamed "**Transfers**" and are deleted in their entirety and replaced as follows:

In accordance with paragraphs I and II, 1°) of Article L. 211-38 of the French Monetary and Financial Code (*Code monétaire et financier*), the Borrower Collateral Security shall be constituted by transfers of Eligible Assets, such transfers being enforceable against third parties without further formalities, other than the identification of the transferred (*remises en pleine propriété*) Eligible Assets in the relevant Transfer Certificate delivered to the Issuer by the Borrower in accordance with the provisions of the Borrower Collateral Security Agreement.

Any Eligible Asset transferred subject to, and in accordance with, the Borrower Collateral Security Agreement will automatically form part of the Borrower Collateral Security until final release and discharge, but without prejudice to substitutions and partial releases which may occur in accordance with the provisions of the Borrower Collateral Security Agreement.

For the whole duration of the Borrower Collateral Security, the Issuer has full legal title over the Borrower Collateral Security Assets. The Borrower Collateral Security shall be effective as long as the Borrower Secured Liabilities have not been fully and irrevocably discharged on the Discharged Date. It shall not be considered as satisfied or discharged or prejudiced by any intermediate payment, satisfaction or settlement of any part of the Borrower Secured Liabilities.

In particular, the Issuer may use, re-use or dispose for its own benefit of all or part of the Borrower Collateral Security Assets at any time as long as the Borrower Collateral Security is continuing, notably by transferring, pledging or otherwise using as collateral security such Borrower Collateral Security Assets, provided that the Issuer shall be liable to return such Borrower Collateral Security Assets to the Borrower if and when required in accordance with the provisions of the Borrower Collateral Security Agreement. The Issuer shall inform the Borrower of such use. The Issuer may use the Borrower Collateral Security Assets as collateral eligible to credit transactions with the *Banque de France* in accordance with the monetary and intra-day credit operations rules of the Eurosystem and in accordance with the provisions of the *Programme* Documents if necessary to finance any liquidity needs in order to comply with its obligations under the SFH Legal framework.

"**Transfer Certificate**" means a full title transfer certificate (*certificat de transfert*) substantially in the form provided by the Borrower Collateral Security Agreement to be remitted by the Borrower to the Issuer.

7. On page 133 of the Base Prospectus, the third and fourth paragraphs of the sub-section headed "**Asset-Monitoring and Asset Cover Test**" is deleted in its entirety.

8. On page 133 of the Base Prospectus, the two following paragraphs are added at the beginning of the sub-section headed "**Asset Servicing**":

The Issuer has full title over the Borrower Collateral Security Assets. However, the Borrower is entitled to keep and dispose of any collections received under the Borrower Collateral Security Assets, subject to the provisions of the Borrower Collateral Security Agreement.

Until enforcement of the Borrower Collateral Security in accordance with the terms and subject to the provisions described below, the servicing management and recovery of the Borrower Collateral Security Assets shall continue to be carried out by the Borrower

9. On page 133 of the Base Prospectus, the sub section headed "**Asset Servicing**" is amended as follows:

*Asset Servicing*

The Issuer has full title over the Borrower Collateral Security Assets. However, the Borrower is entitled to keep and dispose of any collections received under the Borrower Collateral Security Assets, subject to the provisions of the Borrower Collateral Security Agreement.

Until enforcement of the Borrower Collateral Security in accordance with the terms and subject to the provisions described below, the servicing management and recovery of the Borrower Collateral Security Assets shall continue to be carried out by the Borrower.

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~~collateral security assets transferred 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~~ transferred 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~~.

10. On pages 134 and 135 of the Base Prospectus, the sub-section headed "**Enforcement**" is deleted in its entirety and replaced as follows:

Upon the service by the Issuer (represented 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:

- (a) the Issuer (represented by the Administrator or any representative, agent or expert acting on its behalf) shall be entitled to notify to any debtor the transfer of any Borrower Collateral Security Asset made to its benefit in accordance with the provisions of this Agreement and the corresponding Transfer Certificate or Substitution Certificate;
- (b) each such notice shall take the form of a notice ("**Notice to Debtor**") 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. In any such case, any relevant debtor shall then pay the sums payable by it under each transferred receivables directly to the Issuer. Any payment made by any debtor to the Borrower as from the date of receipt of a Notice to Debtor will not discharge such debtor of its obligations under the relevant Borrower Collateral Security Assets and/or the related Asset Contractual Documentation;
- (c) the Issuer (represented by the Administrator or any representative, agent or expert acting on its behalf) shall exercise all its rights, discretions, privileges and remedies under the Borrower Collateral Security Assets, or any 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 such Borrower Collateral Security Assets (and, in particular, any and all relevant Home Loan Security) whatever the value of Borrower Collateral Security Assets at the time of the service of the Borrower Enforcement Notice and shall be

entitled to dispose of, transfer, sale or cause to be sold, any or all of the Borrower Collateral Security Assets, but subject to the repayment claim (*créance de restitution*) of the Borrower against the Issuer;

- (d) the Borrower shall no longer be entitled to service or cause to be serviced 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, the Administrator or any representative, agent or expert acting on the Issuer's or the Administrator's behalf; and
- (e) upon the instructions of the Issuer, the Administrator or any representative, agent or expert acting on the Issuer's or the Administrator's behalf (each, an "**Enforcing Party**"), the Borrower shall:
  - (i) deliver such Asset Records and related documents as well as the deeds, acts, agreements and contractual documents governing the Borrower Collateral Security Assets and Asset Contractual Documentation to the Enforcing Party to such place as the same may reasonably designate;
  - (ii) grant the Enforcing Party reasonable access to its facilities, premises, computer and/or software systems; and
  - (iii) 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.

For the purpose hereof:

"**Asset Contractual Documentation**" means, in relation to any and all Borrower 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 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).

For the avoidance of doubt, no right of the Issuer to enforce the Borrower Collateral Security shall be in any manner affected or limited by any Insolvency Event with respect to the Borrower or any of its assets, pursuant to Article L. 211-40 of the French Monetary and Financial Code (*Code monétaire et financier*).

11. On pages 135 and 136 of the Base Prospectus, the sub-sections headed "**Conditions of enforcement**" and "**Borrower's obligations upon enforcement**" are deleted in their entirety.

12. On page 136 of the Base Prospectus, the sub-section headed "**Application of Proceeds**" is amended as follows:

*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~~ Following the service of any Notice to Debtor in accordance with the provisions of the Borrower Collateral Security, any principal and interest payments, distributions, sale or liquidation proceeds and other sums under the Borrower Collateral Security Agreement and/

or the related Asset Contractual Documentation (together, the "**Enforcement Proceeds Collections**") received by the Issuer thereunder shall be ~~held by the Issuer as cash collateral (*gage-espèces*) for~~ applied (together with any Cash Collateral enforced in accordance with the provisions of the Cash Collateral Agreement) towards 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 (i) claim against the Issuer for repayment (*créance de restitution*) of the portion of the **Enforcement Proceeds Collections** received by the Issuer and not applied to the satisfaction of the Borrower Secured Liabilities and (ii) request the final release of the Borrower Collateral Security for any remaining outstanding Borrower Collateral Security Assets from the Issuer in accordance with the provisions of the Borrower Collateral Security Agreement. 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 of the Borrower (*créance de restitution*) does not benefit from the privilege referred to in ~~article~~ Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*).

In the event that the Borrower Secured Liabilities have not been fully satisfied applying the Collections in accordance with the provisions above, the Issuer will have a claim against the Borrower for the sums remaining unpaid under the Borrower Secured Liabilities and may take any further steps against the Borrower to recover any such unpaid sum.

13. On page 137 of the Base Prospectus, the sub-section headed "**Limited Recourse - Non Petition - Amendments**" is amended as follows:

*Limited Recourse - Non Petition - Amendments*

The Borrower 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**".

## THE AFFILIATE FACILITY AGREEMENTS

The section headed "***THE AFFILIATE FACILITY AGREEMENTS***" of the Base Prospectus is modified as follows:

On page 142 of the Base Prospectus, the following paragraph of the sub-section headed "***Affiliate Event of Default***" is deleted in its entirety:

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**").

## THE AFFILIATE COLLATERAL SECURITY AGREEMENTS

The section headed "***THE AFFILIATE COLLATERAL SECURITY AGREEMENTS***" of the Base Prospectus is modified as follows:

1. On page 143 of the Base Prospectus, the sub-section headed "***Affiliate Secured Liabilities***" is deleted in its entirety and replaced as follows:

In order to secure the full and timely payment of all and any amounts (whether in principal, interest, fees, indemnities or guarantees) 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**") which constitute financial obligations (*obligations financières*) within the meaning of Article L. 211-36 of the French Monetary and Financial Code (*Code monétaire et financier*), the Affiliate undertakes to, from time to time, throughout the Affiliate Security Period, and in accordance with Articles L. 211-38 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*), transfer by way of security the full title (*remettre en pleine propriété à titre de garantie*) of Home Loan Receivables to the benefit of the Affiliate Lender.

For the avoidance of doubt, any Affiliate Collateral Security shall secure all the Affiliate Secured Liabilities under the relevant Affiliate Facility Agreement taken as a whole so that there is no segregation between the Affiliate Collateral Security Assets depending on, notably, the Selection Date on which they were transferred.

2. On page 143 of the Base Prospectus, the sub-section headed "Affiliate Collateral Security Assets" is amended by replacing the reference to "granted" with "transferred".
3. On page 144 of the Base Prospectus, the sub-sections "***Creation and Perfection***" and "***Controlling Rights and Covenants***" are deleted and replaced by a sub-section entitled "***Transfers***" as follows:

The transfer by way of security of the full title (*remises en pleine propriété à titre de garantie*) of each Affiliate Collateral Security Asset with respect to each Affiliate which is incorporated in France shall be made subject to the same requirements as that applicable to the transfer by way of security of the full title (*remises en pleine propriété à titre de garantie*) of the Borrower Collateral Security Assets.

The transfer of each Affiliate Collateral Security Asset 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.

Any Eligible Asset transferred subject to, and in accordance with, any Affiliate Collateral Security Agreement will automatically form part of the relevant Affiliate Collateral Security until final release and discharge, but without prejudice to substitutions and partial releases which may occur in accordance with the provisions of the relevant Affiliate Collateral Security Agreement.

For the whole duration of each Affiliate Collateral Security, the Affiliate Lender has full legal title over the Affiliate Collateral Security Assets. The Affiliate Collateral Security shall be effective as long as the Affiliate Secured Liabilities have not been fully and irrevocably discharged on the Discharge Date. It shall not be considered as satisfied or discharged or prejudiced by any intermediate payment, satisfaction or settlement of any part of the Affiliate Secured Liabilities.

4. On page 144 of the Base Prospectus, the sub-section headed "**Top up requirements**" is renamed "**Additions, Substitutions and Partial Releases**" and is amended by replacing the reference to "grant" with "transfer".

5. On page 144 of the Base Prospectus, the sub-section headed "**Asset Servicing**" is amended as follows:

*Asset Servicing*

The Affiliate Lender has full title over the Affiliate Collateral Security Assets. However, for the avoidance of doubt, the Affiliate is entitled to keep and dispose of any collections received under the relevant Affiliate Collateral Security Assets, subject to the provision of the applicable Affiliate Collateral Security Agreement.

Until enforcement of the Affiliate Collateral Security, the servicing, management and recovery of the Affiliate Collateral Security Assets shall continue to be carried out by the Affiliate.

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 Affiliaite 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.

6. On page 145 of the Base Prospectus, the sub-section headed "**Enforcement**" is amended as follows:

*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~~ have over the Affiliate Collateral Security Assets the same rights than the ones of the Issuer over the Borrower 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~~ upon enforcement of the Borrower Collateral Security in accordance with the relevant terms of the Borrower Collateral Security Agreement.

7. On page 145 of the Base Prospectus, the sub-section headed "**Conditions of enforcement**" is amended as follows:

*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 (see section entitled "The main Programme Documents" - "The Borrower Collateral Security Agreement").

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.

## ASSET MONITORING

The section headed "*ASSET MONITORING*" of the Base Prospectus is modified as follows:

1. On page 157 of the Base Prospectus, in the third paragraph, the reference to "the Collateral Security Assets" is replaced by "the Borrower Collateral Security Assets".

2. On page 158 of the Base Prospectus, the sub-section headed "*I. The Asset Cover Test*" is amended as follows:

- the definition "*Adjusted Home Loan Outstanding Principal Amount*" is amended as follows:

"**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.~~

- the definition "*Relevant Home Loan*" is amended as follows:

"**Relevant Home Loan**" means, with respect to a given Asset Cover Test Date, any Home Loan from which Home Loan Receivables have been ~~granted~~ transferred as Borrower ~~Collateral Security or Affiliate~~ Collateral Security, excluding Home Loans which do not comply any more with the applicable Home Loan Eligibility Criteria.

- the paragraph "*Remedies*" is amended as follows:

Upon Non Compliance with Asset Cover Test on any Asset Cover Test Date, the Borrower shall (~~or and~~, at its sole discretion and subject to the relevant terms of; the Affiliate Collateral Security Agreements, shall procure that the Affiliates):

- (i) ~~Grant transfer~~ additional ~~or~~ Eligible Assets as Borrower Collateral Security ~~or (and as appropriate)~~ as Affiliate Collateral Security; and/or
- (ii) request a ~~release substitution~~ of Eligible Assets from the Borrower Collateral Security ~~or (and as appropriate)~~ the relevant Affiliate Collateral Security;

3. On page 161 of the Base Prospectus, the sub-section headed "*IV. The Legal Liquidity Reserve*", is amended as follows:

### 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. ~~515513-7-1~~ 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 Borrower 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.

4. On page 164 of the Base Prospectus, the sub-section headed "**IV. The Amortisation Test**" is amended as follows:

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 (20<sup>th</sup>) 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 Transferred Home Loan")~~, as such "~~Adjusted~~Transferred 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~~Asset; 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

The section headed "**CASH FLOW**" of the Base Prospectus is modified as follows:

1. On page 166 of the Base Prospectus, the sub-section headed "**Issuer Accounts**" is amended as follows:

### **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 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.

2. On page 167 of the Base Prospectus, the (vi) of the first paragraph “***Pre-Enforcement Priority Payment Order***” of the sub-section headed “***Priority Payments Orders***” is amended as follows:

- (i) **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 Borrower 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;

## THE HEDGING STRATEGY

The section headed "**THE HEDGING STRATEGY**" of the Base Prospectus is modified as follows:

### 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 occurrence~~ 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.

## RECENT DEVELOPMENTS

At the end of the section headed "*THE HEDGING STRATEGY*" of the Base Prospectus, a new section entitled "*RECENT DEVELOPPMENTS*" is added to the Base Prospectus as follows:

**Free English translation of the audited financial statements of the Issuer for the financial year ended 31 December 2014**

(see below)

**Free English translation of the statutory auditors' report for the financial year ended 31 December 2014**

(see below)

**FINANCIAL STATEMENTS OF**  

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**BNP PARIBAS HOME LOAN SFH**

**Dated 31 DECEMBER 2014**

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## TABLE OF EARNINGS FOR THE LAST FIVE FINANCIAL YEARS AS AT 31 DECEMBER 2014 IN EUROS

## INCOME STATEMENT AT 31 12 2014

In euros	Notes	31/12/2014	31/12/2013
Interest and similar income	2.a	2 541 102 895	3 069 002 237
Interest and similar expenses	2.a	(2 540 448 688)	(3 067 460 930)
Revenues from variable-income securities			-
Commissions (income)	2.b	1 250 000	1 250 000
Commissions (expenses)	2.b	(274 720)	(348 882)
Gains or losses on transactions on trading portfolios		(119)	(1 303)
Gains or losses on transactions on investment portfolios and similar		-	-
Other income from banking operations		-	-
Other expenses on banking operations		-	-
<b>NET BANKING INCOME</b>		<b>1 629 368</b>	<b>2 441 122</b>
Labour costs		-	-
Other administrative expenses	2.c	(821 140)	(855 833)
Amortisation and impairment charge on tangible and intangible fixed assets		-	-
<b>GROSS OPERATING PROFIT</b>		<b>808 228</b>	<b>1 585 288</b>
Cost of risk		-	-
<b>OPERATING PROFIT</b>		<b>808 228</b>	<b>1 585 288</b>
Gains or losses on capitalised assets			
Net transfers to regulated provisions			
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAX</b>		<b>808 228</b>	<b>1 585 288</b>
Net exceptional income/expense			
Corporate income tax	2.d	(297 442)	(586 991)
<b>NET PROFIT</b>		<b>510 786</b>	<b>998 297</b>

## BALANCE SHEET AT 31 DECEMBER 2014

In euros at 30 June	Notes	31/12/2014	31/12/2013
<b>ASSETS</b>			
Cash, Central Banks, PO accounts			
Treasury bills and similar securities			
Loans and advances to banks	3.a	25 390 182 645	30 264 089 712
Transactions with clients			
Bonds and other fixed-income securities			
Equities and other variable-income securities			
Equity investments and other long-term securities		4 000	4 000
Interests in group companies			
Lease financing with purchase option			
Intangible fixed assets			
Tangible fixed assets			
Treasury shares			
Other assets	3.b	281 904	20 000
Adjustment accounts	3.c	576 445 881	706 085 672
<b>TOTAL ASSETS</b>		<b>25 966 914 430</b>	<b>30 970 199 384</b>
<b>LIABILITIES</b>			
<b>DEBTS</b>			
Central Banks, PO accounts		28	
Amounts due to banks	3.a	1 620 026 730	4 270 234 750
Transactions with clients		-	-
Debt securities	3.d	23 653 645 984	25 882 275 125
Other liabilities	3.b	34 035	251 703
Adjustment accounts	3.c	366 400 631	490 000 694
Provisions for contingencies and charges		-	-
Subordinated debt	3.e	40 044 049	40 044 924
<b>TOTAL DEBTS</b>		<b>25 680 151 457</b>	<b>30 682 807 197</b>
<b>SHAREHOLDERS' EQUITY</b>			
	4.b		
Share capital subscribed		285 000 000	285 000 000
Premium on shares			
Reserves		989 360	939 445
Retained earnings		262 827	454 445
Profit for the period		510 786	998 297
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>286 762 973</b>	<b>287 392 187</b>
<b>TOTAL LIABILITIES</b>		<b>25 966 914 430</b>	<b>30 970 199 384</b>
<b>OFF-BALANCE-SHEET ITEMS</b>			
	Notes	31/12/2014	31/12/2013



**COMMITMENTS GIVEN**

Finance commitments

*3.f*

Guarantee commitments

Commitments on securities

**COMMITMENTS RECEIVED**

Finance commitments

Guarantee commitments

Commitments on securities

## 1. SUMMARY OF THE Accounting principles APPLIED BY BNP PARIBAS HOME LOAN SFH

- 

*The financial statements of BNP Paribas Home Loan SFH have been prepared in accordance with general accounting principles applicable in France to banks.*

*The income statement dated 31 December 2014 and the related notes to the Financial Statements provide comparative information for 31 December 2013.*

*The method adopted for valuing items recorded in the accounting records is historical cost.*

*The main methods applied are as follows:*

- **Loans and advances to banks and clients**

Loans and advances to banks cover all loans and advances, including the subordinated type, made within the context of banking transactions to banks with the exception of those represented by certificates. They also include repo securities in any transaction medium and loans and advances relating to delivered repurchases. These are broken down into on-demand and term loans.

Loans and advances to banks and clients are stated in the balance sheet at face value plus accrued interest not yet due.

- **Debt Securities**

Debt securities are recorded at amortized cost.

Premiums on shares or redemption of bond borrowings are amortised on an actuarial basis over the term of the borrowing.

### **Derivative financial instruments held for hedging purposes**

Following modification of the BNP Paribas rating and in accordance with the issue program documentation, on 13 January 2012 BNP Paribas Home Loan SFH installed rate risk hedging contracts with BNP Paribas SA within the framework of the “Hedging Strategy,” after having obtained approval from the rating agencies.

Within that framework,

- the derivative financial instruments designated as hedging instruments for the company’s assets and liabilities represent 15,840,958,619 € and they are classified in category b), micro-hedging, in application of CRBF rule 90-15.
- the derivative financial instrument for hedging the underlying assets in terms of collateral and its mirror swap, representing -28,974,831,936 €, have been classified in category a), isolated open positions, in application of CRBF rule 90-15 and constitute a uniform whole.

The swaps held are held only for hedging purposes

The income and charges relative to the forward derivative financial instruments used for hedging purposes, originally assigned to an identified element or to an identified uniform set of elements, are posted to earnings in a way symmetrical with the posting of the income and charges on the hedged elements and under the same accounting heading.

The charges and income relative to the forward financial instruments having the purpose of hedging and managing a global interest rate risk are entered prorata temporis under earning.

- **Recognition of income and charges**

Interest and related commissions are recognised as they arise, on a prorata basis.

Commissions not similar in nature to interest and corresponding to the provision of services are recognised as of the date on which the services are provided or on a pro-rata basis for the duration of the service rendered when that service is continuous.

Income and charges in foreign currencies are stated at the converted value as of the date of the transaction.

- **Foreign currency transactions**

Receivables and liabilities denominated in foreign currencies are valued at the spot exchange rate as of the balance sheet date.

The conversion of these transactions denominated in foreign currencies as of the balance sheet date gives rise to a difference recognised through profit or loss.

Income and charges denominated in foreign currencies and relating to loans or borrowings are recorded in the income and charges accounts opened in each of the foreign currencies concerned, with the conversion being made at the monthly closeout dates.

- **Information concerning transactions between affiliated companies**

In the light of the company's business and of its capital link (subsidiary 99.99% held by BNP Paribas SA), the CRC 2010-04 obligations concerning presentation of the information about affiliated parties are inapplicable.

- **Tax consolidation rules**

BNP Paribas Home Loan SFH is consolidated by the "Groupe Fiscal France", the group head of which is BNP Paribas since 01/01/2005.

With respect to corporation tax, pursuant to the terms of the tax consolidation agreement, the tax is determined by the subsidiary as if there were no tax consolidation.

The amount calculated in this way, after deduction of the tax credits if any, is due to the parent company, BNP PARIBAS SA.

- **Consolidation**

The accounts of BNP Paribas Home Loan SFH are included on the basis of the full consolidation method in the consolidated accounts of BNP PARIBAS SA.

- **General information**

- Within the context of the issuance of covered bonds, BNP Paribas has collateralised, for BNP Paribas Home Loan SFH, a pool of real estate loans totalling 28,974,831,936 € (Twenty-eight billion nine hundred seventy-four million eight hundred thirty one thousand nine hundred thirty-six euros) as of 31 December 2014.

This pool is used to an extent of **24,693,121,460 € (euros)** in connection with the existing issues.

- Following modification of the BNP Paribas rating and in accordance with the issue program documentation, on 13 January 2012 BNP Paribas Home Loan SFH installed hedging contracts with BNP Paribas SA within the framework of the "Hedging Strategy", after having obtained approval from the rating agencies.

## 2. NOTES ON THE INCOME STATEMENT AT 31 DECEMBER 2014

### 2.a INTEREST MARGING

Under the headings "Interest and similar income" and "Interest and similar expenses" BNP Paribas Home Loan SFH shows the calculated income on financial instruments carried at amortised cost.

In euros	31/12/2014		31/12/2013	
	Income	Expenses	Income	Expenses
<b>Banks</b>	<b>2 541 102 895</b>	<b>(1 937 460 778)</b>	<b>3 069 002 237</b>	<b>(2 302 033 454)</b>
Demand accounts, loans and borrowings	2 541 102 895	(1 937 460 778)	3 069 002 237	(2 302 033 454)
<b>Debt securities</b>		<b>(602 987 910)</b>		<b>(765 427 476)</b>
Bonds		(601 987 078)		(764 430 225)
Term subordinated debt		(1 000 832)		(997 251)
<b>Interest income and expenses</b>	<b>2 541 102 895</b>	<b>(2 540 448 688)</b>	<b>3 069 002 237</b>	<b>(3 067 460 930)</b>

Interest income and expenses on hedging derivatives are shown with the income from the items for which they contribute to hedging the risks

### 2.b COMMISSIONS

In euros	31/12/2014		31/12/2013	
	Income	Expenses	Income	Expenses
<b>Banking and financial transactions</b>	<b>1 250 000</b>	<b>(274 720)</b>	<b>1 250 000</b>	<b>(348 882)</b>
Securities trading	1 250 000	(274 720)	1 250 000	(348 882)
<b>Commission income and expenses</b>	<b>1 250 000</b>	<b>(274 720)</b>	<b>1 250 000</b>	<b>(348 882)</b>

### 2.c OPERATING GENERAL EXPENSES

In euros	31/12/2014	31/12/2013
<b>Other administrative expenses</b>	<b>(821 140)</b>	<b>(855 833)</b>
<i>Remuneration of intermediaries</i>	<i>(759 985)</i>	<i>(678 416)</i>
<i>Taxes and duties</i>	<i>(61 156)</i>	<i>(177 417)</i>
<b>Total general operating expenses</b>	<b>(821 140)</b>	<b>(855 833)</b>

## 2.d CORPORATE INCOME TAX

In euros	31/12/2014	31/12/2013
Current tax for the period	(297 442)	(586 991)
<b>Corporate income tax</b>	<b>(297 442)</b>	<b>(586 991)</b>

## 3.NOTES ON THE BALANCE SHEET AT 31 DECEMBER 2014

### 3.a AMOUNTS DUE TO AND FROM BANKS

In euros	31/12/2014	31/12/2013
<b>Loans and receivables</b>	<b>25 390 182 645</b>	<b>30 264 089 712</b>
Ordinary debit accounts	9 703 013	10 028 328
Term accounts and loans	25 380 479 632	30 254 061 384
<b>Loans and amounts due from banks</b>	<b>25 390 182 645</b>	<b>30 264 089 712</b>
<i>Of which associated receivables</i>	<i>312 850 150</i>	<i>429 053 781</i>

In euros	31/12/2014	31/12/2013
Ordinary credit accounts	28	0
<b>Debts and borrowings</b>	<b>1 620 026 730</b>	<b>4 270 234 750</b>
<b>Amounts due to banks</b>	<b>1 620 026 758</b>	<b>4 270 234 750</b>
<i>Of which associated liabilities</i>	<i>26 730</i>	<i>234 750</i>

*Corresponds the Cash Collateral account*

### 3.b OTHER ASSETS AND LIABILITIES

In euros	31/12/2014	31/12/2013
Miscellaneous payables	281 904	20 000
<b>Other assets</b>	<b>281 904</b>	<b>20 000</b>
Miscellaneous creditors	34 035	251 703
<b>Other liabilities</b>	<b>34 035</b>	<b>251 703</b>

As at 31/12/2014, no trade payables appeared in the BNP Paribas Home Loan SFH accounts.

### 3.C SECURITIES TRANSACTIONS

<b>Shares and other variable-income securities</b>	-	-
<b>In euros</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
	<b>Net book value</b>	<b>Net book value</b>
<b>Holdings including provisions</b>	-	-
<b>Other securities held long term including provisions</b>	<b>4 000</b>	<b>4 000</b>
<b>Holdings and other securities held long term</b>	<b>4 000</b>	<b>4 000</b>

## 3.d ADJUSTMENT ACCOUNTS

In euros	31/12/2014	31/12/2013
Accrued income	293 569 911	419 015 292
Other debit adjustment accounts	282 875 969	287 070 380
<i>Prepaid charges</i>	282 875 969	287 070 380
<b>Adjustment accounts – assets</b>	<b>576 445 881</b>	<b>706 085 672</b>
Accrued expenses	293 716 071	419 177 246
Other credit adjustment accounts	72 684 560	70 823 449
<i>prepaid income</i>	72 684 560	70 823 449
<b>Adjustment accounts – liabilities</b>	<b>366 400 631</b>	<b>490 000 694</b>

The adjustment accounts – assets include the zero- coupon bond redemption premiums still to be spread out for 218 M€ in 2014 (224 M€ in 2013).

## 3.e DEBT SECURITIES

In euros	31/12/2014	31/12/2013
Bonds	23 362 691 513	25 470 071 099
<i>Associated liabilities</i>	290 954 471	412 204 026
<b>Debt securities</b>	<b>23 653 645 984</b>	<b>25 882 275 125</b>

## 3.f SUBORDINATED DEBT

In euros	31/12/2014	31/12/2013
Repayable subordinated debt	40 000 000	40 000 000
<i>associated liabilities</i>	44 049	44 924
<b>Subordinated debt</b>	<b>40 044 049</b>	<b>40 044 924</b>

## 4. ADDITIONAL INFORMATION

### 4.a CHANGES IN SHARE CAPITAL IN EUROS

	Number of shares				Nominal value
	at the beginning of the accounting period	created during the accounting period	redeemed during the accounting	at the end of the accounting period	
Ordinary shares	28 500 000			<b>28 500 000</b>	10 euros
Redeemed shares					
Preferred shares without voting rights					
Preferred shares					
Partnership shares					
Investment certificates					

### 4.b CHANGES IN SHAREHOLDERS' EQUITY

In euros	31/12/2013	Increases in accounts	Decreases in accounts	31/12/2014
<b>Equity</b>	<b>285 000 000</b>	-		<b>285 000 000</b>
- Legal reserve	939 445	49 915		989 360
- Retained earnings	454 445	(191 618)		262 827
- Profit for the period	998 297	510 786	(998 297)	510 786
<b>Shareholders' equity</b>	<b>287 392 187</b>	<b>369 083</b>	<b>(998 297)</b>	<b>286 762 973</b>

### 4.c NOTIONAL ON FINANCIAL INSTRUMENTS

In euros	31/12/2014	31/12/2013
Exchange rate derivatives	3 260 479 595	3 626 171 084
Interest-rate derivatives	86 371 101 518	98 376 114 159
<b>OTC financial forward instruments</b>	<b>89 631 581 112</b>	<b>102 002 285 243</b>

The net valuation of the swaps as of 31/12/2014 is zero

The capital gain on the issuers' swaps before allowing for the borrowers' swaps on the clientele assets as of 31/12/2014 is: - 1 886 486 378

The capital gain on the issuers' swaps before allowing for the borrowers' swaps on the issues as of 31/12/2014 is: 1 965 441 888



## 4.d AGING OF APPLICATIONS AND SOURCES OF FUNDS

In euros	Remaining term				Total
	Up to 3 months	3 months - 1 year	1 year - 5 years	Over 5 years	
<b>APPLICATIONS</b>					
<i>Demand receivables</i>	9 702 974	0	0	0	<b>9 702 974</b>
<i>Term receivables</i>	1 945 000 000	4 172 755 972	6 434 140 388	12 515 733 161	<b>25 067 629 521</b>
<b>SOURCES</b>					
<b>Amounts due to banks</b>	1 620 000 028	-	-	-	<b>1 620 000 028</b>
<b>Debt securities</b>	0	4 172 755 972	6 434 140 387	12 755 795 154	<b>23 362 691 513</b>
<b>Transactions with clients</b>	-	-	-	-	<b>-</b>
<b>Subordinated debt</b>	-	-	-	40 000 000	<b>40 000 000</b>

**Table of earnings for the last five financial years**

Indicator	31/12/2010	31/12/2011	31/12/2012	31/12/2013	31/12/2014
<b>Financial position at the end of the year</b>					
Share capital	175 000 000	225 000 000	285 000 000	285 000 000	285 000 000
Number of existing ordinary shares	17 500 000	22 500 000	28 500 000	28 500 000	28 500 000
Number of convertible bonds	None	None	None	None	None
<b>Actual operating earnings</b>					
Net banking income	2 307 425	2 716 052	2 098 909	2 441 122	1 629 368
Earnings before taxes, depreciation and amortisation	493 389	1 505 255	1 110 841	1 585 288	808 228
Corporate income tax	(195 208)	(130 052)	(384 259)	(586 991)	(297 442)
Earnings after taxes, depreciation and amortisation	298 181	1 375 203	726 582	998 297	510 786
Distributed earnings	-	-	1 995 000	1 140 000	-
<b>Earnings per share</b>					
Earnings after taxes, but before depreciation and amortisation	0.02	0.06	0.03	0.04	0.02
Earnings after taxes, depreciation and amortisation	0.02	0.06	0.03	0.04	0.02
Dividend paid per share	0	0	0.07	0.04	0
<b>Personnel</b>					
Number of employees	None	None	None	None	None
Payroll costs	None	None	None	None	None
Total fringe benefits paid (social security, welfare initiatives, etc.)	None	None	None	None	None

**BNP PARIBAS HOME LOAN SFH**

**STATUTORY AUDITORS' REPORT ON THE  
FINANCIAL STATEMENTS**

**(Year ended 31 December 2014)**

**PricewaterhouseCoopers Audit**

63, rue de Villiers  
92208 Neuilly-sur-Seine Cedex

**Deloitte & Associés**

185, avenue Charles de Gaulle  
92524 Neuilly-sur-Seine Cedex

**STATUTORY AUDITORS' REPORT ON THE  
FINANCIAL STATEMENTS****(Year ended 31 December 2014)**

*This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.*

*This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

BNP PARIBAS HOME LOAN SFH

1, boulevard Haussmann

75009 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meetings, we hereby report to you, for the year ended 31 December 2014, on:

- the audit of the accompanying financial statements of BNP PARIBAS HOME LOAN SFH,
- the justification of our assessments,
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

**I - Opinion on the financial statements**

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit involves performing procedures, using sample techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the

appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the company's financial position and its assets and liabilities as at 31 December 2014 and of the results of its operations for the year then ended in accordance with French accounting principles.

## **II - Justification of our assessments**

In accordance with the requirements of article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you that the assessments we made concerned the appropriateness of the accounting principles used as well as the reasonableness of the significant estimates made.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

## **III- Specific verifications and information**

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report regarding:

- the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.
- the fair presentation of the information provided in accordance with the requirements of article L.225-102-1 of the French Commercial Code (*Code de commerce*) relating to remuneration and benefits granted to certain company officers and any other commitments made in their favour. We draw your attention to the reasons presented in the management report explaining that your company does not provide any information relating to remuneration and benefits granted by the controlling entity to corporate officers of your company who are not also corporate officers of the controlling entity.

Neuilly-sur-Seine, 30 March 2015

*French original signed by*

The Statutory Auditors

PricewaterhouseCoopers Audit

Deloitte & Associés

Laurent Tavernier

Sylvie Bourguignon

## GENERAL INFORMATION

In the section headed "***GENERAL INFORMATION***" of the Base Prospectus appearing on page 210 of the Base Prospectus, the paragraph (3) is deleted in its entirety and replaced with the following:

(3) There has been no material adverse change in the financial or trading position or prospects of the Issuer since 31 December 2014.

## PERSONS RESPONSIBLE FOR PROSPECTUS SUPPLEMENT

### 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 Supplement is in accordance with the facts and contains no omission likely to affect its import.

Paris, 23 April 2015

### **BNP Paribas Home Loan SFH**

1, boulevard Haussmann  
75009 Paris  
France

duly represented by Véronique Floxoli  
in its capacity as Chief Executive Officer (*Directeur Général*) of the Issuer



### Visa of the AMF

In accordance with Articles L.412-1 and L.621-8 of the French Monetary and Financial Code (*Code monétaire et financier*), and with the AMF General Regulation (*Règlement général de l'AMF*), in particular Articles 212-31 to 212-33, the AMF has granted to this Supplement visa no. 15-164 dated 23 April 2015. The Base Prospectus, as supplemented by this Supplement, may be relied upon in relation to financial transactions only if supplemented by final terms. This Supplement has been prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L.621-8-1-I of the French Monetary and Financial Code (*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.