



BNP PARIBAS HOME LOAN SFH

BNP Paribas Home Loan SFH

(duly licensed French specialised credit institution)

€ 40,000,000,000 Covered Bond Programme

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

Under the Covered Bond Programme described in this Base Prospectus (the "**Programme**"), BNP Paribas Home Loan SFH (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may issue covered bonds (*obligations de financement de l'habitat*) to be governed either by French law or German law, as specified in the relevant Final Terms (as defined below) (respectively, the "**French Law Covered Bonds**" and the "**German Law Covered Bonds**" and together, the "**Covered Bonds**").

The Issuer is licensed as a specialised credit institution (*établissement de crédit spécialisé*) with the status of *société de financement de l'habitat* ("**SFH**") by the *Autorité de contrôle prudentiel et de résolution* (the "**ACPR**") and is governed by Articles L. 513-1 *et seq.* of the French Monetary and Financial Code, as amended from time to time, in particular as they have been amended by the relevant provisions of the decree-law (*ordonnance*) no. 2021-858 dated 30 June 2021 which transposes under French law Directive (EU) No. 2019/2162 of the European Parliament and of the Council dated 27 November 2019 on the issue of covered bonds and covered bond public supervision amending Directives 2009/65/EC and 2014/59/EU ("**Covered Bonds Directive**"). All French Law Covered Bonds and German Law Covered Bonds will benefit from the statutory *privilège* (priority in right of payment) over all the assets and revenues of the Issuer created by Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*) (the "**Privilège**"), as more fully described herein.

The aggregate nominal amount of Covered Bonds outstanding will not at any time exceed € 40,000,000,000 (or its equivalent in other currencies) at the date of issue.

This Base Prospectus has been approved by the *Autorité des marchés financiers* (the "**AMF**"), as competent authority in France under Regulation 2017/1129/EU dated 14 June 2017, as amended (the "**Prospectus Regulation**"). The AMF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer nor of the quality of the Covered Bonds that are the subject of this Base Prospectus. The approval given by the AMF is not a favourable opinion on the Issuer and on the quality of the Covered Bonds described in this Base Prospectus. Investors should make their own assessment on the opportunity to invest in such Covered Bonds.

This Base Prospectus supersedes and replaces the base prospectus dated 30 June 2021 and is valid until 7 July 2023 and shall be completed by a supplement in the event of significant new factor, material mistake or material inaccuracy. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Application may be made to the regulated market of Euronext Paris ("**Euronext Paris**") for the French Law Covered Bonds issued under the Programme while this Base Prospectus is valid to be listed and admitted to trading on Euronext Paris, which is a regulated market for the purposes of the Directive 2014/65/EU of 15 May 2014, as amended from time to time, appearing on the list of regulated markets issued by the European Securities Markets Authority (the "**ESMA**") (each such market being a "**Regulated Market**"). The French Law Covered Bonds issued under the Programme may also be unlisted or listed and admitted to trading on any other market, including any other Regulated Market in any member state of the European Economic Area ("**EEA**") (a "**Member State**"). The relevant final terms (a form of which is contained herein) in respect of the issue of any French Law Covered Bonds (the "**Final Terms**") will specify whether or not such Covered Bonds will be listed and admitted to trading on any market and, if so, the relevant market. The German Law Covered Bonds will not be admitted to trading nor listed on any market or stock exchange.

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

French Law Covered Bonds may be issued either in dematerialised form ("**Dematerialised Covered Bonds**") or in materialised form ("**Materialised Covered Bonds**") as more fully described herein. Dematerialised Covered Bonds will at all times be in book entry form in compliance with Articles L. 211-3 *et seq.* and R.211-1 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*). No physical documents of title will be issued in respect of the Dematerialised Covered Bonds.

Dematerialised Covered Bonds may, at the option of the Issuer, be (i) in bearer form (*au porteur*) inscribed as from the issue date in the books of Euroclear France (acting as central depository) which shall credit the accounts of the relevant Account Holders (as defined in "Terms and Conditions of the Covered Bonds - Form, Denomination, Title and Redenomination" of this Base Prospectus) including Euroclear Bank SA/NV ("**Euroclear**") and the depository bank for Clearstream Banking S.A., "**Clearstream**" or (ii) in registered form (*au nominatif*) and, in such latter case, at the option of the relevant Bondholder (as defined in "Terms and Conditions of the Covered Bonds - Form, Denomination, Title and Redenomination" of this Base Prospectus), in either fully registered form (*au nominatif pur*), in which case

they will be inscribed in an account maintained by the Issuer or by a registration agent (appointed in the relevant Final Terms) for the Issuer, or in administered registered form (*au nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Bondholder.

ARRANGER AND PERMANENT DEALER

BNP PARIBAS

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

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

Covered Bonds to be issued under the Programme are expected on issue to be rated AAA by S&P Global Ratings Europe Limited ("**S&P**") and by Fitch Ratings Ireland Limited ("**Fitch Ratings**") (together, the "**Rating Agencies**"). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. As of the date of this Base Prospectus, each of the Rating Agencies is established in the European Union and is registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council dated 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**"), as amended and is included in the list of registered credit rating agencies published by the ESMA on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>). S&P and Fitch Ratings are not established in the United Kingdom and are not registered in accordance with the CRA Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") (the "**UK CRA Regulation**"). However, the ratings of the Covered Bonds to be issued under the Programme are expected to be endorsed by S&P Global Ratings UK Limited and Fitch Ratings Ltd, in accordance with the UK CRA Regulation. As such, the ratings issued by S&P and Fitch Ratings may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.

Subject to prior approval and supervision of the ACPR and verification by the Specific Controller that the conditions are satisfied, the Covered Bonds to be issued under the Programme as from 8 July 2022 are intended to be eligible to the "European Covered Bond (Premium)" label (label "obligation garantie européenne de qualité supérieure") to be published by the ACPR. However, no representation is made or assurance given that any Covered Bond will actually be and remain eligible to the "European Covered Bond (Premium)" label until their Maturity Date. This Base Prospectus and the documents incorporated by reference in this Base Prospectus will be (ii) available on the website of BNP Paribas (www.invest.bnpparibas.com/) and (ii) filed with the AMF.

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



This Base Prospectus has been approved by the AMF in its capacity as competent authority under Regulation (EU) 2017/1129. The AMF has approved this Base Prospectus after having verified that the information it contains is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval should not be considered as an endorsement of the Issuer and of the quality of the French law Covered Bonds described in this Base Prospectus. Investors should make their own assessment as to the opportunity of investing in such French law Covered Bonds.

The Base Prospectus has been approved on 7 July 2022 and is valid until 7 July 2023 and shall be within that period pursuant to Article 23 of Regulation (EU) 2017/1129 completed by a supplement to the Base Prospectus in the event of new material facts or substantial errors or inaccuracies. The Base Prospectus has received the following approval number: 22-283.

The approval number 22-283 granted by the AMF on 7 July 2022 to this Base Prospectus is only applicable for Covered Bonds admitted or listed to trading on any Regulated Market which are the French Law Covered Bonds, and is not relevant, in any case, for German Law Covered Bonds, as German Law Covered Bonds will not be admitted to trading nor listed on any market or stock exchange.

IMPORTANT NOTICES

This Base Prospectus (together with any supplement(s) thereto that may be published from time to time) constitutes a base prospectus for the purposes of Article 8 of the Prospectus Regulation and contains or incorporates by reference all relevant information concerning the Issuer which is material to an investor for making an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, as well as the base terms and conditions of the French Law Covered Bonds to be issued under the Programme. The terms and conditions applicable to each Tranche not contained herein (including, without limitation, the aggregate nominal amount, issue price, redemption price thereof, and interest, if any, payable thereunder) will be determined by the Issuer and the relevant Dealer(s) at the time of the issue and will be set out in the relevant Final Terms.

This Base Prospectus should be read and construed in conjunction with any (i) document and/or information which is incorporated herein by reference (see "Documents incorporated by Reference" below), (ii) any supplement thereto that may be published from time to time, and (iii) in relation to any Tranche of Covered Bonds, the relevant Final Terms.

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

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

The distribution of this Base Prospectus and the offering or sale of Covered Bonds in certain jurisdictions may be restricted by law. The Issuer, the Arranger and the Dealer(s) do not represent that this Base Prospectus may be lawfully distributed, or that any Covered Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger or the Dealer(s) which is intended to permit a public offering of any Covered Bonds or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required other than in compliance with Article 1.4 of the Prospectus Regulation. Accordingly, no Covered Bond may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Covered Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Covered Bonds. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Covered Bonds in the United States of America, the EEA (including France, Germany, Republic of Italy and the Netherlands) and the United Kingdom.

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

The Covered Bonds will be offered, sold and delivered as part of their distribution and at all other times only outside the United States to, or for the account or benefit of (a) non-U.S. persons in compliance with

Regulation S under the Securities Act ("Regulation S") or (b) any person who is a Non-United States person (as defined in Rule 4.7 under the U.S. Commodity Exchange Act of 1936, as amended (the "CEA", but excluding, for the purposes of subsection (D) thereof, the exception for qualified eligible persons who are not Non-United States persons) ("CFTC Rule 4.7").

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

MiFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Covered Bonds will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Covered Bonds, taking into account the five (5) categories referred to in item 18 of the Guidelines published by the ESMA on 5 February 2018 and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "distributor") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU, as amended ("MiFID II") is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arranger nor the Dealer(s) nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules. For the avoidance of doubt, the Issuer is not a MiFID II regulated entity and does not qualify as a distributor or a manufacturer under the MiFID II Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Covered Bonds may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the French law Covered Bonds (a "distributor") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any French law Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules. For the avoidance of doubt, the Issuer is not a UK MiFIR regulated entity and does not qualify as a distributor or a manufacturer under the MiFID II Product Governance Rules.

PRIIPS / IMPORTANT - PROHIBITION OF SALES TO EEA RETAIL INVESTORS - If the Final Terms in respect of any Covered Bonds include a legend entitled "Prohibition of Sales to EEA Retail Investors", the Covered Bonds are not intended, to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU, as amended ("IDD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPS Regulation") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

UK PRIIPS / IMPORTANT – - PROHIBITION OF SALES TO UK RETAIL INVESTORS – If the Final Terms in respect of any Covered Bonds include a legend entitled "Prohibition of Sales to UK Retail Investors", the Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom

("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

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

The Arranger and the Dealer(s) have not separately verified the information contained or incorporated by reference in this Base Prospectus. Neither the Arranger nor the Dealer(s) makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information contained or incorporated by reference in this Base Prospectus. Neither this Base Prospectus nor any other information supplied in connection with the Programme (including any information incorporated by reference therein) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealer(s) that any recipient of this Base Prospectus or any other financial statements should purchase the Covered Bonds. Each prospective investor of Covered Bonds should determine for itself the relevance of the information contained or incorporated by reference in this Base Prospectus and its purchase of Covered Bonds should be based upon such investigation as it deems necessary. Neither the Arranger nor the Dealer(s) undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or prospective investor in the Covered Bonds of any information that may come to the attention of the Dealer(s) or the Arranger.

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

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

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "€", "Euro", "euro" or "EUR" are to the lawful currency of the Member States of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam, references to "Sterling" are to the lawful currency of the United Kingdom and references to "Swiss Francs" are to the lawful currency of the Swiss Confederation.

Other than in relation to the documents which are deemed to be incorporated by reference (see the section "Documents Incorporated by Reference"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus.

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IMPORTANT CONSIDERATIONS

Assessment of investment suitability

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

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

Taxation

Potential purchasers and sellers of the Covered Bonds may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Covered Bonds are transferred, or other jurisdictions, including the Issuer's country of incorporation, which may have an impact on the income received from the Covered Bonds. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Covered Bonds. Potential investors are advised to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Covered Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor.

Certain conflicts of interest

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

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

Change of law

The Terms and Conditions of the Covered Bonds are based on French law in the case of French Law Covered Bonds, in effect as at the date of this Base Prospectus. The impact of any possible judicial decision or change to French law or administrative practice after the date of this Base Prospectus can not be anticipated. Any such decision or change could be unfavourable to creditors' rights, including those of the French law Bondholders. The risk of changes in law is higher for Covered Bonds with longer maturities.

GENERAL DESCRIPTION OF THE PROGRAMME

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

Words and expressions defined in the section entitled "Terms and Conditions of the French Law Covered Bonds" below shall have the same meanings in this section. Unless otherwise specified, the expression "Covered Bonds" shall include the French law Covered Bonds to the extent permitted by the terms and conditions applicable to the French Law Covered Bonds.

1. THE PARTIES UNDER THE PROGRAMME

Issuer: BNP Paribas Home Loan SFH, a limited liability company (*société anonyme*) incorporated under French law and a duly licensed in France as specialised credit institution (*établissement de crédit spécialisé*) with the status of *société de financement de l'habitat* delivered by the *Autorité de contrôle prudentiel et de résolution* (see section "**The Issuer**").

Arranger: BNP Paribas.

Administrator, Borrower, Issuer Accounts Bank, Issuer Calculation Agent, Cash Collateral Provider: BNP Paribas.

Dealer(s): BNP Paribas.

The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to "**Permanent Dealer(s)**" are to BNP Paribas as Dealer and to any such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealer(s)**" are to all Permanent Dealers and any such persons appointed as a dealer in respect of one or more Tranches.

Fiscal Agent, Principal Paying Agent and Calculation Agent in respect of the French Law Covered Bonds: BNP Paribas Securities Services.

Rating Agencies: S&P Global Ratings Europe Limited ("**S&P**") and by Fitch Ratings Ireland Limited ("**Fitch Ratings**").

Specific Controller: Fides Audit

Substitute Specific Controller: RSM, represented by Mrs. Martine Leconte

2. THE PROGRAMME

Description:	<p>Programme for the continuous offer of Covered Bonds called "<i>obligations de financement de l'habitat</i>" within the meaning of Article L. 513-30 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>), the principal and interest of which benefit from the <i>Privilège</i> (statutory priority in right of payment) created by Article L. 513-11 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>). See section "Summary of the SFH Legal Framework and other legal issues".</p> <p>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 transfers by way of security of the full title (<i>remise en pleine propriété à titre de garantie</i>) of Home Loan Receivables receivables, in accordance with Article L. 211-38 <i>et seq.</i> of the French Monetary and Financial Code (<i>Code monétaire et financier</i>).</p>
Programme Limit:	<p>Up to €40,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Covered Bonds outstanding at any one time.</p>
Use of Proceeds:	<p>The net proceeds of the issue of Covered Bonds will be used to fund the Borrower Advances that the Issuer (as "Lender") will make available to BNP Paribas (as "Borrower") under the Borrower Facility Agreement. Such net proceeds may also fund the purchase by the Issuer in the future of eligible assets other than Borrower Advances and Home Loan receivables provided that such assets are eligible to the Issuer pursuant to the legal framework applicable to <i>sociétés de financement de l'habitat</i>.</p>
Series:	<p>The Covered Bonds will be issued in Series having one or more issues dates and on terms otherwise identical (or identical save as to the issue date, issue price, first payment of interest and nominal amount of the Tranche). Each Series may be issued in Tranches on the same or different issue dates.</p>
Tranches:	<p>The specific terms of each Tranche (including, without limitation, the aggregate nominal amount, issue price, redemption price thereof, and interest, if any, payable thereunder) will be determined by the Issuer and the relevant Dealer(s) at the time of the issue and will be set out in the Final Terms of such Tranche.</p>
Method of Issue:	<p>The Covered Bonds may be distributed on a syndicated or non-syndicated basis. The specific terms of each Tranche (including, without limitation, the aggregate nominal amount, issue price, redemption price thereof, and interest, if any, payable thereunder) will be determined by the Issuer and the relevant Dealer(s) at the time of the issue and will be set out in the relevant Final Terms.</p>
Maturities:	<p>Subject to compliance with all relevant laws, regulations and directives, the Covered Bonds may have any maturity as specified in the relevant Final Terms (the "Final Maturity Date"), subject to such minimum maturity as may be required by the applicable legal and/or regulatory requirements.</p> <p>An extended final maturity date may be specified in the relevant Final Terms of a Series of Covered Bonds in accordance with the applicable</p>

Conditions, each such Covered Bonds being referred to as "**Soft Bullet Covered Bonds**".

Extended Final Maturity Date:

Subject to compliance with all relevant laws, regulations and directives, the Maturity Date of the Notes may be extended automatically (the **Extended Final Maturity Date**) upon the occurrence of any of the following events (if so specified in the relevant Final Terms of a Series of Notes in accordance with Conditions 6(a) ("**Final Redemption**")):

(a) in the event of a default of payment of the principal on the Maturity Date initially set by the *société de financement de l'habitat*, the credit institution benefiting from loans granted by the *société de financement de l'habitat* and guaranteed by the remittance, assignment or pledge of receivables pursuant to Articles L. 211-38 to L. 211-40 or Articles L. 313-23 to L. 313-35 of the French Monetary and Financial Code, whether or not these receivables are of a professional nature, or the credit institution issuing promissory notes subscribed by the *société de financement de l'habitat* in accordance with the terms and conditions defined in Articles L. 313-43 to L. 313-48 of the French Monetary and Financial Code;

(b) in the event the *société de financement de l'habitat*, a credit institution benefiting from loans granted by the *société de financement de l'habitat* and guaranteed by the remittance, assignment or pledge of receivables pursuant to Articles L. 211-38 to L. 211-40 or Articles L. 313-23 to L. 313-35 of the French Monetary and Financial Code, whether or not these receivables are of a professional nature, or a credit institution issuing promissory notes subscribed by the *société de financement de l'habitat* in accordance with the terms and conditions defined in Articles L. 313-43 to L. 313-48 of the French Monetary and Financial Code, is subject to safeguard proceedings (*procédure de sauvegarde*), judicial reorganisation or liquidation proceedings (*procédure de redressement ou de liquidation judiciaires*) or resolution proceedings opened pursuant to Article L. 613-49 of the French Monetary and Financial Code,

(each such event, a "**Maturity Extension Trigger Event**")

Currencies:

Subject to compliance with all relevant laws, regulations and directives, Covered Bonds may be issued in Euros, U.S. dollars, Swiss francs and, subject to prior Rating Affirmation (of S&P only), in any other currency agreed between the Issuer and the relevant Dealer(s).

Denomination(s):

Covered Bonds will be issued in the specified denomination(s) set out in the relevant Final Terms. Dematerialised Covered Bonds shall be issued in one (1) denomination only.

Status:

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

See Condition 5(a) under section "**Terms and Conditions of the Covered Bonds**".

Negative Pledge:	Not applicable. There is no negative pledge clause.
Issuer Event of Default:	Subject to the legal framework applicable to an SFH, if an Issuer Event of Default (as set out in Condition 10 under section " Terms and Conditions of the Covered Bonds ") occurs in respect of any Series of Covered Bonds, the Representative (i) may, at its discretion, or (ii) shall, if so directed by the Majority Bondholders or if such Issuer Event of Default is a Covered Bonds Cross Acceleration Event, upon written notice (an " Issuer Enforcement Notice ") to the Fiscal Agent and the Issuer (with copy to the administrator and to the Rating Agencies) given before all defaults have been cured, cause the principal amount of all Covered Bonds of such Series to become due and payable (but subject to the relevant Priority Payment Order (as defined below)), together with any accrued interest thereon, as of the date on which such notice for payment is received by the Fiscal Agent.
Redemption Amount:	Subject to any laws and regulations applicable from time to time, the relevant Final Terms will specify the redemption amounts payable calculated on the basis of the applicable Conditions.
Optional Redemption:	The Final Terms issued in respect of each issue of Covered Bonds will state whether such Covered Bonds may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Bondholders, and if so the terms applicable to such redemption in accordance with the provisions of the relevant Conditions.
Early Redemption:	Except as provided in section " Optional Redemption " above, Covered Bonds will be redeemable at the option of the Issuer prior to their stated maturity only for tax reasons (as provided in Condition 7(e)) or illegality (as provided in Condition 7(f) of the Terms and Conditions of the Covered Bonds).
Taxation:	All payments of principal and interest by or on behalf of the Issuer in respect of the Covered Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If such a withholding or deduction is required by the French law, the Issuer will have to gross-up its payments to the fullest extent then permitted by law and subject to certain exceptions.
Interest Periods and Interest Rates:	The length of the interest periods for the Covered Bonds and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. The Covered Bonds may have a maximum interest rate, a minimum interest rate or both. The use of interest accrual periods permits the Covered Bonds to bear interest at different rates in the same interest period. All such information (except the method of calculation) will be set out in the relevant Final Terms.
Fixed Rate Covered Bonds:	Fixed interest will be payable in arrears on the date or dates in each year specified in the relevant Final Terms.

Floating Rate Covered Bonds:

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

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by the 2013 FBF Master Agreement, as published by the *Fédération Bancaire Française*, in their updated version applicable as at the date of issue of the first Tranche of the relevant Series; or
- (b) on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service which shall be either EURIBOR, €STR, CMS, TEC or any reference rate that might replace them, or any successor rate or any alternative rate.

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

For the avoidance of doubt, the minimum rate of interest shall not be, in any case, lower than zero.

Fixed/Floating Rate Covered Bonds:

Fixed/Floating Rate Covered Bonds are Covered Bonds for which a change of interest basis is specified to be applicable in the relevant Final Terms.

Inverse Floating Rate Covered Bonds:

Inverse Floating Rate Covered Bonds bear interest at a Fixed Rate (as determined in Condition 6(b) under section "**Terms and Conditions of the Covered Bonds**") minus a Floating Rate (as determined in Condition 6(c) under section "**Terms and Conditions of the Covered Bonds**"), as specified in the relevant Final Terms.

Consolidation

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

Form of Covered Bonds:

French Law Covered Bonds: French Law Covered Bonds may be issued in either dematerialised form or materialised form.

Dematerialised Covered Bonds may, at the option of the Issuer, be issued in bearer form (*au porteur*) or in registered form (*au nominatif*) and, in such latter case, at the option of the relevant holder, in either fully registered form (*au nominatif pur*) or administered registered form (*au nominatif administré*). No physical documents of title will be issued in respect of Dematerialised Covered Bonds.

Materialised Covered Bonds will be in bearer form only. A Temporary Global Certificate will initially be issued in respect of each Tranche of Materialised Covered Bonds. Materialised Covered Bonds may only be issued outside France.

French Law Covered Bonds may not be offered or resold within the

United States or to, or for the account or benefit of, U.S. persons.

In the event that Materialised Covered Bonds are issued, the Issuer shall forthwith appoint an additional agent which is able to perform such obligations.

German Law Covered Bonds: German Law Covered Bonds will be issued in materialised registered form. They will not be accepted for clearing nor admitted to trading nor listed on any market or stock exchange.

Representation of French Law Bondholders:

French Law Bondholders will, in respect of all Tranches of the relevant Series, be grouped automatically for the defence of their common interests in a *masse* (the "**Masse**").

The *Masse* will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through collective decisions of the French Law Bondholders.

As long as the French Law Covered Bonds are held by a single Bondholder the relevant the French Law Bondholder will exercise directly the powers delegated to the Representative and general meetings of Bondholders under the Conditions of the Covered Bonds. A Representative shall only be appointed if the French Law Covered Bonds of a Series are held by more than one Bondholder.

Governing Law:

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

The Issuer may from time to time issue German Law Covered Bonds governed by, and construed in accordance with, the laws of the Federal Republic of Germany (except for the *Privilège*, which will be governed by, and shall be constructed in accordance with, the laws of France). The terms and conditions of the German Law Covered Bonds are contained in the Agency Agreement.

The French Law Covered Bonds and German Law Covered Bonds will benefit from the same security and rights.

Central Depository:

Euroclear France in respect of Dematerialised Covered Bonds.

Clearing Systems:

Euroclear France as central depository in relation to Dematerialised Covered Bonds and, in relation to Materialised Covered Bonds, Clearstream and/or Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s).

Initial Delivery of Dematerialised Covered Bonds:

At least one (1) Paris business day before the issue date of each Tranche of Dematerialised Covered Bonds, the *Lettre comptable* relating to such Tranche shall be deposited with Euroclear France as Central Depository.

Initial Delivery of Materialised Covered Bonds:

On or before the issue date for each Tranche of Materialised Covered Bonds, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depository for Euroclear and Clearstream or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer and the

relevant Dealer(s).

Issue Price:

Covered Bonds may be issued at their nominal amount or at a discount or premium to their nominal amount. The issue price of the Covered Bonds will be specified in the relevant Final Terms.

Listing and Admission to Trading on a regulated market:

Application may be made for French Law Covered Bonds to be listed and admitted to trading on Euronext Paris and/or on any other Regulated Market in the EEA in accordance with the Prospectus Regulation and/or any other market as specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of French Law Covered Bonds may be unlisted.

The German Law Covered Bonds will not be admitted to trading nor listed on any market or stock exchange.

Rating:

Covered Bonds issued under the Programme are expected on issue to be rated AAA by S&P and AAA by Fitch Ratings. The ratings of the Covered Bonds will be specified in the relevant Final Terms.

As of the date of this Base Prospectus, each of the Rating Agencies is established in the European Union and registered under Regulation (EU) no. 1060/2009 as amended and is included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>).

S&P and Fitch Ratings are not established in the United Kingdom and are not registered in accordance with the CRA Regulation as it forms part of the UK CRA Regulation. However, the ratings of the Covered Bonds to be issued under the Programme are expected to be endorsed by S&P Global Ratings UK Limited and Fitch Ratings Ltd, in accordance with the UK CRA Regulation. As such, the ratings issued by S&P and Fitch Ratings may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation..

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change, or withdrawal at any time by the assigning rating agency.

Selling Restrictions:

There are restrictions on the offer and sale of Covered Bonds and the distribution of offering material in various jurisdictions. In connection with the offering and sale of a particular Tranche of any particular Series, additional selling restrictions may be imposed in the relevant supplement to the Base Prospectus (see section "**Subscription and sale**").

The Issuer is Category 2 for the purposes of Regulation S under the Securities Act. The relevant Final Terms will specify whether TEFRA Rules are applicable and, in this case, if TEFRA C or D are applicable.

3. GENERAL INFORMATION

Method of publication of the Base Prospectus, any

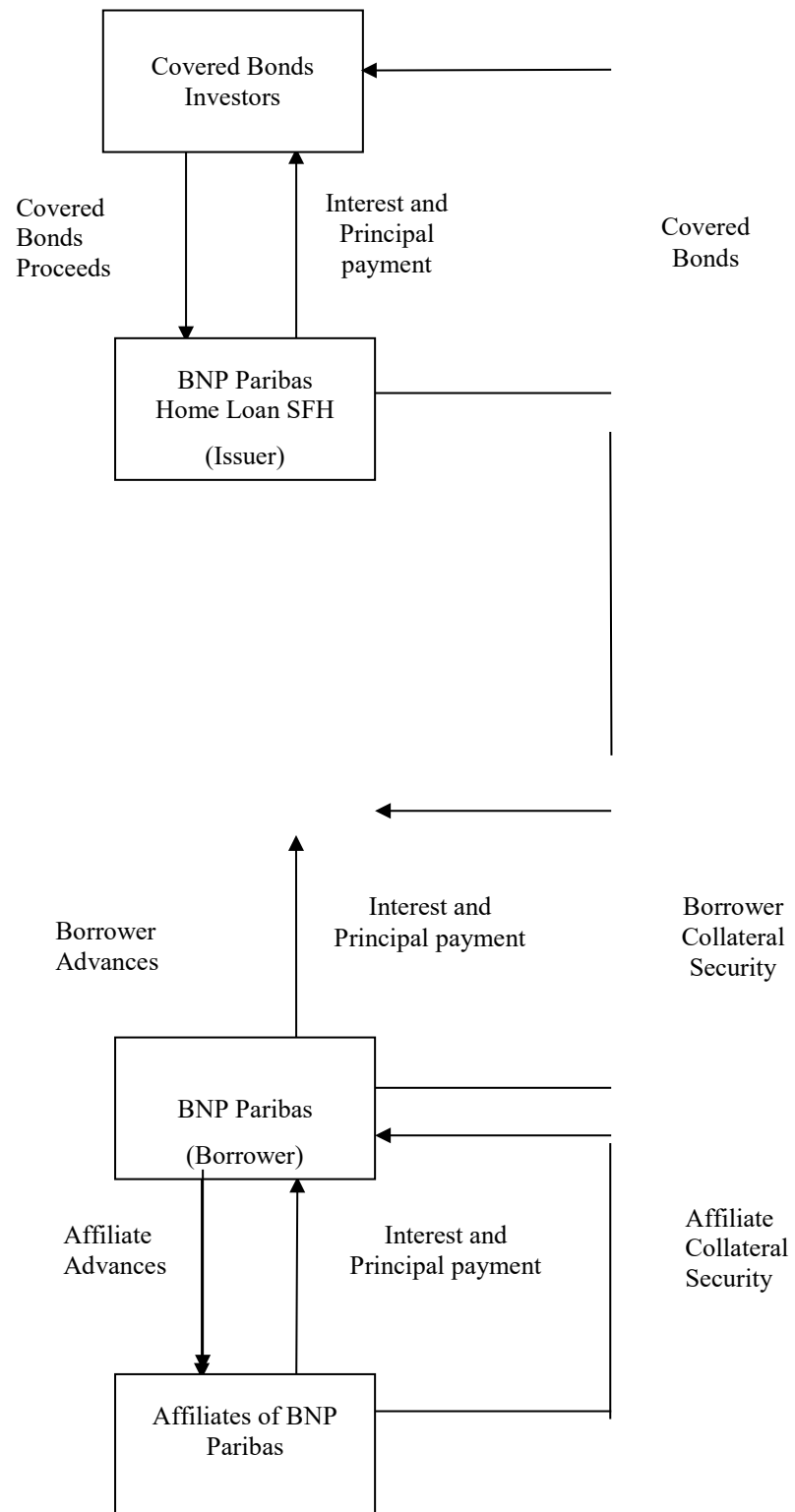
**Supplement and Final
Terms:**

This Base Prospectus and any supplement to this Base Prospectus will be published on the websites of (a) the AMF (www.amf-france.org) and (b) BNP Paribas (www.invest.bnpparibas.com).

The Final Terms related to the Covered Bonds traded on any Regulated Market in accordance with the Prospectus Regulation will be published, so long as such Covered Bonds are admitted to trading on any Regulated Market, on the websites of (a) the AMF (www.amf-france.org) and (b) BNP Paribas (www.invest.bnpparibas.com).

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

4. STRUCTURE DIAGRAM



RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations related to Covered Bonds issued under the Programme. All of these factors are specific to the Issuer and/or the Covered Bonds. Most of these factors are contingencies which may or may not occur but are material for an informed decision with respect to investing in the Covered Bonds issued under the Programme.

In each category below, the Issuer sets out the most material risks (in descending order of importance), taking into account the negative impact of such risks and the probability of their occurrence. Additional risks and uncertainties, not included in the risk factors below, which, as of the date of this Base Prospectus, are not known to the Issuer, or are considered to be not material nor specific, may have a significant impact on the Issuer, its activities, its financial condition, or the Covered Bonds.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents deemed to be incorporated by reference herein) and form their own opinions as to potential risk prior to making any investment decision. Investors should, in particular, conduct their own analysis and evaluation of risks relating to the Issuer, its financial condition and issued Covered Bonds issued under this Programme and consult their own financial and legal advisers about risks associated with investment in a particular Series of Covered Bonds and the suitability of investing in the Covered Bonds in light of their particular circumstances.

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

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

I. RISKS RELATED TO THE ISSUER AND THE COVER POOL

1. The Issuer is exposed to credit and structural risks

The Issuer is exposed to credit risk of other parties to the Programme Documents

The ability of the Issuer to make any principal and interest payments in respect of the Covered Bonds will mainly depend on the ability of BNP Paribas in its capacity as Cash Collateral Provider, Issuer Account Bank and hedging counterparty (if any) to perform its payment obligations towards the Issuer under the Programme Documents and the value of the Collateral Security will depend on the ability of the Collateral Providers to transfer additional Home Loan Receivables as Collateral Security under the Collateral Security Agreement up to the required amount to meet with the asset cover test (the "**Asset Cover Test**"). As of the date of this Base Prospectus, BNP Paribas's long-term credit ratings are A+ with a stable outlook (S&P), Aa3 with a stable outlook (Moody's Investors Service Ltd.), AA- with a stable outlook (Fitch Ratings) (which is the long-term rating assigned to BNP Paribas's senior preferred debt by Fitch Ratings) and AA (low) with a stable outlook (DBRS Limited) and BNP Paribas's short-term credit ratings are A-1 (S&P), P-1 (Moody's Investors Service Ltd.), F1+ (Fitch Ratings) and R-1 (middle) (DBRS Limited). As at 31 December 2021, the Issuer's cash amounted to €1,630,466,831.58 and its Borrower Debt amounted to €]32,233,000,000.

The SFH Legal Framework (see section entitled "**Summary of the SFH Legal Framework**") and the Programme Documents provide for mitigants or for substitution and/or constitution of cash collateral upon certain triggers (most notably, the Asset Cover Test and several triggers based upon long or short term ratings of BNP Paribas, as further described in the section entitled "**The main Programme Documents - The Cash Collateral Agreement**"). Delay or inability to implement those mitigants may affect the ability of the Issuer to make payments under the Covered Bonds up to the required amount and/or on the relevant due date.

In addition, if those mitigants prove to be insufficient, failure of any such party to make a payment or a transfer as expected and when due may materially affect the ability of the Issuer to make principal and interest payments in respect of the Covered Bonds.

In view of the above, and given the current ratings of the Borrower, it is the Issuer's assessment that the probability of occurrence of such risk happening is unlikely and that the impact of such risk could be high.

Limited resources are available to the Issuer which has sole liability under the Covered Bonds

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

In making an investment decision, investors must rely upon their own examination of the Issuer, the Borrower Collateral Security Assets, the terms of the Covered Bonds issued under the Programme and the financial information incorporated in this Base Prospectus. In the case of a Borrower Event of Default, the Borrower Collateral Security Assets may not be sufficient to pay in full the amounts payable under the Covered Bonds.

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 entered into the Issuer 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.

It being precised, that upon the occurrence of a Borrower Event of Default and enforcement of the Borrower Collateral Security granted by the Borrower, 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 the Covered Bonds will depend on the revenue proceeds from the Borrower Collateral Security Assets transferred by way of security (*remis en pleine propriété à titre de garantie*) by the Borrower (meaning the amount of principal and interest paid directly to the Issuer by the relevant debtors under the Home Loan receivables 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 entered into by the Issuer, 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. This may have a significant impact on the Issuer's ability to meet its payment obligations under the Covered Bonds. As a result, Bondholders could lose all or a substantial part of their investment in the Covered Bonds.

In view of the above, it is the Issuer's assessment that the probability of occurrence of such risk happening is unlikely and that the impact of such risk could be low.

The Issuer relies on third parties and in particular on BNP Paribas and its successors for the provision of liquidity, its operations and to administer the Programme Documents

The Issuer has entered into the Cash Collateral Agreement with BNP Paribas (as Cash Collateral Provider), who has agreed to provide liquidity to the Issuer under certain conditions (see sections entitled "**The main Programme Documents – The Cash Collateral Agreement - The Cash Collateral Account**", "**Asset Monitoring - The Legal Liquidity Reserve**" and "**Asset Monitoring - The Pre-Maturity Test**").

Failure of BNP Paribas to provide liquidity where required under the Cash Collateral Agreement may adversely affect the Issuers' ability to perform its obligations under the Covered Bonds and as a consequence Bondholders could receive a diminished return on their investment in the Covered Bonds.

In addition, the Issuer has entered into the Borrower Collateral Security Agreement with BNP Paribas, who has agreed to administer and service the Borrower Collateral Security Assets, and the Borrower Collateral Security. As at 31 December 2021, Borrower Collateral Security Assets amounted to € 32,233,000,000. It being precised that the Issuer also entered into the Affiliate Collateral Security Agreement with BNP, however, as of the date of the Base Prospectus, the Affiliate Collateral Security Assets represent less than 1 per cent. of the total amount of the collateral security assets.

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

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

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

The ability of the Issuer to make payments under the Covered Bonds may be adversely affected by the failure of such parties to perform their respective obligations under the Programme Documents, including in case of any resolution procedure on BNP Paribas SFH or on the BNP Paribas Group (the "**Group**").

Under the relevant Programme Documents, the Issuer may in certain circumstances terminate the appointment of BNP Paribas or any other BNP Paribas Entity that may be appointed (such termination not being effective until a substitute servicer with the required rating shall have replaced BNP Paribas), in which case the transfer of the servicing function to a new servicer outside the BNP Paribas Group. However, there is a risk that no suitable successor will be found in a timely manner or with sufficient experience or ability to serve on the same or similar terms as provided by the relevant Programme Documents or as to the financial terms on which they would agree to be appointed. This may result in delays, increased costs and/or losses in collection of sums due to the Issuer under its assets, could create operational and administrative difficulties for the Issuer, and could adversely affect its ability to perform its obligations under the Covered Bonds.

For instance, if there is a downgrading of the long-term debt of BNP Paribas, as 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. A substitute administrator with sufficient experience who would be willing and able to serve on the same or similar terms found in the Administrative Agreement may not be found. In particular, upon the occurrence of any Borrower Event of Default and the subsequent enforcement of the Borrower Collateral Security, a substitute administrator with sufficient experience of servicing such Borrower Collateral Security Assets who could be willing and able to serve on the same or similar terms found in the Administrative Agreement may not be found. 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.

The failure to proceed to the substitution of one or more of these parties in any of their role pursuant to the Programme Documents would adversely and materially affect the functioning of the Programme and as a consequence the ability of the Issuer to perform its obligations under the Programme. Consequently the Programme and the related Programme Documents may not effectively function up to the Maturity Date of the Covered Bonds.

2. The Issuer is exposed to liquidity risk and market risks

The Issuer may be exposed to 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 eligible liquid assets set out in Article R. 513-7 of the French Monetary and Financial Code (*Code monétaire et financier*) (see section entitled "**Summary of the SFH Legal Framework and other legal issues - Liquidity needs**"). Pursuant to Article R. 513-7 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 net flows under the Hedging Agreements.

Any such liquidity needs must be covered by the Issuer with eligible Legal Substitution Assets. On the date of this Base Prospectus, a major part of the Home Loan receivables transferred in full title as Collateral Security to the Issuer in accordance with the Borrower Collateral Security Agreement are eligible as collateral to the European Central Bank. 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 and other legal issues - 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**").

However, this may have a negative impact on the Issuer's ability to meet its obligations under the Covered Bonds in a timely manner and in particular, its ability to make payments under the Covered Bonds may be negatively affected.

Pursuant to Regulation (*règlement*) no. 99-10 dated 99 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 required to comply with the cover ratio (*ratio de couverture*) referred to in Article R. 513-8 of the French Monetary and Financial Code (*Code monétaire et financier*), does not exceed more than eighteen (18) months the average life of its liabilities benefiting from the *Privilège* (see section entitled "**Summary of the SFH Legal Framework and other legal issues - Liquidity needs**").

In view of the above, it is the Issuer's assessment that the probability of occurrence of such risk happening is very unlikely but the impact of such risk could be high.

The Issuer may be exposed to interest risks

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 interest risk regarding the Borrower Debt and the Covered Bonds. As at 31 December 2021, the Borrower Debt amounted to € 32,233,000,000.

Upon the occurrence of a Borrower Event of Default and the enforcement of the Borrower Collateral Security Assets, the Issuer's Available Funds will arise from the Home Loan receivables comprised in the Borrower Collateral Security Assets and related Home Loans Security. Home Loan receivables that are part of the Collateral Security may not bear interest by way of the same conditions or at the same level of rate (as it may be renegotiated from time to time by the debtors) as those of the Covered Bonds.

In order to mitigate or hedge such potential interest rate risks, the Issuer may use different mechanisms:

- (i) mitigation mechanisms may include, without limitation, an obligation of the Cash Collateral Provider to fund an additional cash collateral into the Cash Collateral Account. (See section entitled "**Asset Monitoring - Interest Reserve**").
- (ii) any remaining risks may be hedged by the Issuer mainly by entering into transactions to be governed by hedging agreements (each, an "**Issuer Hedging Agreement**"). Unless otherwise decided by the Issuer but subject to Rating Affirmation in such a case, the Issuer Hedging Agreements will provide that in the event that the relevant ratings of the hedging counterparty(ies) (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 Issuer Hedging Agreement then applicable, the relevant Hedging Provider will be required to take certain remedial measures which may include one (1) or more of the followings: (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 Ratings or S&P. Each Issuer Hedging Agreement may be terminated in accordance with certain termination events and events of defaults. An Issuer Event of Default will not constitute a termination event under any Issuer Hedging Agreement. On the date of this Base Prospectus, the Issuer has entered into an Issuer Hedging Agreement with BNP Paribas in order to hedge currency risks on Covered Bonds denominated in another Specified Currency than Euro and a swap agreement with the Borrower mirroring such Issuer Hedging Agreement (the "**Borrower Hedging Agreement**", together with any Issuer Hedging Agreement, the "**Hedging Agreements**") which shall terminate upon the occurrence of a Borrower Event of Default.

Subject to the Priority Payment Orders, both the Issuer Hedging Agreement and the Borrower Hedging Agreement shall benefit from the Privilège set out in Article L.513-11 of the French Monetary and Financial Code (*Code monétaire et financier*).

In case of a termination of any Issuer Hedging Agreement entered into by the Issuer, the Issuer may be liable to pay a hedging termination amount to the counterparty in accordance with the provisions of the relevant Issuer Hedging Agreement. Such hedging termination amount, when to be paid by the Issuer and provided that the amount has not been reduced to zero (0) in accordance with the provisions of the relevant Issuer Hedging Agreement, shall be *pari passu* to payment under the Covered Bonds or subordinated to payments under the Covered Bonds if the termination amount qualifies as "**Issuer Hedging Subordinated Termination Costs**", as described in section "**Cash Flow - Priority Payment Orders**". For the avoidance of doubt, no termination amount shall be due by the Issuer under the Borrower Hedging Agreement.

In view of the above, it is the Issuer's assessment that the probability of occurrence of such risk happening is unlikely and that the impact of such risk could be low.

3. Risks related to the Cover Pool

3.1 Risks related to the Cover Pool creditworthiness, credit risk and market value

Debtors' ability to pay under the Home Loans

The debtors under the Home Loans are individuals having borrowed under the Home Loans in order to finance the acquisition of real estate property. The ability of such debtors to make a timely payment mainly depends on their ability to generate sufficient income. As a result, the Home Loans selected in the cover pool are strictly under the loan-to-income ratio (*taux d'effort*) threshold of 33 %.

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

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

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

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

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

In view of the above, it is the Issuer's assessment that the probability of occurrence of such risk happening is very unlikely and that the impact of such risk could be low.

Enforcement of Home Loan Guarantees

If following enforcement of the Borrower Collateral Security in favour of the Issuer and notification of the debtors under the Home Loans and then enforcement of its rights by the Issuer under the relevant Home Loan Guarantees against the 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. As of 31 December 2021, Collateral Security Assets amounted to € 36,794,275,585.83, and consisted of 315,696 loans. After the occurrence of a Borrower Event of Default and enforcement of the Collateral Security, the Issuer will be exposed to the credit risk of the Home Loan Guarantee providers in relation to Home Loan which are secured by a Home Loan Guarantee, in case of default of the debtor of the relevant Home Loan. If the Home Loan Guarantee provider does not pay in whole or in part any amounts due under the relevant Home Loan Guarantee for whatever reason or does not pay such amounts in a timely manner, this may affect the ability of the Issuer to make payments under the Covered Bonds.

In view of the above, it is the Issuer's assessment that the probability of occurrence of such risk happening is very unlikely and that the impact of such risk could be low.

For Home Loans secured by a mortgage, the Issuer is exposed to the decrease of the value of the mortgaged property

In any event, 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 environment, 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. As the properties securing the Home Loans are 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.

Such decrease may accordingly affect the Issuer's ability to obtain an amount of enforcement proceeds which is sufficient to cover any unpaid amount due by the underlying debtor and as a result, this may affect the ability of the Issuer to make payments under the Covered Bonds in full.

In view of the above, it is the Issuer's assessment that the probability of occurrence of such risk happening is very unlikely and that the impact of such risk could be low.

Prepayment

The rate of prepayment of Home Loans is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, changes in tax laws (including but not limited to amendments to home loan interest tax deductibility), local and regional economic conditions, as well as changes in the debtor's behaviour (including but not limited to home-owner mobility). In addition, debtors under the Home Loans may renegotiate periodically the interest rate prevailing on their loan and such renegotiation may be accepted by the lender.

While such occurrences may happen at any time and are difficult to quantify beforehand, the likeliness of such prepayments and renegotiations is currently high due to the ongoing prevailing of low market interest rates.

A high level of prepayment and renegotiation of interest rate will reduce the yield of the Collateral Security Assets and therefore, may affect the ability of the Issuer to have sufficient funds to make payments under the Covered Bonds after the occurrence of a Borrower Event of Default.

In view of the above, it is the Issuer's assessment that the impact of such risk could be low.

3.2 Operational and structural risks related to the Cover Pool

Debtors may be entitled to invoke set-off against the Issuer under the Home Loans in certain limited occurrences

Notwithstanding the transfer to the Issuer of the relevant Home Loans and related Home Loan Security, 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. After the notification of the transfer following the enforcement of a Borrower Event of Default, 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.

In view of the above, it is the Issuer's assessment that the probability of occurrence of such risk happening is very unlikely and that the impact of such risk could be low.

4. Risks for Bondholders as creditors of the Issuer

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

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

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

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

Should the Issuer modify, alter, or amend any of the Programme Documents, the functioning of the Programme may be altered and be detrimental to the interest of the Bondholders.

II. RISKS RELATED TO THE BORROWER

Borrower's ability to pay under the Borrower Debt

Neither the Issuer nor any other party to the Programme Documents (other than, upon certain circumstances, the Cash Collateral Provider) guarantees or warrants the full and timely payment by the Borrower of any sums of principal or interest payable under the Borrower Debt, being part of the Issuer Assets. As at 31 December 2021, the Borrower Debt amounted to €32,233,000,000.

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

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

In view of the above, it is the Issuer's assessment that the probability of occurrence of such risk happening is very unlikely and that the impact of such risk could be high.

Epidemics and pandemics, including the ongoing coronavirus (COVID-19) pandemic and their economic consequences may adversely affect the Group's business, operations, results and financial condition

A global pandemic linked to a novel strain of coronavirus (Covid-19) has severely disrupted economies and financial markets worldwide since 2020. The introduction of lockdown measures and other restrictions initially caused economies in many regions to contract, trade to decline, production capacity to decrease, growth forecasts to be cut and supply chains to be disrupted. In a second phase, the roll-out of vaccination campaigns and the adaptation of economic actors allowed the gradual adaptation of these measures and restrictions, leading to a recovery in economic activity. As a result, various growth forecasts converge on a strong

economic recovery. For example, according to the IMF's January 2022 estimates and projections, world economic growth is expected to be 5.9% in 2021 and 4.4% in 2022.

Nevertheless, uncertainties remain as to the strength and sustainability of the recovery, both in terms of the public health situation (e.g., the appearance of new strains of the virus) and the economy which could lead to doubts as to the extent and durability of the recovery. In this respect, the outlook for 2022 was lowered for both emerging and developing countries, as well as for advanced countries, compared to the IMF projections published in October 2021.

Various complicating factors will affect the trajectory of economic recovery. International supply chains – which had been strained severely by the pandemic – related mobility restrictions – remain heavily disrupted, generating shortages of certain consumer goods (such as a dearth of semiconductors causing delays in the production of telephones and automobiles) and oil and gas supply and labour market constraints, having both specific (e.g. raw materials price increases) and general (i.e. inflation rate) effects on prices.

Further, while various governments and central banks implemented and supplemented measures to support the economy and its recovery – in order to mitigate the adverse economic and market consequences of the pandemic – such measures may not suffice to redress the pandemic's negative impact on the regional or global economy over time, entirely compensate for or mitigate regional or global recessions (which occurred and could recur), or fully and over time prevent possible disruptions to the financial markets. The lifting of government support measures could also harm economic activity and the financial strength of economic actors. Overall, the crisis has impacted and may continue to impact the economies of the principal countries where the BNP Paribas Group operates, particularly its Domestic Markets (France, Italy, Belgium and Luxembourg), which collectively represented 57% of its total gross credit exposures as of 31 December 2021. The Group's results and financial condition have been and could continue to be adversely impacted by the effects of the crisis related to the pandemic and the resulting disruption of economic activity in the Group's principal markets. In particular, the crisis significantly affected the Group's cost of risk in 2020, reflecting macroeconomic projections based on various scenarios applying the framework in place prior to the crisis. Under this framework, macroeconomic projections – specifically GDP estimates and forecasts – are key to calculating the cost of risk, and the consequences of the health crisis included a decrease in GDP growth estimates for many of the Group's markets. The cost of risk calculation also takes into account the specific dynamics of the crisis in 2020, along with anticipated future impacts on credit and counterparty risk, including the consequences of lockdown measures on economic activity and the impact of government support measures and decisions. These factors contributed to the substantial increase in the Group's cost of risk in 2020 (66 basis points).

The 2021 financial year showed an improvement with an increase in revenues of 4.4% to EUR 46,235 billion and an increase in net income attributable to the Group, due to the increase in Domestic Markets revenues (+5.2% compared to 2020) with the rebound of the economy and the resilience of CIB revenues (+3.4% compared to 2020), but also by the decrease in the cost of risk (-48.8% compared to 2020), particularly in connection with improving economic forecasts. Nevertheless, revenues in the International Financial Services businesses remain impacted by the consequences of the health crisis (-1.2% compared 2020).

However, developments in the current health crisis and market conditions have characteristics that could increase the probability and magnitude of various existing risks faced by the Group such as: i) pressure on revenues due in particular to (a) prolongation of the low interest rate environment and (b) lower revenues from fees and commissions; ii) renewed heightened risk linked to a an economic slowdown due to inflationary pressures (energy prices, labour market tensions), supply chain disruption or withdrawal of government support measures; iii) risk of financial market disruption in the event of poorly anticipated changes in monetary policies and iv) higher risk-weighted assets due to the deterioration of risk parameters, hence affecting the Group's capital position.

The Group's results and financial condition could also be harmed by negative trends in the financial markets to the extent that the pandemic initially caused extreme market conditions (volatility spikes, a sharp drop in equity markets, tension on spreads, specific asset markets on hold, etc.), along with market volatility. Uncertainties about the scope and durability of the economic recovery, the easing or strengthening of government support measures, and the pressures linked to supply chains and raw material procurement have generated and could generate unfavourable market conditions. Thus, unfavourable market conditions have had and could have an adverse impact on the Group's market activities, which accounted for 14.8% of its consolidated revenues in 2021, resulting in trading or other market-related losses, as seen in 2020, following

restrictions implemented on short-selling and dividend distributions (notably EUR 184 million in the first quarter of 2020 related to the European authorities' restrictions on 2019 dividends). Further, certain of the Group's investment portfolios (for example in its insurance subsidiaries) are accounted for on a mark-to-market basis and thus were impacted by adverse market conditions, particularly in the second quarter of 2020 and could continue to be impacted again in the future.

The extent to which the short, medium and long-term economic consequences of the pandemic will continue to affect the Group's results and financial condition will indeed depend largely on i) the intensity and duration of restrictive measures that have been put in place or their periodic reintroduction, depending on the evolution of the health situation, ii) the timing and extent of a return to pre-pandemic lifestyles, business operations and economic interactions, (iii) the effects of the measures taken to date or future measures that may be taken by governments and central banks to attenuate the economic fallout of the pandemic or the terms and conditions for lifting these measures and iv) the duration and extent of the pandemic's remaining course, including the prospect of new waves or the appearance of new strains of the virus and, consequently, a reinstatement or strengthening of lockdown measures or other restrictions, such as in relation to travel, in the Group's various markets, as well as the pace and mechanisms of deployment of immunisation programmes. In addition, while the actions of European Union and member states' authorities (in particular, central banks and governments) in response to the pandemic have to date helped and may well continue to help attenuate its adverse economic and market consequences, the authorities have also issued and may continue to issue additional restrictions or recommendations in respect of banks' actions. In particular, in 2020 and 2021 they limited banks' flexibility in managing their business and taking action in relation to capital distribution, capital allocation and compensation policies.

Nevertheless, the SFH Legal Framework and the Programme Documents provide for mitigants or for substitution and/or constitution of cash collateral upon certain triggers (most notably, the Asset Cover Test and several triggers based upon long or short term ratings of BNP Paribas, as further described in the section entitled "The main Programme Documents -The Cash Collateral Agreement") in case of BNP Paribas failure to perform its payment obligation toward the Issuer.

In view of the above, it is the Issuer's assessment that the probability of occurrence of such risk happening to the Issuer is unlikely and that the impact of such risk could be low considering the Issuer's activities.

III. RISKS RELATED TO THE BORROWER COLLATERAL SECURITY

No prior notification to debtors under the Home Loan receivables transferred as Borrower Collateral Security

The Borrower Collateral Security Agreement will provide that the relevant Home Loans receivables and Home Loan Security will be 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 is enforced following the occurrence of a Borrower Event of Default. 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 Borrower will be considered valid, as applicable, even though title to such Home Loans has been validly transferred by way of security (*remis en pleine propriété à titre de garantie*) to the Issuer.

Notification to the debtors under the relevant Home Loans may not be made at the times mandated and the Issuer may not 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.

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 funding of certain cash collateral 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**").

It is the Issuer's assessment that the impact of such risk could be low.

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

If the collateral value of the Home Loans receivables and related Home Loan Security 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 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 any part thereof (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. As of the date of this Base Prospectus, the Minimum Legal Overcollateralisation Ratio provided in the SFH Legal Framework is of at least one hundred and five per cent (105%). As of 31 December 2021, the Legal Overcollateralisation Ratio certified by the Specific Controller of the Issuer was at 111,41 %.

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 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. Representations or warranties previously given by the Borrower with respect to such assets pursuant to the terms of the Borrower Collateral Security Agreement may not 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.

In view of the above, 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. The impact of such risk could be low.

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

Changes to the lending criteria of the Borrower

Each of the Home Loans originated by the Borrower will have been originated in accordance with its lending criteria at the time of origination. It is expected that the Borrower's lending criteria will generally consider the type of financed property, term of loan, age of applicant, the loan-to-value ratio, the status of applicants and their credit history. One (1) of the Home Loans Eligibility Criteria requires that, prior to the date upon which the Home Loan has been made available to the borrower thereof, all scoring and lending criteria and preconditions as applied by the originator of the Home Loan pursuant to its customary lending procedures be satisfied. The Borrower retains the right to revise its lending criteria from time to time. If the lending criteria changes in a manner that affects the creditworthiness of the Home Loans, that may lead to increased defaults by borrowers thereof and may affect the realisable value of the Borrower Collateral Security Assets, or a part thereof, and may affect the ability of the Issuer to make payments under the Covered Bonds upon the service of a Borrower Enforcement Notice. As of 31 December 2021, Collateral Security Assets consisted of 315,696 loans with an average loan balance of €116,550 and a weighted average loan to value ratio of 65,44 % (59,88 % indexed).

In view of the above, it is the Issuer's assessment that the probability of occurrence of such risk happening is unlikely and that the impact of such risk could be low.

Risk related to the ability of the Issuer to liquidate the properties secured under the Home Loans

Mortgage and lender's privilege

Pursuant to Articles 2393 *et seq.* of the French Civil Code (*Code Civil*), a mortgage is a security *in rem* that can be enforced by the beneficiary (the mortgagee) in case of default by the promisor (the mortgagor). Pursuant to Article 2374 of the French Civil Code (*Code Civil*), the lender's privilege (*privilège du prêteur de deniers*) is a lien that can also be enforced by the beneficiary in case of default by the promisor.

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

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

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

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

Foreclosure

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

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

If no agreement is reached (for instance if the sale price of the property is substantially below the amount of the secured debt), the third party will still be entitled to offer to pay the sale price to the secured creditors in order to clear all privileges and mortgages granted over the relevant property (*purge judiciaire*, Articles 2476 *et seq.* of the French Civil Code (*Code Civil*)). Secured creditors may refuse this offer if they believe that the sale price has been underestimated by the debtor and the third party. In this case, an auction will be ordered with a minimum bid corresponding to the price offered by the relevant third party to the secured creditor, plus ten per cent (10%).

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

In view of the above, it is the Issuer's assessment that the probability of occurrence of such risk happening is unlikely and that the impact of such risk could be low.

V. RISKS RELATED TO COVERED BONDS

The following does not describe all the risks of an investment in the Covered Bonds. Prospective investors should consult their own financial and legal advisers about risks associated with investment in the Covered

Bonds and the suitability of investing in the Covered Bonds considering their particular circumstances. The following categories of risk factors are identified:

1. Risks related to the Issuer's liabilities under the Covered Bonds

Resolution procedures under the European Bank Recovery and Resolution framework may have an impact on the Issuer's liabilities under the Covered Bonds

On 2 July 2014, the Directive 2014/59/EU of the European Parliament and of the Council dated 15 May 2014 providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or "**BRRD**") entered into force.

The implementation of the BRRD in France was made by two main texts of legislative nature. Firstly, the banking law dated 26 July 2013 regarding the separation and the regulation of banking activities (*Loi de séparation et de régulation des activités bancaires*) (as modified by the ordinance dated 20 February 2014 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*)) (the "**Banking Law**") had anticipated the implementation of the BRRD. Secondly, ordinance no. 2015-1024 dated 20 August 2015 (*Ordonnance no 2015-1024 du 20 août 2015 portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) (the "**Ordinance**") published in the Official Journal on 21 August 2015 ratified by the Law no.2016-1691 of 9 December 2016 relating to transparency, the fight against corruption and the modernisation of economic life (*Loi no. 2016-1691 du 9 décembre 2016 relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique*) has introduced various provisions amending and supplementing the Banking Law to adapt French law to European Union legislation regarding financial matters. Many of the provisions contained in the BRRD were already similar in effect to provisions contained in the Banking Law. Decree no. 2015-1160 dated 17 September 2015 and three orders dated 11 September 2015 (*décret et arrêtés*) implementing provisions of the Ordinance regarding (i) recovery planning, (ii) resolution planning and (iii) criteria to assess the resolvability of an institution or group, have been published on 20 September 2015 to mostly implement the BRRD in France.

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

Moreover, Regulation (EU) no. 806/2014 of the European Parliament and of the Council of 15 July 2014 (the "**SRM Regulation**") establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund has established a centralised power of resolution entrusted to a Single Resolution Board and to the national resolution authorities.

Under the BRRD, the resolution authority may, when an institution is being considered to have reached the point of non viability commence resolution proceedings and exercise resolution tools and powers in respect of such institution when:

- (a) the institution is failing or likely to fail (as to which see (w) to (z) below);
- (b) there are no reasonable prospects that a private action would prevent the failure; and
- (c) except with respect to capital instruments, a resolution action is necessary and in the public interest.

An institution will be considered as failing or likely to fail when: (w) it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; (x) its assets are, or are likely in the near future to

be, less than its liabilities; (y) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (z) it requires extraordinary public financial support (except in limited circumstances).

The BRRD currently contains four resolution tools and powers:

- (i) **sale of business**: enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply;
- (ii) **bridge institution**: enables resolution authorities to transfer all or part of the business of the firm to a "bridge bank" (a public controlled entity holding such business or part of a business with a view to reselling it);
- (iii) **asset separation**: enables resolution authorities to transfer impaired or problem assets to asset management vehicles to allow such assets to be managed and worked out over time; and
- (iv) **bail-in**: gives resolution authorities the power to write-down the claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims to equity (the "**general bail-in tool**"), which equity could also be subject to any future cancellation, transfer or dilution by application of the general bail-in tool.

The BRRD also provides the right for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

Bail-in enables the resolution authority to write down subordinated or non-subordinated debt of a failing institution and/or convert them to equity, which equity could also be subject to any reduction or written down. When applying bail-in the resolution authority must first reduce or cancel common equity tier one, thereafter reduce, cancel, convert additional tier one instruments, then tier two instruments then non-preferred senior debt instruments and finally senior preferred debt instruments. If only this total reduction is less than the amount needed, the resolution authority will reduce or convert to the extent required the principal amount or outstanding amount payable in respect of unsecured creditors in accordance with the hierarchy of claims in normal insolvency proceedings. In this respect, the Issuer has € 40,000,000 of subordinated debt outstanding as of December 31, 2020.

It should be noted that on 23 November 2016, the European Commission published a proposal for a European Directive amending the BRRD and a proposal for a European Regulation amending the SRM Regulation. The European Parliament and the Council of the European Union adopted the Directive no. 2019/879/EU dated 20 May 2019 amending the BRRD (the "**BRRD Revision**" and together with the BRRD, the "**BRRD II**") and the Regulation no. 2019/877/EU dated 20 May 2019 amending the SRM Regulation (the "**SRM Regulation Revision**" and together with the SRM Regulation, the "**SRM Regulation II**"). These amending texts were published in the Official Journal of the European Union on 7 June 2019 and came into force on 27 June 2019. The BRRD Revision was implemented in France by a decree-law (*Ordonnance n° 2020-1636 relative au régime de résolution dans le secteur bancaire*) dated 21 December 2020.

Regarding Covered Bonds, the BRRD provides that the relevant resolution authority shall not exercise the write down or conversion powers in relation to secured liabilities including covered bonds and liabilities in the form of financial instruments used for hedging purposes which form an integral part of the cover pool and which according to national law are secured in a way similar to covered bonds, whether they are governed by the law of a Member State or of a third country. Nevertheless, relevant claims for the purposes of the bail-in tool would include the claims of the holders in respect of any Covered Bonds issued under the Programme, only if and to the extent that the bond liability exceeded the value of the cover pool collateral against which it is secured. In this respect, it is to be noted that the Issuer shall maintain at any time a Minimum Legal Overcollateralisation Ratio of 105 %. The Legal Overcollateralisation Ratio as of 31 December 2021 certified by the Specific Controller was 111,41 %.

The application of any resolution measure under the BRRD, as implemented under French law, or any suggestions of such application, with respect to the Issuer could materially adversely affect the rights of the

Bondholders, the price or value of an investment in the Covered Bonds and/or the ability of the Issuer to satisfy its obligations under the Covered Bonds, and as a result investors may lose their entire investment. Moreover, if the Issuer's financial condition deteriorates, the existence of the Bail-in Power or the exercise of write-down/conversion powers by the resolution authority independently of a resolution measure with respect to capital instruments (including subordinated debt instruments) or in combination with a resolution measure when it determines that the institution or its group will no longer be viable could cause the market price or value of the Covered Bonds to decline more rapidly than would be the case in the absence of such powers.

The Issuer filing for bankruptcy will not give rise to the right on the part of the Representative of the Bondholders to declare an Issuer Event of Default and the Covered Bonds immediately due and payable

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

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

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

However, the Issuer, as a *société de financement de l'habitat*, has no employees and benefits from a protective regime for investors which derogates in many ways from the French legal provisions relating to insolvency proceedings, in particular:

- in accordance with Article L. 513-31 of the French Monetary and Financial Code (*Code monétaire et financier*), the provisions of Article L. 632-2 of the French Commercial Code (*Code de commerce*) (*nullités facultatives de la période suspecte*) are not applicable to contracts concluded by a *société de financement de l'habitat*, or to legal transactions made by or in favour of *société de financement de l'habitat*, as far as such contracts or transactions are directly related to the transactions referred to in Articles L. 513-28 to L. 513-30 of the French Monetary and Financial Code (*Code monétaire et financier*);
- in accordance with Article L.513-20 of the French Monetary and Financial Code (*Code monétaire et financier*), the *procédure de sauvegarde, de redressement ou de liquidation judiciaires* of a shareholder of the Issuer cannot be extended to the Issuer;
- any service/loan agreement pursuant to which the Issuer has delegated to another company the management or the recovery of loans, exposures, assimilated receivables, securities, instruments, bonds or other sources of financing may be immediately terminated upon the opening of bankruptcy proceedings (*procédure de sauvegarde, de redressement ou de liquidation judiciaires*) affecting that company;
- pursuant to the Article L.513-11 of the French Monetary and Financial Code (*Code monétaire et financier*), in case of *procédure de sauvegarde, de redressement ou de liquidation judiciaires*, or resolution proceedings opened pursuant to Article L. 613-49 of the French Monetary and Financial Code (*Code monétaire et financier*) against the Issuer, all cash flows generated by the assets of the Issuer are allocated as a matter of absolute priority to servicing liabilities of the Issuer which benefit from the *Privilège* (in particular the Covered Bonds) as they fall due, in preference to all other claims, whether or not secured or statutorily preferred and, until payment in full of the liabilities of the Issuer which benefit from the *Privilège*, no other creditors may take any action against the assets of the Issuer, either in principal or accrued or future interest;
- pursuant to the paragraph 3 of Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*), the Covered Bonds and the other debt benefiting from the *Privilège* shall not become due and payable as a result of the *sauvegarde, redressement judiciaire, liquidation judiciaire* of the

Issuer or the resolution proceedings opened pursuant to Article L. 613-49 of the French Monetary and Financial Code (*Code monétaire et financier*) against the Issuer.

As a result, the Issuer filing for bankruptcy will not give rise to the right on the part of the Representative of the Bondholders to declare an Issuer Event of Default and the Covered Bonds immediately due and payable.

Indeed, the bankruptcy of the Issuer, which is an event that is customarily considered as an event of default under debt instruments giving rise to an absolute or qualified right on the part of the registered holder to declare such debt instrument immediately due and payable, constitutes the occurrence of an Issuer Event of Default under the "Terms and Conditions of the Covered Bonds". However, the declaration of the Representative of the Bondholders to declare an Issuer Event of Default, as described in Condition 10 "Events of Default" under "**Terms and Conditions of the Covered Bonds**", and the Covered Bonds immediately due and payable due to the sole opening of bankruptcy proceedings or of conciliation proceedings with respect to the Issuer would contravene to the SFH Legal Framework which provides, by derogation to the French bankruptcy legal framework, that (i) all cash flows generated by the assets of the Issuer are allocated as a matter of absolute priority to servicing liabilities of the Issuer which benefit from the *Privilège* as they fall due, in preference to all other claims, whether or not secured or statutorily preferred and, until payment in full of the liabilities of the Issuer which benefit from the *Privilège*, no other creditors may take any action against the assets of the Issuer and (ii) the Covered Bonds and the other debt benefiting from the *Privilège* shall not become due and payable as a result of the *liquidation judiciaire* of the Issuer.

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 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 probability of occurrence of full and timely receipt by any of the relevant Bondholders of interest on the Covered Bonds and the probability of occurrence 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). Any such ratings may not continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Rating Agencies as a result of changes in or unavailability of information or if, in the judgement of the Rating Agencies, circumstances so warrant. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon both the value of the Covered Bonds or their marketability in secondary market transactions.

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

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

In general, European regulated investors are restricted under Regulation (EC) no. 1060/2009 of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. The relevant Final Terms will specify whether or not such credit ratings are issued by a credit rating agency established in the European Union, and whether or not the relevant credit rating agency is registered (or has applied for registration) under the CRA Regulation and is included in the list of registered credit rating agencies published on the website of the ESMA (www.esma.europa.eu).

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time and without prior notice by the assigning rating agency.

Any absence or untimely delivery of a Rating Affirmation as well as any decline of the credit rating of the Covered Bonds may adversely affect the value of the outstanding Covered Bonds, increase the Issuer's cost of borrowing and adversely affect the Issuer's ability to issue new Covered Bonds. As a result, investors could lose part of their investment in the Covered Bonds. As of 31 December 2021, the outstanding amount of the Covered Bonds issued by the Issuer is € 32,233,000,000 net principal amount.

Modification of the Conditions of Covered Bonds

The holders of Covered Bonds will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interest in a *masse*, as defined in Condition 12 of the Terms and Conditions of the Covered Bonds which will act in part through a representative (the "**Representative**") and in part through collective decisions of the Bondholders (the "**Collective Decisions**"). Collective Decisions will be adopted either in a general meeting (the "**General Meeting**") or by the approval of a written resolution (the "**Written Resolution**"). The Terms and Conditions applicable to Covered Bonds permit in certain cases defined majorities to bind all holders of Covered Bonds including Bondholders who did not attend and vote at the relevant General Meeting, holders of Covered Bonds who voted in a manner contrary to the majority and holders of Covered Bonds who did not respond to, or rejected the relevant Written Resolution. The Collective Decisions may be adopted on any proposal relating to a resolution to direct the Representative to take any action as provided under this Base prospectus (including to serve an Issuer Enforcement Notice) to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, as more fully described in Condition 12 of the Terms and Conditions of the Covered Bonds. While it is not possible to assess the probability of occurrence that the terms and conditions will need to be amended by way of a General Meeting or Written Consultation during the life of the Covered Bonds, if such a General Meeting were to take place or such a Written Consultation were to be taken, it is possible that a majority of French Law Bondholders could adopt a decision that would modify the terms and conditions in a way that could impair or limit the rights of the French Law Bondholders. However, the probability of occurrence of a majority of French Law Bondholders adopting a decision that would have a significant adverse effect on the French Law Bondholders should not be overplayed.

2. Risks related to the structure of a particular issue of Covered Bonds

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

The Programme allows for different types of Covered Bonds to be issued. Accordingly, each Tranche of Covered Bonds may carry varying risks for prospective investors, depending on the specific structure and features of such Covered Bonds.

Covered Bonds subject to optional redemption by the Issuer

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

Pursuant to Condition 7 of the Terms and Conditions of the Covered Bonds, the Issuer may, at its option, redeem in whole or in part the Covered Bonds prior to their Maturity Date through the exercise of the Redemption at the Option of the Issuer and Partial Redemption. The Covered Bonds will also be redeemed prior to their stated maturity for taxation reasons or due to illegality (in accordance with Conditions 7(e) and 7(f)).

At those times, an investor generally may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Covered Bonds being redeemed and may only be able to do so at a significantly lower rate. This could have a material adverse effect on the yield of the Covered Bonds that

could be considerably less than anticipated by the Bondholders. Prospective investors should consider reinvestment risk in light of other investments available at that time.

In addition, any optional redemption of the Covered Bonds by the Issuer is likely to limit their market value. During any period when the Issuer may elect to redeem Covered Bonds, the market value of those Covered Bonds generally will not rise above the price at which they can be redeemed. This also may be true prior to any redemption period. If they have acquired the Covered Bonds when they were trading above par, such Bondholders could lose part of their investment.

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

Pursuant to Condition 7(a) of the Terms and Conditions of the Covered Bonds, the Final Maturity Date of the Soft Bullet Covered Bonds may be extended automatically to the Extended Final Maturity Date (as defined in Condition 7(a)) upon the occurrence of a Maturity Extension Trigger Event (as specified in the relevant Final Terms). The payment of the Final Redemption Amount may be automatically deferred and shall become due and payable on the Extended Final Maturity Date if so specified in the relevant Final Terms, provided that all or part of the Final Redemption Amount unpaid on the Final Maturity Date may be paid by the Issuer on any Specified Interest Payment Date occurring thereafter up to and including the relevant Extended Final Maturity Date. Interest will continue to accrue on any unpaid amount during such extended period at the relevant applicable Rate of Interest (as specified in the relevant Final Terms) and be payable on each Specified Interest Payment Date and on the Extended Final Maturity Date all as specified in the relevant Final Terms and in accordance with the applicable Conditions.

The extension of the maturity of the Covered Bonds from the Final Maturity Date to the Extended Final Maturity Date will not result in any right of the Bondholders to accelerate payments or take action against the Issuer and will result in a delay of payments of principal on the relevant Covered Bonds.

Changes in interest rates may adversely affect the value of the Covered Bonds

Investors are exposed to the risk that if interest rates subsequently increase after the issuance of the Covered Bonds, this may adversely affect the value of the Covered Bonds and investors may lose all or part of their investment.

Investors in Covered Bonds which bear interest at a fixed rate (as further described in Condition 6(b) of the Terms and Conditions of the Covered Bonds) are exposed to the risk that if interest rates subsequently increase above the rate paid on the Fixed Rate Covered Bonds, this will adversely affect the value of the relevant Tranche of Covered Bonds.

Investors in Covered Bonds which bear interest at a floating rate (as further described in Condition 6(c) of the Terms and Conditions of the Covered Bonds) are exposed to the risk that they cannot anticipate the interest income on the Floating Rate Covered Bonds. Due to varying interest income, investors are not able to determine a definite yield for Floating Rate Covered Bonds at the time they purchase them, and therefore their investment return cannot be compared with that of investments having longer fixed interest periods and this will adversely affect the value of the Covered Bonds.

In addition, Covered Bonds with floating interest rates can be volatile investments. If they are structured to include caps or floors, their market values may be even more volatile than those for securities that do not include those features any such volatility may have a significant adverse effect on the value of the Covered Bonds.

Inverse Floating Rate Covered Bonds

Inverse Floating Rate Covered Bonds (as further described in Condition 6(e) of the Terms and Conditions of the Covered Bonds) have an interest rate equal to a fixed rate minus a rate based upon a reference rate. The market values of such Covered Bonds typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Covered Bonds are more volatile because an increase in the reference rate not only decreases the interest rate of the Covered Bonds, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Covered Bonds. It is difficult to anticipate future market volatility

in interest rates, but any such volatility may have a significant adverse effect on the value of the Covered Bonds.

Fixed/Floating Rate Covered Bonds

Fixed/Floating Rate Covered Bonds (as further described in Condition 6(d) of the Terms and Conditions of the Covered Bonds) may bear interest at a rate (i) that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate (including in relation to Soft Bullet Covered Bonds for which the final Maturity Date may be extended automatically upon the occurrence of a Maturity Extension Trigger Event) or (ii) that will automatically change from a fixed rate to a floating rate, or from a floating rate to a fixed rate, in each case on the date set out in the Final Terms. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Covered Bonds since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate or if there is an automatic change from a fixed rate to a floating rate as set out in the relevant Final Terms, the spread on the Fixed/Floating Rate Covered Bonds may be less favourable than then prevailing spreads on comparable Floating Rate Covered Bonds tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Covered Bonds. If the Issuer converts from a floating rate to a fixed rate or if there is an automatic change from a floating rate to a fixed rate as set out in the relevant Final Terms, the fixed rate may be lower than then prevailing rates on its Covered Bonds. It is difficult to anticipate market volatility in interest rates, but any such volatility may have a significant adverse effect on the value of the Covered Bonds. Investors should also refer to the risk factors relating to Fixed Rate Covered Bonds and Floating Rate Covered Bonds.

Covered Bonds issued at a substantial premium

The relevant Final Terms of a Tranche of Covered Bonds will specify the relevant issue price. The market values of securities issued at a substantial premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities. Therefore, holders of Covered Bonds issued at a substantial premium could be exposed to greater losses on their investment than holders of conventional interest-bearing securities.

Benchmark regulation and future discontinuance of "Benchmark"

The Euro Interbank Offered Rate ("EURIBOR") and comparable indices may be used as a reference interest rate, also known as benchmarks, with respect to a floating interest rate payable under the Covered Bonds. These benchmarks may qualify as a benchmark (the "**Benchmark**") within the meaning of Regulation (EU) 2016/1011, as amended of the European Parliament and of the Council dated 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, as may be amended from time to time (the "**Benchmark Regulation**") which most provisions apply since 1 January 2018 with the exception of certain provisions (mainly on critical benchmarks) that apply as from 30 June 2016.

Under the Benchmark Regulation, the ESMA has published a register of administrators and third country benchmarks, in accordance with Article 36 of the Benchmark Regulation.

The Benchmark Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the European Union and will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of "benchmarks" and (ii) prevent certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). In the United Kingdom, the Benchmark Regulations as it forms part of domestic law by virtue of European Union (Withdrawal) Act 2018 ("EUWA") provides for equivalent sets of rules.

The scope of the Benchmarks Regulation is wide and, in addition to so-called "critical benchmark" indices, such as EURIBOR, applies to many other indices (including "proprietary" indices or, potentially, baskets, portfolios or strategies) where used to determine the amount payable under or the value or performance of certain financial instruments for which a request for admission to trading on a trading venue has been made, or

which are traded on a trading venue (EU regulated market, EU multilateral trading facility, EU organised trading facility) or via a systematic internaliser or to measure the performance of certain investment funds with the purpose of tracking the return or defining the asset allocation or computing the performance fees. Different types of benchmark (critical benchmarks, significant benchmarks, non-significant benchmarks and interest rate benchmarks, commodity benchmarks, regulated data benchmarks) are subject to some variations to take into account their characterisation.

Any changes to a Benchmark as a result of the Benchmark Regulation could have a material adverse effect on the costs of refinancing a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with the Benchmark Regulation. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, trigger changes in the rules or methodologies used in certain Benchmarks, adversely affect the performance of a Benchmark or lead to the disappearance of certain Benchmarks. Any of these changes could have a material adverse effect on the value of and return on any Covered Bonds linked to a Benchmark.

Regulation (EU) 2019/2089 of the European Parliament and of the Council of 27 November 2019 has amended the existing provisions of the Benchmarks Regulation by extending the transitional provisions applicable to material benchmarks and third-country benchmarks until the end of 2021.

The Benchmark Regulation was further amended by Regulation (EU) 2021/168 of the European Parliament and of the Council of 10 February 2021 which introduces a harmonised approach to deal with the cessation or wind-down of certain benchmarks (such as EURIBOR) by conferring the power to designate a statutory replacement for certain benchmarks on the Commission or the relevant national authority, such replacement being limited to contracts and financial instruments (such as certain Covered Bonds under the Programme) (the "**Amending Regulation**") which contain no fallback provision or no suitable fallback provisions before the date of cessation of the benchmark concerned. For instance, if pursuant to a fallback provision included in the Condition 6.(c)(iii)(C) of the Terms and Conditions of the Covered Bonds, a benchmark is replaced by a benchmark which no longer reflects or which significantly diverges from the underlying market or the economic reality that the benchmark in cessation is intended to measure, a statutory replacement of such benchmark may be designated. This replacement could have a negative impact on the value or liquidity of, and return on, certain Covered Bonds issued under the Programme linked to or referencing such benchmark and may not operate as intended at the relevant time or may perform differently from the discontinued or otherwise unavailable benchmark. However, there are still some uncertainties as to the application of these regulatory provisions as implementing acts must be adopted.

In addition, the transitional provisions applicable to third-country benchmarks are extended until the end of 2023. The Commission is empowered to further extend this period until the end of 2025, if necessary. The Amending Regulation applies as of 13 February 2021.

Moreover, under Article 51 of Benchmarks Regulation, an index provider may continue to provide an existing benchmark that has been recognised as a critical benchmark, or an existing benchmark that has been recognised as a critical benchmark may be used for existing and new financial instruments until 31 December 2021. The use in the EU by supervised entities of a third-country benchmark is permitted for financial instruments, financial contracts and measurements of the performance of an investment fund that already reference that benchmark or which add a reference to such benchmark before 31 December 2023. The Commission is empowered to further extend this period until the end of 2025, if necessary.

If a benchmark rate were discontinued or otherwise unavailable, the rate of interest on Covered Bonds which are linked to or which reference such benchmark rate will be determined for the relevant period by the fallback provisions applicable to the Covered Bonds. The Terms and Conditions of the Covered Bonds provide for certain fallback arrangements in the event that a published benchmark becomes unavailable. However, such fallback provisions may be deviated from if deemed unsuitable by the Commission or the relevant national authority, as mentioned above.

Any of the above changes or any other consequential changes to benchmarks as a result of European Union, United Kingdom, or other international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes could have a negative impact on the trading market for, value of and return on the Covered Bonds.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms in making any investment decision with respect to any Covered Bonds linked to or referencing a "benchmark".

Discontinuation of any benchmark and change of the applicable floating rate of interest of the Covered Bonds

Pursuant to Condition 6(c)(iii)(C) of the Terms and Conditions of the Covered Bonds which applies to Floating Rate Covered Bonds, if the Calculation Agent determines at any time that the relevant reference rate has been discontinued, the Calculation Agent will use, as a substitute for the relevant reference rate, the alternative reference rate selected by the central bank, reserve bank, monetary authority or any similar institution in the jurisdiction of the currency of the relevant rate that is consistent with industry accepted standards. If the Calculation Agent notifies the Issuer that it is unable to determine such an alternative reference rate, the Calculation Agent will appoint a determination agent (which may be (i) a leading bank, broker-dealer or benchmark agent in the Principal Financial Center of the Specified Currency as appointed by the Calculation Agent; (ii) the Calculation Agent or (iii) such other entity that the Issuer in its sole and absolute discretion determines to be competent to carry out such role (the "**Relevant Rate Determination Agent**") who will determine a replacement reference rate, as well as any required changes to the business day convention, the definition of business day, the interest determination date, the day count fraction and any method for calculating the replacement rate including any adjustment required to make such replacement reference rate comparable to the relevant reference rate. Such replacement reference rate will (in the absence of manifest error) be final and binding, and will apply to the relevant Covered Bonds.

The replacement rate may perform differently from the discontinued reference rate. These and other changes could significantly affect the performance of an alternative rate compared to the historical and expected performance of EURIBOR, €STR, CMS, TEC or the applicable benchmark. Any adjustment applied to any Covered Bonds may not adequately compensate for this impact. This could in turn impact the rate of interest on and trading value of the affected Covered Bonds.

If the Calculation Agent or the Relevant Rate Determination Agent is unable to determine an appropriate replacement reference rate, then the relevant rate of interest for the affected Covered Bonds will not be changed. The terms of the Covered Bonds provide that, if it is not possible to determine a value for a given reference rate, the relevant reference rate on such Covered Bonds will be the last available rate plus or minus, as indicated in the applicable Final Terms, the margin, if any, effectively converting such Covered Bonds into fixed rate covered bonds. The Conditions also provide for other fallbacks, such as consulting reference banks for rate quotations, which may not be possible if the reference banks decline to provide such quotations for a sustained period of time (or at all).

Even if the Calculation Agent or the Relevant Rate Determination Agent is able to determine that the rate of interest is discontinued but for any reason a Replacement Reference Rate has not been determined, the Issuer may decide not to change the rate of interest but instead to fix such rate of interest on the basis of the last available quotation of the relevant reference rate. This mechanism will result in the Covered Bonds being effectively converted to fixed rate instruments. Investors holding such Covered Bonds might incur costs from unwinding hedges. Moreover, in a rising interest rate environment, holders of such Covered Bonds will not benefit from any increase in rates. The trading value of the Covered Bonds could as a consequence be adversely affected.

It is possible that, if a reference rate is discontinued, a clear successor rate will not be established in the market for some time. Accordingly, the terms of the Covered Bonds provide as an ultimate fallback that, following the designation of a replacement rate, if the Calculation Agent or the Relevant Rate Determination Agent considers that such replacement reference rate is no longer substantially comparable to the original reference rate or does not constitute an industry accepted successor rate, the Calculation Agent will appoint or re-appoint a Relevant Rate Determination Agent (which may or may not be the same entity as the original Relevant Rate Determination Agent) for the purposes of confirming the replacement reference rate or determining a substitute replacement reference rate (despite the continued existence of the initial replacement reference rate). Any such substitute replacement reference rate, once designated pursuant to the Conditions, will apply to the affected Covered Bonds. This could impact the relevant rate of interest in respect of the Covered Bonds and the trading value of the affected Covered Bonds. In addition, any holders of such Covered Bonds that enter into hedging instruments based on the original replacement reference rate may find their hedges to be ineffective, and they may incur costs replacing such hedges with instruments tied to the new replacement reference rate.

There is a high probability that certain IBORs will cease to exist or undergo changes that could increase the probability of occurrence of the risks set out above materializing.

Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under the Covered Bonds linked to or referencing a "benchmark" or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Covered Bonds linked to or referencing a "benchmark". Investors should note that, the Relevant Rate Determination Agent will have discretion to adjust the relevant successor rate in the circumstances described above. Any such adjustment could have unexpected consequences and, due to the particular circumstances of each Bondholder, any such adjustment may not be favourable to such Bondholder.

The market continues to develop in relation to risk free rates as reference rates for Floating Rate Covered Bonds

Condition 6(c) (*Interest on Floating Rate Covered Bonds*) of the Terms and Conditions of the Covered Bonds allows Covered Bonds referencing the Euro short term rate ("€STR") to be issued. The market continues to develop in relation to riskfree rates, such as €STR, as reference rate in the capital markets for euro bonds, and its adoption as alternative to the relevant interbank offered rates. The market or a significant part thereof may adopt an application of riskfree rates that differs significantly from that set out in the Terms and Conditions and used in relation to Floating Rate Covered Bonds that reference a risk free rate issued under this Base Prospectus.

The nascent development of the use of €STR as interest reference rate for bond markets, as well as continued development of €STR-based rates for such markets and of the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Covered Bonds. Interest on Covered Bonds which reference a risk free rate is only capable of being determined shortly prior to the relevant Interest Payment Date.

In addition, as €STR is published by the European Central Bank, the Issuer has no control over its determination, calculation or publication. There can be no guarantee that €STR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of Noteholders.

The mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Covered Bonds.

To the extent the €STR reference rate is discontinued or is no longer published as described in the Terms and Conditions, the applicable rate to be used to calculate the Rate of Interest on the Covered Bonds will be determined using the alternative methods described in Condition 6(c) (*Interest on Floating Rate Covered Bonds*) of the Terms and Conditions of the Covered Bonds. Such methods may result in interest payments that are lower than, or do not otherwise correlate over time with, the payment that would have been made on the Covered Bonds if the €STR reference rate had been provided by the European Central Bank in its current form. Accordingly, an investment in any such Floating Rate Covered Bonds may entail significant risks not associated with similar investments in convention debt securities.

3. Risks related to the market of the Covered Bonds

Market value of the Covered Bonds

The market value of the Covered Bonds will be affected by the creditworthiness and/or the credit ratings of the Issuer and a number of additional factors, including the market interest and yield rates and the time remaining to the maturity date.

The value of the Covered Bonds that may be listed and admitted to trading on Euronext Paris or any other Regulated Market depends on several interrelated factors, including economic, financial, regulatory and political events in France, in the United Kingdom (including Brexit) or elsewhere, including factors affecting

capital markets generally and the stock exchanges on which the Covered Bonds are traded. The price at which the holders of the Covered Bonds will be able to sell the Covered Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such holders and result in losing part of their investment in the Covered Bonds.

In addition, if an Extended Final Maturity Date is specified in the Final terms and the Final Redemption Amount of the relevant Series is not paid by the Issuer on the Maturity Date, the payment of such Final Redemption Amount shall be automatically deferred and shall become due and payable on the Extended Final Maturity Date. In this scenario, Bondholders will be further exposed to market risks until the Extended Final Maturity Date. As a result, the situation of the Issuer might adversely change between the Final Maturity Date and the Extended Final Maturity Date and the market value of the Covered Bonds between the Final Maturity Date and the Extended Final Maturity Date might be significantly affected.

A trading market may not develop or continue or be liquid

Covered Bonds may have no established trading market when issued, and an active trading market may not develop in the future. If a market does develop, it may not be very liquid. The liquidity and the market prices for the Covered Bonds can be expected to vary with changes in market and economic conditions, the Issuer's financial condition and prospects and other factors that generally influence the market prices of securities. Therefore, investors may not be able to sell their Covered Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Covered Bonds that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Covered Bonds generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Covered Bonds.

Changes in exchange rate could result in a substantial loss

This Programme allows for Covered Bonds to be issued in a Specified Currency as defined in Condition 6(a) of the Terms and Conditions of the Covered Bonds. The Issuer will pay principal and interest on the Covered Bonds in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Covered Bonds, (2) the Investor's Currency-equivalent value of the principal payable on the Covered Bonds and (3) the Investor's Currency-equivalent market value of the Covered Bonds.

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

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus shall be read and construed in conjunction with the information referred to in the cross-reference list below which is incorporated in, and shall be deemed to form part of, this Base Prospectus (the "**Documents Incorporated by Reference**") and which is included in the documents listed below (refer to links below), which have been previously published and filed with the AMF:

- the free English translation of the "*BNP Paribas Home Loan SFH Etats Financiers au 31 décembre 2021*" which contains the audited financial statements of the Issuer for the financial year ended 31 December 2021 together with the free English translation of the statutory auditors' report thereon (together the "**2021 Financial Statements**") and the "*BNP Paribas Home Loan SFH – Rapport financier annuel du conseil d'administration exercice clos le 31 décembre 2021*" in French language (the "**Rapport Financier Annuel 2021**"):
 - in English: <https://invest.bnpparibas/document/home-loan-sfh-financial-statements-31-12-2021>
 - in French: <https://invest.bnpparibas/document/home-loan-sfh-rapport-annuel-31-12-2021>;
- the free English translation of the "*BNP Paribas Home Loan SFH Etats Financiers au 31 décembre 2020*" which contains the audited financial statements of the Issuer for the financial year ended 31 December 2020 together with the free English translation of the statutory auditors' report thereon (together the "**2020 Financial Statements**") and the "*BNP Paribas Home Loan SFH – Rapport financier annuel du conseil d'administration exercice clos le 31 décembre 2020*" in French language (the "**Rapport Financier Annuel 2020**"):
 - in English: https://invest.bnpparibas.com/sites/default/files/documents/210511_sfh_financial_statement_2020.pdf
 - in French: https://invest.bnpparibas.com/sites/default/files/documents/210511_-_sfh_rapport_financier_annuel_-_vfinale.pdf;
- the free English translation of the "*Rapport d'audit du commissaire aux comptes sur le tableau des flux de trésorerie relatifs à l'exercice 2021*" (the "**2021 Statutory Auditor's Report on The Cash Flow Statement**") which contains the audited cash flow statements of the Issuer for the financial years ended 31 December 2021 (together the "**2021 Cash Flow Statements**") and the "*Rapport d'audit du commissaire aux comptes sur le tableau des flux de trésorerie relatifs à l'exercice 2021*" in French language :
 - in English: <https://invest.bnpparibas/document/home-loan-sfh-statutory-auditors-report-on-the-cash-flow-statement-view-2021>
 - in French: <https://invest.bnpparibas/document/home-loan-sfh-rapport-dauidit-du-cac-sur-le-tableau-des-flux-de-tresorerie-2021>;
- the free English translation of the "*Rapport d'audit du commissaire aux comptes sur le tableau des flux de trésorerie relatifs à l'exercice 2020*" (the "**2020 Statutory Auditor's Report on The Cash Flow Statement**") which contains the audited cash flow statements of the Issuer for the financial years ended 31 December 2020 (together the "**2020 Cash Flow Statements**") and the "*Rapport d'audit du commissaire aux comptes sur le tableau des flux de trésorerie relatifs à l'exercice 2020*" in French language :
 - in English: https://invest.bnpparibas.com/sites/default/files/documents/bnpp_home_loan_-_rapport_tft_cac_veng_21042021_vf.pdf
 - in French: https://invest.bnpparibas.com/sites/default/files/documents/210507_bnpp_home_loan_-_rapport_tft_cac_2020.pdf;

- the sections "Terms and Conditions of the Covered Bonds" of the following base prospectuses relating to the Programme:
 - (i) base prospectus dated 30 June 2021 which received visa no. 21-265 from the AMF (the "**2021 Covered Bonds Conditions**"): <https://invest.bnpparibas.com/document/home-loan-sfh-base-prospectus-2021>
 - (ii) base prospectus dated 11 June 2020 which received visa no. 20-248 from the AMF (the "**2020 Covered Bonds Conditions**"): https://invest.bnpparibas.com/sites/default/files/documents/bnp_hl_sfh_2020_-_base_prospectus_v._final_with_no._20-248_2.pdf
 - (iii) base prospectus dated 14 May 2019 which received visa no. 19-202 from the AMF (the "**2019 Covered Bonds Conditions**"): https://invest.bnpparibas.com/sites/default/files/documents/190514_bnpp_sfh_-_base_prospectus_-_v._finale_avec_visas.pdf
 - (iv) base prospectus dated 28 March 2018 which received visa no. 18-098 from the AMF (the "**2018 Covered Bonds Conditions**"): https://invest.bnpparibas.com/sites/default/files/documents/bnpp_sfh_emtn_2018_-_base_prospectus_v._finale_visas_18-098.pdf
 - (v) base prospectus dated 28 July 2016 which received visa no. 16-360 from the AMF (the "**2016 Covered Bonds Conditions**"): https://invest.bnpparibas.com/sites/default/files/documents/bnpp_sfh_emtn_2016_-_base_prospectus_-_v._finale_avec_visas.pdf
 - (vi) base prospectus dated 29 June 2015 which received the visa no. 15-0315 from the AMF (the "**2015 Covered Bonds Conditions**"): https://invest.bnpparibas.com/sites/default/files/documents/bnpp_sfh_-_base_prospectus_29_june_2015_visas.pdf
 - (vii) base prospectus dated 15 July 2014 which received the visa no. 14-0407 from the AMF (the "**2014 Covered Bonds Conditions**"): https://invest.bnpparibas.com/sites/default/files/documents/bnpp_sfh_-_base_prospectus_2014_final_avec_visas-32572.pdf

and, together with the 2014 Covered Bonds Conditions, the 2015 Covered Bonds Conditions, the 2016 Covered Bonds Conditions, the 2018 Covered Bonds Conditions, the 2019 Covered Bonds Conditions, the 2020 Covered Bonds Conditions and 2021 Covered Bonds Conditions, the "**Covered Bonds Previous Conditions**").

All Documents Incorporated by Reference in this Base Prospectus may be obtained, without charge on request, at the principal office of the Issuer and the Paying Agents set out at the end of this Base Prospectus during normal business hours so long as any of the Covered Bonds are outstanding. Such documents will be published on the website of the AMF (www.amf-france.org). The 2021 Financial Statements, the Rapport Financier Annuel 2021, the 2020 Financial Statements, the Rapport Financier Annuel 2020, the 2021 Cash Flow Statements and the 2021 Statutory Auditor's Report on the Cash Flow Statements, the 2020 Cash Flow Statements and the 2020 Statutory Auditor's Report on the Cash Flow Statements, are published on the website of the Issuer (www.invest.bnpparibas.com - heading BNP Paribas Debt) and on www.info-financiere.fr.

For the avoidance of doubt, no information or documents available at the Issuer website, other than the documents listed above, shall be incorporated herein by reference. Unless otherwise explicitly incorporated by reference into this Base Prospectus in accordance with the list above, the information contained in the website of the Issuer shall not be deemed incorporated by reference herein and is for information purposes only. Therefore it does not form part of this Base Prospectus and has not been scrutinised or approved by the AMF.

The information incorporated by reference in this Base Prospectus shall be read in connection with the cross-reference list below. Any information not listed in the cross-reference list but included in the documents listed above is either not relevant for the investor or covered elsewhere in this Base Prospectus.

Cross-reference list

INFORMATION INCORPORATED BY REFERENCE (Annex VI item 11 of the European Delegated Regulation 2019/980/EU supplementing the Prospectus Regulation)	REFERENCE
11. FINANCIAL INFORMATION CONCERNING BNP PARIBAS HOME LOAN SFH'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
11.1 Historical Financial Information	
2020 Financial Statements (in English)	
Income Statement at 31 December 2020	Page 2
Balance sheet at 31 December 2020	Page 3
Summary of the accounting principles applied by BNP Paribas Home Loan SFH	Pages 5 to 7
Notes on the income statement at 31 December 2020	Pages 8 and 9
Notes to the Balance Sheet at 31 December 2020	Pages 10 and 11
Additional information	Pages 12 and 13
Statutory Auditors' Report	Pages 15 to 21
2020 Financial Statements (in French)	
Income Statement at 31 December 2020	Page 56
Balance sheet at 31 December 2020	Page 57
Summary of the accounting principles applied by BNP Paribas Home Loan SFH	Pages 58 to 60
Notes on the income statement at 31 December 2020	Pages 61 and 62
Notes to the Balance Sheet at 31 December 2020	Pages 63 and 64
Additional information	Page 65
Statutory Auditors' Report	Pages 66 to 69
2020 Cash Flow Statements (in English)	
2020 Statutory Auditors' Report on The Cash Flow Statement	Pages 2 and 3
Cash Flow Statements	Page 4
2020 Cash Flow Statements (in French)	
2020 Statutory Auditors' Report on The Cash Flow Statement	Pages 2 and 3
Cash Flow Statements	Page 4
2021 Financial Statements (in English)	
Income Statement at 31 December 2021	Page 2
Balance sheet at 31 December 2021	Page 3
Summary of the accounting principles applied by BNP Paribas Home Loan SFH	Page 5 to 7
Notes on the income statement at 31 December 2021	Pages 8 to 9
Notes to the Balance Sheet at 31 December 2021	Pages 10 to 11
Additional information	Pages 13
Statutory Auditors' Report	Pages 14 and following

2021 Financial Report (in French)	
Income Statement at 31 December 2021	Page 1
Balance sheet at 31 December 2021	Page 2
Summary of the accounting principles applied by BNP Paribas Home Loan SFH	Page 3 to 5
Notes on the income statement at 31 December 2021	Pages 6 to 7
Notes to the Balance Sheet at 31 December 2021	Pages 8 to 9
Additional information	Pages 10 to 12
Statutory Auditors' Report	Pages 50 and following
2021 Cash Flow Statements (in English)	
2021 Statutory Auditors' Report on The Cash Flow Statement	Pages 2 to 3
Cash Flow Statements	Page 4
2021 Cash Flow Statements (in French)	
2021 Statutory Auditors' Report on The Cash Flow Statement	Pages 2 to 3
Cash Flow Statements	Page 4

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

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

INFORMATION INCORPORATED BY REFERENCE	REFERENCE
2014 Covered Bonds Conditions (visa no. 14-0407)	
Terms and Conditions of the Covered Bonds	Pages 68 to 98
2015 Covered Bonds Conditions (visa no. 15-0315)	
Terms and Conditions of the Covered Bonds	Pages 68 to 98
2016 Covered Bonds Conditions (visa no. 16-0360)	
Terms and Conditions of the Covered Bonds	Pages 70 to 99
2018 Covered Bonds Conditions (visa no. 18-098)	
Terms and Conditions of the Covered Bonds	Pages 67 to 97
2019 Covered Bonds Conditions (visa no. 19-202)	
Terms and Conditions of the Covered Bonds	Pages 66 to 97
2020 Covered Bonds Conditions (approval no. 20-248)	
Terms and Conditions of the Covered Bonds	Pages 46 to 77
2021 Covered Bonds Conditions (approval no. 21-265)	
Terms and Conditions of the Covered Bonds	Pages 47 to 78

Non-incorporated parts of the base prospectus of the Issuer dated 15 July 2014, the base prospectus of the Issuer dated 29 June 2015, the base prospectus of the Issuer dated 28 July 2016, the base prospectus of the Issuer dated 28 March 2018, the base prospectus of the Issuer dated 14 May 2019, the base prospectus of the Issuer dated 11 June 2020 and the base prospectus of the Issuer dated 30 June 2021 are not relevant for investors.

SUPPLEMENT TO THE BASE PROSPECTUS

In connection with Covered Bonds admitted to trading on a Regulated Market, unless the Issuer does not intend to issue Covered Bonds under the Programme for the time being, if at any time during the duration of the Programme there is a significant change affecting any matter contained or incorporated by reference in this Base Prospectus, including any modification of the terms and conditions or generally any significant new factor, material mistake or material inaccuracy relating to information, included in this Base Prospectus which is capable of affecting the assessment of any Covered Bonds, which inclusion would reasonably be required by investors, and would reasonably be expected by them to be found in this Base Prospectus, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the rights attaching to the Covered Bonds, the Issuer shall prepare a supplement to the Base Prospectus in accordance with Article 23 of the Prospectus Regulation for use in connection with any subsequent offering of the Covered Bonds, submit such supplement to the Base Prospectus to the AMF for approval and supply each Dealer, Euronext Paris and the AMF with such number of copies of such supplement to the Base Prospectus as may reasonably be requested.

In accordance with and pursuant to Article 23.2(a) of the Prospectus Regulation, where the Covered Bonds are offered to the public, investors who have already agreed to purchase or subscribe for Covered Bonds before any supplement is published have the right, exercisable within three working days after the publication of such supplement, to withdraw their acceptance provided that the significant new factor, material mistake or material inaccuracy referred to in Article 23.1 of the Prospectus Regulation arose or was noted before the closing of the offer period or the delivery of the Covered Bonds, whichever occurs first. The period may be extended by the Issuer. The final date of the right of withdrawal shall be stated in the supplement. On 7 July 2023, this Base Prospectus, as supplemented (as the case may be), will expire and the obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will no longer apply.

USE OF PROCEEDS

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

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

TERMS AND CONDITIONS OF THE COVERED BONDS

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

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

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

The Covered Bonds are issued by BNP Paribas Home Loan SFH (the "**Issuer**"). The Issuer is licensed as a specialised credit institution (*établissement de crédit spécialisé*) with the status of a *société de financement de l'habitat* ("**SFH**") by the *Autorité de contrôle prudentiel et de résolution* (the "**ACPR**"), and is governed by Articles L. 513-1 *et seq.* of the French Monetary and Financial Code, as amended from time to time, in particular as they have been amended by the entry into force of the relevant provisions of the decree-law (*ordonnance*) no. 2021-858 dated 30 June 2021 which transposes under French law Directive (EU) No. 2019/2162 of the European Parliament and of the Council dated 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU.

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

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

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

Copies of the applicable Final Terms may be obtained, upon request, free of charge, from the registered office of the Issuer and the specified offices of the Paying Agents save that, if this Covered Bond is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area or the United Kingdom in circumstances where a Base Prospectus is required to be published under Regulation 2017/1129/EU of the European Parliament and of the Council dated 14 June 2017, as amended (the "**Prospectus Regulation**"), the applicable Final Terms will only be obtainable by a Bondholder holding one or

more Covered Bonds and such Bondholder must produce evidence satisfactory to the Issuer and/or the Paying Agent as to its holding of such Covered Bonds and identity.

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

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

1. DEFINITIONS

"**Base Prospectus**" means the Base Prospectus, dated 7 July 2022 of the Issuer, in the form in which it is on file with the *Autorité des marchés financiers* in France and granted approval no. 22-283 on 7 July 2022 and any documents incorporated to it by reference and any supplements to it.

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

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

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

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

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

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

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

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

- (a) at any relevant time following the service of a Borrower Enforcement Notice (as defined in the section "**The main Programme Documents – The Borrower Facility Agreement**" of the Base Prospectus), a Breach of Amortisation Test (as defined in section "**Asset Monitoring**" of the Base Prospectus) occurs; or
- (b) the Issuer is in default in the payment of principal of, or interest on, any Covered Bond (including the payment of any additional amounts mentioned in Condition 9 of the Terms and Conditions of the Covered Bonds) when due and payable, unless such default has arisen by reason of technical default or error and payment is made within three (3) Business Days of the due date thereof; or
- (c) the Issuer is in default in the performance or observance of any of its other material obligations under any Covered Bond and such default has not been cured within thirty (30) calendar days after the receipt by the Fiscal Agent (with copy to the Issuer, and, when applicable, the Specific Controller) of the written notice of such default by (i) in the case of any French Law Covered Bonds, the Representative,

and (ii) in the case of German Law Covered Bonds, a Bondholder, requiring such default to be remedied and indicating that this provision may be invoked if it is not so remedied; or

- (d) any other present or future indebtedness of the Issuer (including any Covered Bonds of any other Series (including German Law Covered Bonds)) becomes or becomes capable of being declared due and payable prior to its stated maturity as a result of a default thereunder, or any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period (a "**Covered Bonds Cross Acceleration Event**"); or
- (e) the license of the Issuer as a *société de financement de l'habitat* is withdrawn.

"Majority Bondholders" means:

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

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

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

"Programme Documents" means:

- (a) the Shareholder Letter of Undertaking (as defined in the section "the Issuer" – "Issuer Share capital, Subordinated Loan and Super Subordinated Bonds Issue and Issuer Majority Shareholder's undertakings" of the Base Prospectus);
- (b) the Subordinated Loan Agreement (as defined in the section "The Issuer" – "Issuer Share Capital, Subordinated Loan and Super Subordinated Bonds Issue and Issuer Majority Shareholder's undertakings" of the Base Prospectus);
- (c) the Super Subordinated Bonds Subscription Agreement (as defined in the section "The Issuer" – "Issuer Share Capital, Subordinated Loan and Super Subordinated Bonds Issue and Issuer Majority Shareholder's undertakings" of the Base Prospectus);
- (d) the Administrative Agreement (as defined in the section "the Issuer" – "The Administrative Agreement" of the Base Prospectus);
- (e) the *Convention d'Externalisation et de Mise à Disposition de Moyens*, as amended from time to time (as defined in the section "the Issuer" – "Issuer Risk Management" of the Base Prospectus);

- (f) the Issuer Accounts Agreement (as defined in the section "The main Programme Documents - The Issuer Accounts Agreement" of the Base Prospectus);
- (g) the Terms and Conditions;
- (h) the Agency Agreement;
- (i) the Deed of Covenant;
- (j) the Dealer Agreement dated on or before the Programme Date as amended and restated from time to time between the Issuer and the Dealer named therein and relating to the Covered Bonds;
- (k) the Borrower Facility Agreement (as defined in the section "The main Programme Documents – The Borrower Facility Agreement" of the Base Prospectus);
- (l) the Borrower Collateral Security Agreement (as defined in the section "The main Programme Documents – The Borrower Collateral Security Agreement" of the Base Prospectus);
- (m) the Cash Collateral Agreement (as defined in the section "The main Programme Documents – The Cash Collateral Agreement" of the Base Prospectus);
- (n) the Affiliate Facility Agreement(s) (if any) (as defined in the section "The main Programme Documents – The Affiliate Facility Agreements" of the Base Prospectus);
- (o) the Affiliate Collateral Security Agreement(s) (if any) (as defined in the section "The main Programme Documents – The Affiliate Collateral Security Agreements" of the Base Prospectus);
- (p) the Calculation Services Agreement (as defined in the section "The main Programme Documents – The Calculation Services Agreement" of the Base Prospectus);
- (q) the Master Definitions and Construction Agreement, as amended from time to time, provided for the definitions of defined terms used under some other Programme Documents; and
- (r) as the case may be, any Hedging Agreement(s), if any (see section "**Risk Factors - Risk relating to the operations of the Issuer - Interest and currency risks**").

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

"**Rating Agency**" means S&P Global Ratings Europe Limited ("**S&P**"), Fitch Ratings Ireland Limited ("**Fitch Ratings**") or any other rating agency of equivalent standing or any successor thereto.

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

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

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

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

2. FORM, DENOMINATION, TITLE AND REDENOMINATION

(a) Form

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

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

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

Unless this possibility is expressly excluded in the relevant Final Terms and to the extent permitted by applicable law, the Issuer may at any time request from the central depository identification information of holders of Dematerialised Covered Bonds in bearer form (*au porteur*) such as the name or the company name, nationality, date of birth or year of incorporation and mail address or, as the case may be, email address of such holders as well as the quantity of Covered Bonds held by each of them and any restrictions applicable to the Covered Bonds.

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

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

In accordance with Articles L. 211-3 *et seq.* and R. 211-1 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*), securities (such as Covered Bonds constituting obligations under French law) in materialised form and governed by French law must be issued outside the French territory.

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

(b) Denomination

The Covered Bonds will be issued in the specified denomination(s) set out in the relevant Final Terms (the "**Specified Denomination(s)**").

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

(c) Title

- (i) Title to Dematerialised Covered Bonds in bearer form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Covered Bonds may only be effected through, registration of the transfer in the accounts of the Account Holders. Title to Dematerialised Covered Bonds in fully registered form (*au nominatif pur*) shall pass upon, and

transfer of such Covered Bonds may only be effected through, registration of the transfer in the accounts maintained by the Issuer or by the Registration Agent.

- (ii) Title to Definitive Materialised Covered Bonds, including, where appropriate, Coupons and/or a Talon attached, shall pass by delivery.

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

(d) Redenomination

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

3. CONVERSIONS OF COVERED BONDS

(a) Dematerialised Covered Bonds

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

(b) Materialised Covered Bonds

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

4. STATUS

Subject to the Priority Payment Orders, the principal and interest of the Covered Bonds, and, where applicable, any related Coupons are direct, unconditional, unsubordinated and, pursuant to the provisions of Condition 5(b), privileged obligations of the Issuer and will rank *pari passu* and without any preference among themselves and equally and rateably with all other present and future obligations of the Issuer (including the French and German Law Covered Bonds of all other Series) and other resources raised by the Issuer benefiting from the *Privilège* described in Condition 5.

5. COVENANTS

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

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

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

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

- (i) all amounts payable to the Issuer in respect of loans or assimilated receivables, exposures and securities referred to in Articles L. 513-3 to L. 513-7 and L. 513-29 of the French Monetary and Financial Code including, any mortgage, charge, lien or other guarantee or indemnity relating thereto, and forward financial instruments referred to in Article L. 513-10 of the French Monetary and Financial Code (*Code monétaire et financier*), in each case after any applicable set-off, together with the claims in respect of deposits made by the Issuer with credit institutions, shall be allocated in priority to the payment of any sums due in respect of *obligations de financement de l'habitat* (such as the Covered Bonds) and any other resources raised by the Issuer and benefiting from the *Privilège*;
- (ii) in case of safeguard (*sauvegarde*), judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) proceedings against the Issuer, or resolution proceedings opened pursuant to Article L. 613-49 of the French Monetary and Financial Code against the Issuer, the amounts due by the Issuer from time to time under the *obligations de financement de l'habitat* (including the Covered Bonds) or any other resources or liabilities benefiting from the *Privilège* shall be paid on their contractual due date, and in priority to all other Issuer's debts, whether or not preferred or secured, including interest resulting from agreements whatever their duration. Accordingly, until all creditors benefiting from the *Privilège* have been paid in full, no other creditor of the Issuer may exercise any right over the assets and rights of the Issuer, either in principal or accrued or future interest;
- (iii) neither safeguard (*sauvegarde*), judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) proceedings against the Issuer, nor resolution proceedings opened pursuant to Article L. 613-49 of the French Monetary and Financial Code against the Issuer will result in the acceleration of payment of *obligations de financement de l'habitat* and the other debts benefiting from the *Privilège*.

(b) **Restrictions on mergers or reorganisations**

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

(c) **Separateness covenants**

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

- (i) to maintain books and records separate from any other person or entity;
- (ii) to maintain its accounts separate from those of any other person or entity;
- (iii) not to commingle assets with those of any other entity;
- (iv) to conduct its own business in its own name;
- (v) to maintain separate financial statements;
- (vi) to pay its own liabilities out of its own funds;
- (vii) to observe all corporate, partnership, or other formalities required by its constituting documents;

- (viii) not to guarantee or to become obligated for the debts of any other entity or to hold out its credit as being available to satisfy the obligations of others;
- (ix) not to acquire capital shares of its partners or shareholders;
- (x) to use its own separate stationery, invoices and cheques;
- (xi) to hold itself out as a separate entity;
- (xii) not to have any employees;
- (xiii) not to voluntarily wind up; and
- (xiv) to correct any known misunderstanding regarding its separate identity.

(d) **Amortisation Test**

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

(e) **Programme Documents**

Subject to the qualifications described in the relevant Programme Document(s) to which it is a party, the Issuer undertakes that any amendment, modification, alteration or supplement to any Programme Document to which it is a party 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 the form of which is included in the Agency Agreement and (b) are not subject to non-petition provisions.

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

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

(g) **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 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.

6. **INTEREST AND OTHER CALCULATIONS**

(a) **Definitions**

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

"**Benchmark**" means the reference rate as set out in the relevant Final Terms which shall be either EURIBOR, €STR, CMS, or TEC, or any other reference rate that might replace them as specified in the relevant Final Terms. "**Business Day**" means:

- (i) in the case of Euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer payment system (TARGET2) or any successor thereto (the "**TARGET System**") is operating (a "**TARGET Business Day**"), and/or
- (ii) in the case of a Specified Currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency, and/or
- (iii) in the case of a Specified Currency and/or one (1) or more additional business centre(s) specified in the relevant Final Terms (the "**Business Centre(s)**"), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the

Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified.

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

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

in each case, where:

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

If dd2 = 31 and dd1 ≠ (30,31)

then :

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

or

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

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

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

where:

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

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

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

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

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

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

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

Where:

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

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

The fraction is :

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

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

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

"**FBF Definitions**" means the definitions set out in the 2013 FBF Master Agreement relating to the transactions on forward financial instruments as supplemented by the Technical Schedules (*Additifs Techniques*) as published by the *Fédération Bancaire Française*, in their updated version applicable as at the Issue Date (together, the "**2013 FBF Master Agreement**"). Investors should consult the Issuer should they require a copy of the FBF Definitions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Interest on Fixed Rate Covered Bonds

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

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

Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Payment Date and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (i) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (ii) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (iii) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

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

- (i) *Interest Payment Dates:* Each Floating Rate Covered Bond bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate *per annum* (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day. Notwithstanding the foregoing, where the applicable Final Terms specify that the relevant Business Day Convention is to be applied on an "unadjusted" basis, the Interest Amount payable on any date shall not be affected by the application of that Business Day Convention.
- (iii) *Rate of Interest for Floating Rate Covered Bonds:* The Rate of Interest in respect of Floating Rate Covered Bonds for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms in accordance with the provisions below relating to either FBF Determination or Screen Rate Determination, depending upon which is specified in the relevant Final Terms.

(A) **FBF Determination for Floating Rate Covered Bonds:**

Where FBF Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Agent as a rate equal to the relevant FBF Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this subparagraph (A), "**FBF Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Agent under a notional interest rate swap transaction

(*Echange*) in the relevant Specified Currency governed by the 2013 FBF Master Agreement (*convention cadre FBF*) relating to transactions on forward financial instruments (formerly 1994 AFB Master Agreement for Foreign Exchange and Derivatives Transactions), as supplemented by the then applicable Interest and Currency incorporating the FBF Definitions and under which:

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

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

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

Unless a higher Minimum Rate of Interest is stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero. For the avoidance of doubt, "Minimum Rate of Interest" shall refer to the relevant rate plus any relevant margin.

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

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

- (3) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
 - (I) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one (1) entity); or
 - (II) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page, in each case appearing on such Page at the Relevant Time on the Interest Determination Date as disclosed in the relevant Final Terms, plus or minus (as indicated in the relevant Final Terms) the Margin (if any); and
- (4) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (1)(I) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (1)(II) applies and fewer than two (2) Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent, plus or minus (as indicated in the relevant Final Terms) the Margin (if any), and
- (5) if paragraph (2) above applies and the Calculation Agent determines that fewer than two (2) Reference Banks are so quoting Relevant Rates, subject as provided below,

the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two (2) out of five (5) leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is Euro, in the Euro-zone as selected by the Calculation Agent (the "**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two (2) of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two (2) of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Relevant Rate in respect of the Floating Rate Covered Bonds is specified as being €STR, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be the rate of return of a daily compound interest investment (with the daily euro short-term rate as the reference rate for the calculation of interest) plus or minus (as indicated in the applicable Final Terms) the Margin (if any) and will be calculated by the Calculation Agent on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the nearest one thousandth of a percentage point, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{€STR}_{i-p\text{TBD}} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where:

"d" is the number of calendar days in the relevant Interest Accrual Period;

"d₀" is the number of TARGET2 Business Days in the relevant Interest Accrual Period;

"€STR_{i-pTBD}" means, in respect of any TARGET2 Business Day falling in the relevant €STR Observation Period, the €STR for the TARGET2 Business Day falling "p" TARGET2 Business Days prior to the relevant TARGET2 Business Day "i";

"n_i" for any TARGET2 Business Day "i" is the number of calendar days from, and including, the relevant TARGET2 Business Day "i" up to, but excluding, the immediately following TARGET2 Business Day in the relevant Interest Accrual Period; and

"p" means in relation to any Interest Accrual Period, the number of TARGET2 Business Days included in the Observation Look-Back Period.

If the €STR is not published, as specified above, on any particular TARGET2 Business Day and no €STR Index Cessation Event (as defined below) has occurred, the €STR for such

TARGET2 Business Day shall be the rate equal to €STR in respect of the last TARGET2 Business Day for which such rate was published on the Website of the European Central Bank.

If the €STR is not published, as specified above, on any particular TARGET2 Business Day and both an €STR Index Cessation Event and an €STR Index Cessation Effective Date have occurred, then the rate of €STR for each TARGET2.

Business Day in the relevant €STR Observation Period occurring on or after such €STR Index Cessation Effective Date will be determined as if references to €STR were references to the ECB Recommended Rate.

If no ECB Recommended Rate has been recommended before the end of the first TARGET2 Business Day following the date on which the €STR Index Cessation Event occurs, then the rate of €STR for each TARGET2 Business Day in the relevant €STR Observation Period occurring on or after the €STR Index Cessation Effective Date will be determined as if references to €STR were references to the Modified EDFR.

If an ECB Recommended Rate has been recommended and both an ECB Recommended Rate Index Cessation Event and an ECB Recommended Rate Index Cessation Effective Date subsequently occur, then the rate of €STR for each TARGET2 Business Day in the relevant €STR Observation Period occurring on or after that ECB Recommended Rate Index Cessation Effective Date will be determined as if references to €STR were references to the Modified EDFR.

Any substitution of the €STR, as specified above, will remain effective for the remaining term to maturity of the Covered Bonds and shall be published by the Issuer in accordance with Condition 17 (*Notice*).

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent, (i) the Rate of Interest shall be that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period) or (ii) if there is no such preceding Interest Determination Date, the Rate of Interest shall be determined as if the rate of €STR for each TARGET2 Business Day in the relevant €STR Observation Period occurring on or after such €STR Index Cessation Effective Date were references to the latest published ECB Recommended Rate or, if EDFR is published on a later date than the latest published ECB Recommended Rate, the Modified EDFR.

For the purpose of this paragraph (d):

"ECB Recommended Rate" means a rate (inclusive of any spreads or adjustments) recommended as the replacement for €STR by the European Central Bank (or any successor administrator of €STR) and/or by a committee officially endorsed or convened by the European Central Bank (or any successor administrator of €STR) for the purpose of recommending a replacement for €STR (which rate may be produced by the European Central Bank or another administrator), as determined by the Issuer and notified by the Issuer to the Calculation Agent;

"ECB Recommended Rate Index Cessation Event" means the occurrence of one or more of the following events, as determined by the Issuer and notified by the Issuer to the Calculation Agent:

- 1) a public statement or publication of information by or on behalf of the administrator of the ECB Recommended Rate announcing that it has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide the ECB Recommended Rate; or
- 2) a public statement or publication of information by the regulatory supervisor for the administrator of the ECB Recommended Rate, the central bank for the currency of the ECB Recommended Rate, an insolvency official with jurisdiction over the administrator of the ECB Recommended Rate, a resolution authority with jurisdiction over the administrator of the ECB Recommended Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the ECB Recommended Rate, which states that the administrator of the ECB Recommended Rate has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the ECB Recommended Rate;

"ECB Recommended Rate Index Cessation Effective Date" means, in respect of an ECB Recommended Rate Index Cessation Event, the first date on which the ECB Recommended Rate is no longer provided, as determined by the Issuer and notified by the Issuer to the Calculation Agent;

"ECB €STR Guideline" means Guideline (EU) 2019/1265 of the European Central Bank of 10 July 2019 on the euro short-term rate (€STR) (ECB/2019/19), as amended from time to time;

"EDFR" means the Eurosystem Deposit Facility Rate, the rate on the deposit facility, which banks may use to make overnight deposits with the Eurosystem (comprising the European Central Bank and the national central banks of those countries that have adopted the Euro) as published on the Website of the European Central Bank;

"EDFR Spread" means:

- i. if no ECB Recommended Rate is recommended before the end of the first TARGET2 Business Day following the date on which the €STR Index Cessation Event occurs, the arithmetic mean of the daily difference between the €STR and the EDFR for each of the thirty (30) TARGET2 Business Days immediately preceding the date on which the €STR Index Cessation Event occurred; or
- ii. if an ECB Recommended Rate Index Cessation Event occurs, the arithmetic mean of the daily difference between the ECB Recommended Rate and the EDFR for each of the thirty (30) TARGET2 Business Days

immediately preceding the date on which the ECB Recommended Rate Index Cessation Event occurred;

"€STR" means, in respect of any TARGET2 Business Day, the interest rate representing the wholesale Euro unsecured overnight borrowing costs of banks located in the Euro area provided by the European Central Bank as administrator of such rate (or any successor administrator) and published on the Website of the European Central Bank (as defined below) at or before 9:00 a.m. (Frankfurt time) (or, in case a revised euro short-term rate is published as provided in Article 4 subsection 3 of the ECB €STR Guideline at or before 11:00 a.m. (Frankfurt time), such revised interest rate) on the TARGET2 Business Day immediately following such TARGET2 Business Day;

"€STR Index Cessation Event" means the occurrence of one or more of the following events, as determined by the Issuer and notified by the Issuer to the Calculation Agent:

- 1) a public statement or publication of information by or on behalf of the European Central Bank (or any successor administrator of €STR) announcing that it has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide €STR; or
- 2) a public statement or publication of information by the regulatory supervisor for the administrator of €STR, the central bank for the currency of €STR, an insolvency official with jurisdiction over the administrator of €STR, a resolution authority with jurisdiction over the administrator of €STR or a court or an entity with similar insolvency or resolution authority over the administrator of €STR, which states that the administrator of €STR has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide €STR;

"€STR Index Cessation Effective Date" means, in respect of an €STR Index Cessation Event, the first date on which €STR is no longer provided by the European Central Bank (or any successor administrator of €STR), as determined by the Issuer and notified by the Issuer to the Calculation Agent;

"€STR Observation Period" means in respect of any Interest Accrual Period, the period from and including the date falling "p" TARGET2 Business Days prior to the first day of the relevant Interest Accrual Period (and the first €STR Observation Period shall begin on and include the date falling "p" TARGET2 Business Days prior to the Interest Commencement Date) and ending on, but excluding, the date falling "p" TARGET2 Business Day prior to the Interest Payment Date of such Interest Accrual Period (or the date falling "p" TARGET2 Business Day prior to such earlier date, if any, on which the Covered Bonds become due and payable);

"i" is a series of whole numbers from one to do, each representing the relevant TARGET2 Business Day in chronological order from, and including, the first TARGET2 Business Day in the relevant Interest Accrual

Period, to, but excluding, the Interest Payment Date corresponding to such Interest Accrual Period;

"Modified EDFR" means a reference rate equal to the EDFR plus the EDFR Spread;

"Observation Look-Back Period" is as specified in the applicable Final Terms; and

"Website of the European Central Bank" means the website of the European Central Bank currently at <http://www.ecb.europa.eu> or any successor website officially designated by the European Central Bank.

(C) Fallback provisions

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, notwithstanding Condition 6(c)(iii)(B)(3) above, if the Calculation Agent, determines at any time prior to any Interest Determination Date, that the screen rate that constitutes the Relevant Rate has been discontinued, the Calculation Agent, will use, as a substitute for the screen rate that constitutes the Relevant Rate, an alternative reference rate determined by the Calculation Agent, to be the alternative reference rate selected by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) in the jurisdiction of the Specified Currency that is consistent with industry accepted standards, provided that, if the Calculation Agent is unable to determine such an alternative reference rate and has notified the Issuer thereof, the Calculation Agent will as soon as reasonably practicable (and in any event before the Business Day prior to the applicable Interest Determination Date) appoint an agent (the **"Relevant Rate Determination Agent"**), which will determine whether a substitute or successor rate, which is substantially comparable to the screen rate that constituted the Relevant Rate, is available for the purpose of determining the Relevant Rate on each Interest Determination Date falling on or after the date of such determination. If the Relevant Rate Determination Agent determines that there is an industry accepted successor rate, the Relevant Rate Determination Agent will notify the Issuer and the Calculation Agent, of such successor rate to be used by the Calculation Agent to determine the Rate of Interest. For the purposes of this provision 6(c)(iii)(C) if there are more than one successor or alternative rates which are determined as industry accepted successor rates by the Relevant Rate Determination Agent, the Relevant Rate Determination Agent will determine, among those successor or alternative rates, the one which is the most appropriate, taking into consideration, without limitation, the particular features of the relevant Covered Bonds and the nature of the Issuer.

If the Relevant Rate Determination Agent or the Calculation Agent, as applicable, has determined a substitute or successor rate in accordance with the foregoing paragraph (such rate, the **"Replacement Relevant Rate"**), for the purpose of determining the Relevant Rate on each Interest Determination Date falling on or after such determination:

- (i) the Relevant Rate Determination Agent or the Calculation Agent, as applicable, will also determine the changes (if any) required to the applicable Business Day Convention, the definition of Business Day, the Interest Determination Date, the Day Count Fraction, and any method for obtaining the Replacement Reference Rate, including any adjustment needed to make such Replacement Reference Rate comparable to the screen rate that constituted the Relevant Rate, in each case acting in good faith and in a commercially reasonable manner that is consistent with industry-accepted practices for such Replacement Relevant Rate;
- (ii) references to the Relevant Rate in these Conditions will be deemed to be references to the relevant Replacement Relevant Rate, including any alternative method for determining such rate as described in (i) above;

- (iii) the Relevant Rate Determination Agent or the Calculation Agent, if applicable, will notify the Issuer of the Replacement Relevant Rate and the details described in (i) above, as soon as reasonably practicable; and
- (iv) the Issuer will give notice to the Bondholders, in accordance with Condition 17 of the Terms and Conditions of the Covered Bonds, of the Replacement Relevant Rate and of the details described in (i) above as soon as reasonably practicable but in any event no later than 5:00 p.m. (London time) on the Business Day prior to the applicable Interest Determination Date.

The determination of the Replacement Relevant Rate and the other matters referred to above by the Relevant Rate Determination Agent or the Calculation Agent will (in the absence of manifest error) be final and binding on the Issuer, the Calculation Agent and the Bondholders, unless the Relevant Rate Determination Agent or the Calculation Agent, as applicable, determines at a later date that the Replacement Relevant Rate is no longer substantially comparable to the Relevant Rate or does not constitute an industry accepted successor rate, in which case the Calculation Agent shall appoint or re-appoint a Relevant Rate Determination Agent (which may or may not be the same entity as the original Relevant Rate Determination Agent or the Calculation Agent) for the purpose of confirming the Replacement Relevant Rate or determining a substitute Replacement Relevant Rate in an identical manner as described in this paragraph (C). If the Relevant Rate Determination Agent or the Calculation Agent, as applicable, is unable to or otherwise does not determine a substitute Replacement Relevant Rate, then the Replacement Relevant Rate will remain unchanged.

If the Relevant Rate Determination Agent is appointed by the Calculation Agent and such agent determines that the screen rate that constitutes the Relevant Rate has been discontinued but for any reason a Replacement Relevant Rate has not been determined, the Issuer may decide that no Replacement Relevant Rate or any other successor, replacement or alternative benchmark or screen rate will be adopted and the Relevant Rate for the relevant Interest Period in such case will be equal to the last Relevant Rate available on the Relevant Screen Page as determined by the Calculation Agent.

The Relevant Rate Determination Agent may be (i) a leading bank, broker-dealer or benchmark agent in the Principal Financial Centre of the Specified Currency as appointed by the Calculation Agent; (ii) the Calculation Agent; or (iii) such other entity that the Issuer in its sole and absolute discretion determines to be competent to carry out such role.

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

Unless a higher Minimum Rate of Interest is stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero. For the avoidance of doubt, "Minimum Rate of Interest" shall refer to the relevant rate plus any relevant margin.

(d) **Fixed/Floating Rate Covered Bonds**

Fixed/Floating Rate Covered Bonds are Covered Bonds for which a change of interest basis (the "**Change of Interest Basis**") is specified to be Applicable in the relevant Final Terms.

Fixed/Floating Rate Covered Bonds may bear interest at a rate that:

- (i) the Issuer may elect to convert on the date set out in the Final Terms (the "**Switch Date**") from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate. The Issuer election to change of interest basis (the "**Issuer Change of Interest Basis**") should be deemed effective after a valid

notification sent by the Issuer to the relevant Bondholders within the period specified in the relevant Final Terms; or

- (ii) will automatically change from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate on the date set out in the Final Terms (the "**Automatic Change of Interest Basis**").

(e) Inverse Floating Rate Covered Bonds

Inverse Floating Rate Covered Bonds bear interest at a Fixed Rate (as determined in Condition 6(b) (*Interest on Fixed Rate Covered Bonds*) minus a Floating Rate (as determined in Condition 6(c) (*Interest on Floating Rate Covered Bonds*), as specified in the relevant Final Terms.

(f) Accrual of Interest

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

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

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

(h) Calculations

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

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

The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such

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

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

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

7. **REDEMPTION, PURCHASE AND OPTIONS**

(a) **Final Redemption**

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

As specified in the Final Terms of the relevant Series, Covered Bonds may have hard bullet maturities or soft bullet maturities (allowing the Final Maturity Date of the relevant Series to be extended, each such Covered Bonds being referred to as "**Soft Bullet Covered Bonds**"), provided that:

- (i) an Extended Final Maturity is specified as applying in relation to such Series in the applicable Final Terms; and
- (ii) the Maturity Extension Trigger Event(s) set out in the applicable Final Terms comply with the conditions set out in Articles L. 513-30 and R. 513-8-1 of the French Monetary and Financial Code.

If a Maturity Extension Trigger Event occurs, the payment of the Final Redemption Amount shall be automatically deferred and shall become due and payable one (1) or several year(s) (as specified in

the relevant Final Terms) later on the Extended Final Maturity Date. However, any amount representing the Final Redemption Amount remaining unpaid on the Final Maturity Date may be paid by the Issuer on any Specified Interest Payment Date thereafter, up to (and including) the relevant Extended Final Maturity Date. Interest will continue to accrue on any unpaid amount during such extended period at the relevant applicable Rate of Interest and be payable on each Specified Interest Payment Date and on the Extended Final Maturity Date all as specified in the relevant Final Terms and in accordance with the applicable Conditions.

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

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

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

In the case of a partial redemption in respect of Materialised Covered Bonds, the notice to holders of such Materialised Covered Bonds shall also contain the numbers of the Definitive Materialised Covered Bonds to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and Regulated Market requirements.

In the case of a partial redemption in respect of Dematerialised Covered Bonds, the redemption shall be effected by reducing the nominal amount of such Dematerialised Covered Bonds in a Series in proportion to the aggregate nominal amount redeemed, subject to compliance with any other applicable laws and Regulated Market requirements.

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

(c) Redemption at the Option of Bondholders

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

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

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

(d) Early Redemption Amount and Optional Redemption Amount

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

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

Where:

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

(e) Redemption for taxation reasons

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

(f) Redemption due to illegality

The Covered Bonds of all Series shall be redeemed at the option of the Issuer, subject to compliance by the Issuer of all the relevant laws, regulations and directives, in whole, but not in part, at any time, on giving not less than thirty (30) nor more than sixty (60) calendar days' irrevocable notice in accordance with Condition 17 to the Bondholders (or such other notice period as may be specified in the relevant Final Terms), if the Issuer satisfies the Fiscal Agent immediately before the giving of such notice that it has, or will, before the next Interest Payment Date of any Covered Bonds of any Series, become unlawful for the Issuer to make, fund or

allow to remain outstanding any Collateral Assets made by it to an Originator or to comply with any other of its obligations under the Covered Bonds of that Series, as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date.

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

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

(g) Purchases

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

Covered Bonds so purchased by the Issuer may be either (i) held and resold or (ii) cancelled, all in accordance with applicable laws and regulations.

(h) Cancellation

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

8. PAYMENTS AND TALONS

(a) Dematerialised Covered Bonds

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

(b) Definitive Materialised Covered Bonds

(i) Method of payment

Subject as provided below, payments in a Specified Currency will be made by credit or transfer to an account denominated in the relevant Specified Currency, or to which the Specified Currency may be credited or transferred maintained by the payee with, or, at the option of the payee, by a cheque in

such Specified Currency drawn on, a Bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Euro, shall be any country in the Euro-Zone, and, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively).

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

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

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

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

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

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

(c) **Payments in the United States**

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

(d) **Payments subject to Fiscal Laws**

All payments are subject in all cases to (i) any applicable tax or other laws, regulations and directives but without prejudice to Condition 9 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements

thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Bondholders or Couponholders in respect of such payments.

(e) **Appointment of Agents**

The Fiscal Agent, the Paying Agents, the Registration Agent and the Calculation Agent initially appointed by the Issuer and their respective specified offices are set forth in the Agency Agreement. The Fiscal Agent, the Paying Agents, and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case, do not assume any obligation or relationship of agency for any Bondholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, Registration Agent or Calculation Agent and to appoint other Fiscal Agent, Paying Agent(s), Registration Agent(s) or Calculation Agent(s) or additional Paying Agent(s), Registration Agent(s) or Calculation Agent(s), provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one (1) or more Calculation Agent(s) where the Conditions so require, (iii) Paying Agents having specified offices in at least two (2) major European cities (and ensuring the financial services of the Covered Bonds in France so long as the Covered Bonds are listed and traded on Euronext Paris and, so long as the Covered Bonds are admitted to trading on any other Regulated Market of the EEA, such other city where the Covered Bonds are admitted to trading), (iv) in the case of Dematerialised Covered Bonds in fully registered form, a Registration Agent and (v) such other agents as may be required by the rules of any other Regulated Market on which the Covered Bonds may be admitted to trading.

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

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

(f) **Talons**

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

(g) **Business Days for Payment**

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

(h) **Bank**

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

9. TAXATION

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

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Covered Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

(b) **Additional Amounts**

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

- (i) *Other connection*: to, or to a third party on behalf of, a Bondholder or Couponholder who is liable to such taxes or duties by reason of his having some connection with the Republic of France other than the mere holding of the Covered Bond or Coupon; or
- (ii) *More than thirty (30) days after the Relevant Date*: in the case of Definitive Materialised Covered Bonds, more than thirty (30) calendar days after the Relevant Date except to the extent that the Bondholder or Couponholder would have been entitled to such additional amounts on presenting it (or the Certificate representing it, as applicable) for payment on the thirtieth (30th) such day.

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

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

10. EVENTS OF DEFAULT

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

11. PRESCRIPTION

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

12. REPRESENTATION OF BONDHOLDERS

The Bondholders will, in respect of all Tranches of the relevant Series, be grouped automatically for the defence of their common interests in a masse (the "**Masse**") which will be governed by the provisions of articles L.228-46 *et seq.* of the Commercial Code (*Code de commerce*) as supplemented by this Condition 12.

(a) Legal Personality

The Masse will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through collective decisions of the Bondholders (the "**Collective Decisions**").

The Masse alone, to the exclusion of all individual Bondholders, shall exercise the common rights, actions and benefits which may accrue with respect to the Covered Bonds.

(b) Representative

The names and addresses of the Representative and its alternate (if any), will be set out in the relevant Final Terms.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms. No additional remuneration is payable in relation to any subsequent Tranche of any given Series.

In the event of death, liquidation, retirement, resignation or revocation of appointment of the Representative, such Representative will be replaced by its alternate, if any. Another Representative may be appointed.

All interested parties will at all times have the right to obtain the names and addresses of the Representative and the alternate Representative (if any) at the head office of the Issuer.

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 is expected to be:

MCM AVOCAT
10 rue de Sèze
75009, Paris
France

represented by Mr 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 subsequent 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 is expected to be Mr Philippe MAISONNEUVE, Partner at MCM Avocat law firm, 10 rue de Sèze, 75009 Paris, France.

(c) Powers of the Representative

The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management necessary in order to defend the common interests of the Bondholders, with the capacity to delegate its powers.

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

(d) **Collective Decisions**

Collective Decisions are adopted either in a general meeting (the "**General Meeting**") or by the approval of a written resolution (the "**Written Resolution**").

In accordance with Article R. 228-71 of the French Commercial Code (*Code de commerce*), the rights of each Bondholder to participate in Collective Decisions will be evidenced by the entries in the books of the relevant Account Holder, Issuer or Registration Agent (as the case may be) of the name of such Bondholder as of 0:00 Paris time, on the second (2nd) business day in Paris preceding the date set for the Collective Decision.

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent holder of any of the Covered Bonds of such Series.

(i) *General Meetings*

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

General Meetings may deliberate validly on first convocation only if the Bondholders present or represented hold at least one-fifth (1/5) of the principal amount of the Covered Bonds then outstanding. On second convocation, no quorum shall be required. The decisions of the General Meeting shall be taken by a two-third (2/3) majority of votes held by the Bondholders attending such General Meeting or represented thereat, except when the General Meeting deliberates on any proposal for a merger or demerger of the Issuer in the circumstances provided for under Articles L.236-13 and L.236-18 of the French Commercial Code (*Code de commerce*), in which case the decision will be taken by a simple majority of votes held by the Bondholders attending such General Meeting or represented thereat.

Notice of the date, time, place and agenda of any General Meeting will be published in accordance with Condition 12(h) below not less than fifteen (15) calendar days prior to the date of the General Meeting on first convocation and not less than five (5) calendar days prior to the date of the General Meeting on second convocation.

Each Bondholder has the right to participate in a General Meeting in person, by proxy or by correspondence.

Each Bondholder or Representative thereof will have the right to consult or make a copy of the text of the resolutions which will be proposed and of the reports, if any, which will be presented at the General Meeting, all of which will be available for inspection by the relevant Bondholders at the registered office of the Issuer and at any other place specified in the notice of the General Meeting, during the fifteen (15) calendar day period preceding the holding of the General Meeting on first convocation, and during the five (5) calendar day period preceding the holding of the General Meeting on second convocation.

(ii) *Written Resolution and Electronic Consent*

Pursuant to Article L.228-46-1 of the Commercial Code (*Code de commerce*) in respect of any Series of Dematerialised Covered Bonds only, the Issuer shall be entitled in lieu of the holding of a General Meeting to seek approval of a resolution from the Bondholders by way of a Written Resolution. Subject to the following sentence a Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Bondholders. Pursuant to Articles L.228-46-1 and R.225-97 of the

Commercial Code (*Code de commerce*) approval of a Written Resolution may also be given by way of electronic communication allowing the identification of Bondholders ("**Electronic Consent**").

Notice seeking the approval of a Written Resolution (including by way of Electronic Consent) will be published as provided under Condition 12(h) below not less than 5 days prior to the date fixed for the passing of such Written Resolution (the "**Written Resolution Date**"). Notices seeking the approval of a Written Resolution will contain the conditions of form and time-limits to be complied with by the Bondholders who wish to express their approval or rejection of such proposed Written Resolution. Bondholders expressing their approval or rejection before the Written Resolution Date will undertake not to dispose of their Covered Bonds until after the Written Resolution Date.

A Written Resolution will be deemed to have been approved if (i) Bondholders expressing their approval or rejection of such proposed Written Resolution hold at least one fifth of the principal amount of the Covered Bonds then outstanding and (ii) Bondholders expressing their approval hold at least 75 per cent. of such quorum.

Any such decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such Bondholders.

(iii) *Exclusion of certain provisions of the French Commercial Code (Code de commerce)*

The provisions of Article L.228-65 I. 1° of the French Commercial Code (*Code de commerce*) and the related provisions of the French Commercial Code (*Code de commerce*) shall not apply to the Covered Bonds.

(e) **Expenses**

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

(f) **Single Masse**

The holders of Covered Bonds of the same Series, and the holders of Covered Bonds of any other Series which have been assimilated with the Covered Bonds of such first mentioned Series in accordance with Condition 14, shall, for the defence of their respective common interests, be grouped in a single Masse.

(g) **Sole Bondholder**

If and for so long as the Covered Bonds of any Series are held by a sole Bondholder and unless a Representative has been appointed in relation to such Series, such Bondholder shall exercise all powers, rights and obligations entrusted to the Masse by the provisions of the Commercial Code (*Code de commerce*). The Issuer shall hold a register of the decisions taken by the sole Bondholder in this capacity and shall make it available, upon request, to any subsequent holder of any of the Covered Bonds of such Series.

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

(h) **Notices to Bondholders**

Any notice to be given to Bondholders in accordance with this Condition 12 and pursuant to Articles R. 228-79 and R. 236-11 of the French Commercial Code (*Code de commerce*) shall be published on the website of the Issuer (www.invest.bnpparibas.com/ - heading BNP Paribas Debt) and,

(i) in the case of the holders of Covered Bonds in registered form (*au nominatif*), mailed to them at their respective addresses, in which case they shall be deemed to have been given on the fourth (4th) weekday (being a day other than a Saturday or a Sunday) after the mailing; or

- (ii) in the case of the holders of Covered Bonds in bearer form (*au porteur*), given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Covered Bonds are for the time being cleared.

12.2 Full Masse

For Covered Bonds issued with a denomination of less than €100,000 (or its equivalent in any other currency), Condition 12 shall apply to the Covered Bonds subject to the following modifications:

- (i) The second paragraph of Condition 12(d)(i) shall be deleted and replaced by the following paragraph:

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

- (ii) Condition 12(e) shall not apply to the Covered Bonds.

13. REPLACEMENT OF DEFINITIVE MATERIALISED COVERED BONDS, COUPONS AND TALONS

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

14. LIMITED RECOURSE, NON PETITION

Limited recourse

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

- (a) not to seek recourse under any obligation, covenant or agreement of the Issuer under the Covered Bonds and these Conditions against any shareholder, member of the board of directors (*conseil d'administration*), chief executive officers (*directeurs généraux*) or agent of the Issuer, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that any obligation of the Issuer under the Covered Bonds and these Conditions is a corporate obligation of the Issuer, and that no personal liability shall be attached to, or be incurred by, any shareholder, member of the board of directors (*conseil d'administration*), chief executive officer (*directeur général*) or agent of the Issuer, as such, or any of them under or by reason of any of the obligations, covenants or agreements of the Issuer contained in these Conditions or implied therefrom and, as a condition of and in consideration for the issuing by the Issuer of any Covered Bond, to waive any and all personal liability of every such shareholder, member of the board of directors (*conseil d'administration*), chief executive officers (*directeurs généraux*) or agent of the Issuer for breaches by the Issuer of any of its obligations, covenants or agreements under the Covered Bonds and these Conditions;
- (b) to limit its recourse against the Issuer under the Covered Bonds and these Conditions to amounts payable or expressed to be payable to it by the Issuer on, under or in respect of its obligations and

liabilities under the Covered Bonds and these Conditions (and, for the avoidance of doubt, to the exclusion of any damage for breach of contract or other penalties not expressed as being payable by the Issuer under the Covered Bonds and these Conditions) and in accordance with the then applicable Priority Payment Order;

- (c) that amounts payable or expressed to be payable by the Issuer on, under or in respect of its obligations and liabilities under the Covered Bonds and/or these Conditions shall be recoverable only from and to the extent of the amount of the Available Funds, as calculated on the relevant Interest Payment Date or (as applicable) on the relevant Final Maturity Date (or on the relevant Extended Final Maturity Date, if any) of each relevant Series of Covered Bonds (provided that, in the event that no Available Funds exist at the relevant date, the Issuer shall not be liable to make payment of the aforementioned amounts and provided further that, in the event that the Available Funds at the relevant date are insufficient to pay in full all amounts whatsoever due to it and all other claims ranking *pari passu* to its claims, then its claims against the Issuer shall be satisfied only up to a certain percentage of such Available Funds (as determined in accordance with the then applicable Priority Payment Order) and, after payment of such percentage, the obligations of the Issuer with respect to such amounts owed on the relevant date shall be discharged in full);
- (d) that, in accordance with paragraph 2 of Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*), in the event of safeguard (*sauvegarde*), judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) proceedings against the Issuer or resolution proceedings opened pursuant to Article L. 613-49 of the French Monetary and Financial Code against the Issuer, the amounts due by the Issuer from time to time under the *obligations de financement de l'habitat* (including the Covered Bonds) and any other resources or liabilities benefiting from the *Privilège* shall be paid on their contractual due date, and in priority to all other Issuer's debts, whether or not preferred or secured, including interest resulting from agreements whatever their duration. Accordingly, until all creditors benefiting from the *Privilège* have been paid in full, no other creditor of the Issuer may exercise any right over the assets and rights of the Issuer, either in principal or accrued or future interest;
- (e) that, in accordance with paragraph 3 of Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*), neither safeguard (*sauvegarde*), judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) proceedings against the Issuer, nor resolution proceedings opened pursuant to Article L. 613-49 of the French Monetary and Financial Code against the Issuer will result in the Covered Bonds and the other debts benefiting from the *Privilège* becoming due and payable; and
- (f) that, in accordance with Article L. 513-31 of the French Monetary and Financial Code (*Code monétaire et financier*), the provisions of Article L. 632-2 of the French Commercial Code (*Code de commerce*) (*nullités facultatives de la période suspecte*) shall not apply to payments made by the Issuer in application of the Programme Documents.

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

Non-petition

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

- (a) it will not take any corporate action or other steps or legal proceedings for the winding-up, dissolution or organisation or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, examiner, sequestrator or similar officer of the Issuer or of any or all of the Issuer's revenues and assets; and

- (b) it will not have any right to take steps for the purpose of obtaining payment of any amounts payable to it under the Covered Bonds by the Issuer and shall not until such time take any step to recover any debts whatsoever owing to it by the Issuer otherwise than in accordance with, and subject to, the Conditions.

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

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

No risk of Issuer consolidation upon insolvency of the Group

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

15. PRIORITY PAYMENT ORDERS

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

16. FURTHER ISSUES AND CONSOLIDATION

(a) Further Issues

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

(b) Consolidation

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

17. NOTICES

- (a) Notices to the holders of Dematerialised Covered Bonds in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth (4th) weekday (being a day other than a Saturday or a Sunday) after the mailing, or at the option of the Issuer (ii) they are published in a leading daily financial newspaper of general circulation in Europe (which is expected to be the *Financial Times*) provided that, so long as such Covered Bonds are admitted to trading on any Regulated Market and the applicable rules of such Regulated Market so require, notices will only be deemed to be valid if

they are published on the website of any relevant regulatory authority, in a leading daily financial newspaper with general circulation in the city/ies where the Regulated Market on which such Covered Bonds are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos*, or as otherwise required by the rules applicable to that Regulated Market, as the case may be.

- (b) Notices to the holders of Materialised Covered Bonds and Dematerialised Covered Bonds in bearer form (*au porteur*) shall be valid if published in a leading daily financial newspaper of general circulation in Europe (which is expected to be the *Financial Times*) and, so long as such Covered Bonds are admitted to trading on any Regulated Market and the applicable rules of such Regulated Market so require, in a leading daily financial newspaper with general circulation in the city/ies where the Regulated Market on which such Covered Bonds are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos*, or as otherwise required by the rules applicable to that Regulated Market, as the case may be.
- (c) Notices required to be given to the holders of Dematerialised Covered Bonds (whether in registered or in bearer form) (*au nominatif* or *au porteur*) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Covered Bonds are for the time being cleared in substitution for the mailing and publication as required by Conditions 17(a) and (b), above; provided that (i) so long as such Covered Bonds are admitted to trading on any Regulated Market and the rules of that Regulated Market so require, notices shall also be published in a leading daily financial newspaper with general circulation in the city/ies where the Regulated Market on which such Covered Bonds are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos*, or as otherwise required by the rules applicable to that Regulated Market, as the case may be.
- (d) If any such publication is not practicable, notice shall be validly given if published in another leading daily financial newspaper with general circulation in Europe, provided that so long as such Covered Bonds are admitted to trading on any Regulated Market, notices shall be published as otherwise required by the rules applicable to that Regulated Market, as the case may be. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Covered Bonds in accordance with this Condition 17.
- (e) Notices to be given by any Bondholder shall be in writing and given by lodging the same, together (in the case of any Covered Bonds in definitive form) with the relative Covered Bonds or Covered Bonds, with the Paying Agent (in the case of Materialised Covered Bonds).
- (f) For the avoidance of doubt, Condition 17 shall not apply to notices to be given pursuant to Condition 12.

18. GOVERNING LAW AND JURISDICTION

(a) **Governing Law**

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

(b) **Jurisdiction**

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

19. SUBSCRIPTION BY THE ISSUER OF COVERED BONDS AS ELIGIBLE COLLATERAL WITH THE BANQUE DE FRANCE

Pursuant to Article L. 513-26 of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer as *société de financement de l'habitat (SFH)* may subscribe to its own Covered Bonds (the "**Auto-held Covered Bonds**") for the sole purpose of granting them as collateral to the credit transactions with the *Banque*

de France in accordance with the rules of the Eurosystem, provided that the Issuer's liquidity needs cannot be funded otherwise. Such recognition as eligible collateral will depend upon satisfaction of the Eurosystem eligibility criteria as specified by the European Central Bank. The Covered Bonds thus subscribed by the Issuer must meet the following conditions:

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

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

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

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

Temporary Global Certificates

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

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

Exchange

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

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

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

Delivery of Definitive Materialised Covered Bonds

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

Exchange Date

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

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

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

THE ISSUER

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

General

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

The Issuer is governed by:

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

The Issuer's registered office and principal place of business is located at 1 Boulevard Haussmann, 75009 Paris, France.

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

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

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

Issuer's Activities

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

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

advances (each, a "**Borrower Advance**"), as lender (in such capacity the "**Lender**"), to BNP Paribas S.A., as borrower (in such capacity, the "**Borrower**") under a credit facility agreement (the "**Borrower Facility Agreement**") (see section entitled "**The main Programme Documents - The Borrower Facility Agreement**") and such Borrower Advances are fully secured by the 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 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.

Limited recourse

Each party to any Programme Document will agree:

- (a) not to seek recourse under any obligation, covenant or agreement of the Issuer under any Programme Document against any shareholder, member of the board of directors (*conseil d'administration*), chief executive officers (*directeurs généraux*) or agent of the Issuer, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that any obligation of the Issuer under any Programme Document is a corporate obligation of the Issuer, and that no personal liability shall be attached to, or be incurred by, any shareholder, member of the board of directors (*conseil d'administration*), chief executive officers (*directeurs généraux*)
- (b) or agent of the Issuer, as such, or any of them under or by reason of any of the obligations, covenants or agreements of the Issuer contained in any Programme Document or implied therein and to waive any and all personal liability of every such shareholder, member of the board of directors (*conseil d'administration*), chief executive officer (*directeurs généraux*) or agent of the Issuer for breaches by the Issuer of any of its obligations, covenants or agreements under any Programme Document;
- (c) to limit its recourse against the Issuer under any Programme Document to amounts payable or expressed to be payable to it by the Issuer on, under or in respect of its obligations and liabilities under any Programme Document (and, for the avoidance of doubt, to the exclusion of any damage for breach of contract or other penalties not expressed as being payable by the Issuer under any Programme Document) and in accordance with the then applicable Priority Payment Order;
- (d) that amounts payable or expressed to be payable by the Issuer on, under or in respect of its obligations and liabilities under any Programme Document shall be recoverable only from and to the extent of the amount of the Available Funds, as calculated on the relevant payment date (provided that, in the event that no Available Funds exist at the relevant date, the Issuer shall not be liable to make payment of the aforementioned amounts and provided further that, in the event that the Available Funds at the relevant date are insufficient to pay in full all amounts whatsoever due under any claim of any party under any Programme Document and all other claims ranking *pari passu* to any such claim, then the claim of such party against the Issuer shall be satisfied only up to a certain percentage of such Available Funds (as determined in accordance with the then applicable Priority Payment Order) and, after payment of such percentage, the obligations of the Issuer with respect to any amount owed on the relevant date to such party shall be discharged in full);
- (e) that, in accordance with paragraph 2 of Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*), in the event of safeguard (*sauvegarde*), judicial reorganisation

(*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) proceedings against the Issuer or resolution proceedings opened pursuant to Article L. 613-49 of the French Monetary and Financial Code against the Issuer, the amounts due by the Issuer from time to time under the *obligations de financement de l'habitat* (including the Covered Bonds) and any other resources or liabilities benefiting from the *Privilège* shall be paid on their contractual due date, and in priority to all other Issuer's debts, whether or not preferred or secured, including interest resulting from agreements whatever their duration. Accordingly, until all creditors benefiting from the *Privilège* have been paid in full, no other creditor of the Issuer may exercise any right over the assets and rights of the Issuer, either in principal or accrued or future interest;

- (f) that, in accordance with paragraph 3 of Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*), neither safeguard (*sauvegarde*), judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) proceedings against the Issuer, nor resolution proceedings opened pursuant to Article L. 613-49 of the French Monetary and Financial Code against the Issuer will result in the Covered Bonds and the other debts benefiting from the *Privilège* becoming due and payable; and
- (g) that, in accordance with Article L. 513-31 of the French Monetary and Financial Code (*Code monétaire et financier*), the provisions of Article L. 632-2 of the French Commercial Code (*Code de commerce*) (*nullités facultatives de la période suspecte*) shall not apply to payments made by the Issuer in application of the Programme Documents.

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

Non-petition

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

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

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

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

No risk of Issuer consolidation upon insolvency of the Group

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

Restrictions on mergers or reorganisations

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

Issuer Risk Management

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

Ongoing and periodic internal control system

The Issuer is integrated into the BNP Paribas internal control system, taking into account the Issuer's own legal form as a French limited company with a Board of Directors (*société anonyme à Conseil d'Administration*), and also its "lack of own means" status.

BNP Paribas's overall ongoing control procedures are applied according to a Department's organisational structure within BNP Paribas.

The BNP Paribas internal control framework in which the Issuer is integrated, is organized around three levels, under the accountability of the management body.

This internal control framework makes a clear distinction between its ongoing and its periodic internal controls in accordance with the *arrêté* dated 3 November 2014 relating to the internal control of credit institutions, payment services and investment services subject to the supervision of the *Autorité de contrôle prudentiel et de résolution*.

The ongoing control consists in the continuous implementation of the risk management framework by the first and the second levels.

The periodic control, ensured by the third level, is the verification and assessment function that operates according to a dedicated audit cycle.

Functions ensuring the second and third levels are named Functions exercising independent controls. They report directly to the management body in its management function and for Compliance, LEGAL, RISK and Inspection Générale, they report on the performance of their duties to the management body in its supervisory function.

Ongoing internal control system (contrôle permanent)

The first level of ongoing controls is carried out by (i) the operating entities, managers and their respective staff which are accountable, at each level of the organization, for achieving the objectives set and for monitoring the risks coming from the businesses or services they run or deliver and (ii) the Operational Permanent Control.

The control of the compliance of (i) the transactions, (ii) the level of risk actually involved and (iii) the compliance with the procedures is carried out by agents and employees of BNP Paribas acting on behalf of the Issuer.

The functions exercising second level controls (as Compliance, Legal, Risk, Group Tax and Group Finance) are accountable, by delegation from the management body for the organization and the sound functioning of the risk monitoring framework and its compliance with laws and regulations, over a whole set of domains (themes and/or processes).

Periodic internal control system (contrôle périodique)

The Inspection Générale is an independent and hierarchically integrated control function, which reports directly to the Chief Executive Officer. It performs a third level control. It is accountable for assessing the processes related to risk management, control and governance as well as their compliance with laws and regulations and proposes ways to strengthen their effectiveness.

BNP Paribas in accordance with the provisions of the *Convention d'Externalisation et de Mise à Disposition de Moyens* entered into between the Issuer and BNP Paribas determines the terms and conditions of the management of the control activities of the Issuer which will be carried out by the audit team of the Inspection Générale.

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

The internal audit charter of the Group is applicable to the Issuer. The mission, organization, powers and responsibilities of the BNP Paribas group's internal audit are defined in the BNP Paribas Group Internal Control Charter, in compliance with the applicable standards and international auditing standards.

Compliance control

According to the *arrêté* dated 3 November 2014 relating to the internal control of credit institutions, payment services and investment services subject to the supervision of the *Autorité de Contrôle Prudentiel et de Résolution*, when an entity belongs to a group of companies, the accountability of the compliance control can be ensured at the level of another entity of the group. In this context, the Issuer gave a mandate to BNP Paribas SA, to set-up and to ensure the responsibility of the compliance control in order to ensure consistency and efficiency of the control. The head of the Group Compliance is in charge of organizing and supervising the management framework of non-compliance risk. Specific procedures for review of compliance have been set-up for this purpose.

The exercise of the function of compliance control is carried out by the compliance team of the ALM Treasury, part of the CIB Compliance department.

Accounting

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

IT systems

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

Internal control reporting

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

Information procedures of the Board of directors

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

Procedures handbook

In the context of the Administrative Agreement, each of the relevant department of BNP Paribas is entrusted with the duties to update the procedures relating to its activity.

Internal control documentation

In the context of the Administrative Agreement and of the *Convention d'Externalisation et de Mise à Disposition de Moyens*, as amended from time to time, each of the relevant department of BNP Paribas is entrusted with the duties to update the procedures relating to its activity.

Duty of care on money laundering transactions

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

Issuer Financial Elements

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

Comparative Financial Data (in EUR)

Income Statement	31/12/2021 (audited)	31/12/2020 (audited)
Net banking income	3,622,344	3,417,820
Gross operating income	1,000,160	1,039,781
Net income	732,358	722,873
Balance sheet		
Total consolidated balance sheet	34,067,941,311	32,929,953,483
Shareholders equity	287,097,949	286,935,591
Debt securities	32,334,467,915	30,580,574,031

Prudential ratios

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

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

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

Share capital

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

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

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

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

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

Covered Bonds

Since 31 December 2021, the Issuer has issued:

- - € 1,500,000,000 1.30 per cent. Covered Bonds, issued on 20 April 2022, due 20 July 2026 Extendible to 20 July 2027 (French Law Covered non syndicated issue);
- - € 1,500,000,000 1.397 per cent. Covered Bonds, issued on 20 April 2022, due 20 October 2027 Extendible to 20 October 2028 (French Law Covered – non syndicated issue).*Subordinated Loan and Super Subordinated Bonds Issue*

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

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

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

Shareholder Letter of Undertaking

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

- (a) not to take or participate in any corporate action or other steps or legal proceedings for the voluntary winding-up, dissolution or organisation of the Issuer or of any or all of the Issuer's revenues and assets;
- (b) not to take or participate in any corporate action or other steps or legal proceedings for the voluntary appointment of a receiver, administrator, administrative receiver, trustee, liquidator, examiner, sequestrator or similar officer with respect to the Issuer or of any or all of the Issuer's revenues and assets;

- (c) not to amend the constitutional documents (and in particular the articles of association) of the Issuer other than as expressly contemplated under the Programme Documents or without a prior Representative Consent and Rating Affirmation;
- (d) unless if required by any administrative or regulatory authorities or under any applicable law or regulation (as the same shall have been notified by the Issuer and/or BNP Paribas to the Rating Agencies) or unless approved by BNP Paribas subject to prior Rating Affirmation, that BNP Paribas will procure that the Issuer will at all times comply with its undertakings and other obligations as set forth in the banking license of the Issuer or in the related application form (*dossier d'agrément*) filed with the *Autorité de contrôle prudentiel et de résolution* and maintain its SFH status;
- (e) not to permit any amendments to the Programme Documents other than as expressly permitted or contemplated under the Programme Documents or without the prior Representative Consent and prior Rating Affirmation;
- (f) not to permit that the Issuer ceases to be consolidated within the tax group formed under the *régime d'intégration fiscale* provided by Articles 223 A *et seq.* of the French General Tax Code (*Code général des impôts*), with BNP Paribas as head of that tax group and not to amend the tax consolidation agreement (*convention d'intégration fiscale*) in force at the date hereof between BNP Paribas and the Issuer without prior Rating Affirmation;
- (g) not to create or permit to subsist any encumbrance over the whole or any part of the shares of the Issuer it owns;
- (h) not to sell, transfer, lease out or otherwise dispose of, by one (1) or more transactions or series of transactions (whether or not related), whether voluntarily or involuntarily, the whole or any part of the shares of the Issuer it owns;
- (i) to take any necessary steps to remain majority shareholder of the Issuer.

Issuer Management bodies

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

Mrs. Valérie BRUNERIE, Chairman of the Board of Directors (*Présidente du Conseil d'Administration*), Mrs. Véronique FLOXOLI, Chief Executive Officer (*Directrice Générale*) and Mrs. Magali LOGRE, Deputy Chief Executive Officer (*Directrice Générale Déléguée*) 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 six (6) members.

Name	Position	Date of appointment
Valérie BRUNERIE	Chairman of the Board of Directors (<i>Présidente du Conseil d'Administration</i>)	1 April 2011 Renewed on 3 May 2017
Véronique FLOXOLI	Director (<i>administratrice</i>) and Chief Executive Officer (<i>directrice générale</i>)	20 June 2014 Renewed on 28 March 2020 in relation to her appointment as <i>Chief Executive Officer</i> Renewed on 28 April 2020 in relation to her appointment as <i>Director</i>
Alexis BORNICHE	Director (<i>administrateur</i>)	11 April 2016
BNP PARIBAS S.A	Director (<i>administrateur</i>)	1 April 2011 Renewed on 3 May 2017
Magali LOGRE	Director (<i>administratrice</i>) Deputy Chief Executive Officer (<i>directrice général déléguée</i>)	14 April 2022 31 May 2022
Alexis LATOUR	Director (<i>administrateur</i>)	17 October 2011 Renewed on 3 May 2017

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 Medium and Long Term Operational Management within the Group.

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

BNP Paribas is represented by Mr. Gaspard BOIN, who is a member of the Loan Collateral Management (ALM Treasury Group) within the Group.

Mr. Alexis BORNICHE is a member of the Medium and Long Term Funding (ALM Treasury group) within the Group.

Mrs. Magali LOGRE is a member of the Loan Collateral Management (ALM Treasury Group) within the Group.

Mr. Alexis LATOUR is head of the Legal Securitised Product Group, Continental Europe within the Group.

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.

The Chief Executing Officer or the Deputy Chief Executing Officer must ensure that the contracting parties of any contracts and commitments concluded by the Issuer for an amount greater or equal to € 5,000 have, irrevocably and unconditionally, (a) waived any rights that they may have to initiate any recourse, whether contractual or otherwise, against the Issuer and (b) waived any right to initiate any proceedings against the Issuer, the purpose of which is the commencement of any Insolvency Proceeding against the Issuer.

Rights and duties of the Board of Directors

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

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

Issuer Statutory Auditors

The statutory auditors of the Issuer are:

- (a) PricewaterhouseCoopers Audit, 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France, acting as principal statutory auditor represented by Mr. Ridha Ben Chamek;
- (b) Deloitte & Associés, 6 place de la Pyramide, 92908 Paris La Défense cedex, acting as statutory auditor represented by Mrs. Laurence Dubois.

External Supervision and oversight of the Issuer

The Autorité de contrôle prudentiel et de résolution

As specialised credit institutions (*établissements de crédit spécialisés*), *sociétés de financement de l'habitat* are supervised by the *Autorité de contrôle prudentiel et de résolution*, an independent supervisory and control authority of banking and insurance activities in France, integrated within the framework of the *Banque de France*. The *Autorité de contrôle prudentiel et de résolution* is notably composed of the Governor of the *Banque de France* and various experts chosen for their expertise in banking and financial matters and is responsible for monitoring observance of the laws and regulations applicable to credit institutions as well as the soundness of their financial position. *Sociétés de financement de l'habitat* must declare their collateralisation ratio on 31 March, 30 June, 30 September and 31 December of each year (the "**Collateralisation Ratio**").

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

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

The Specific Controller

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

The principal Specific Controller of the Issuer is Fides Audit, 11, rue Marie LAURENCIN, 75012 Paris, France, represented by Mr. Stéphane Massa and the Substitute Specific Controller of the Issuer is RSM represented by Mrs. Martine Leconte, 26 rue Cambacérès, 75008 Paris.

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 transferred as collateral security.

Pursuant to Article L. 513-32 of the French Monetary and Financial Code, in relation to Covered Bonds for which the Issuer requests the use, or benefits from, the "European Covered Bond (Premium)" label, the Specific Controller verifies that the provisions of Article 129 of Regulation (EU) no. 575/2013 dated 26 June 2013 (as amended) are complied with.

Pursuant to Articles R. 513-14 of the French Monetary and Financial Code and Article 15 of the CRBF Regulation, the Specific Controller verifies, on a yearly basis, the availability of all information that must be disclosed in relation to the transfer plan to be put in place by the credit institutions or financing companies (*sociétés 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. The transfer plan shall be sent to the *Autorité de contrôle prudentiel et de résolution*.

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 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.

The Administrative Agreement

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

Background

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

Purpose

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

Administrator's duties

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

- (a) advise and assist the Issuer in all accounting and tax matters;
- (b) advise and assist the Issuer in all legal and administrative matters;
- (c) ensure that the Issuer will exercise each of its rights and perform each of its obligations under the Programme Documents;
- (d) provide the Issuer with all necessary assistance and know-how, whether technical or other, to exercise and perform all of its rights and obligations under the Programme Documents;
- (e) assist the Issuer in opening and operating its bank accounts, the management and investment of its available cash in Permitted Investments in accordance with the relevant Permitted Investments rules, and any other matters in relation to the management of its bank accounts and funds so as to ensure that the Issuer will at all times comply with the provisions of the Programme Documents and the SFH Legal Framework;
- (f) act as custodian of any and all other documents that any corporate company similar to the Issuer shall keep on file under any applicable laws, until the Service Termination Date (as defined below);
- (g) until no Borrower Event of Default has occurred, perform the management and servicing of the Borrower Advances made available to the Borrower under the Borrower Facility Agreement and the Affiliate Advances made available to any Affiliate under any Affiliate Facility Agreement;

- (h) upon a Borrower Enforcement Notice or an Affiliate Enforcement Notice being served under the Borrower Facility Agreement or the Affiliate Facility Agreement (respectively), assist the Issuer within the enforcement process of the Borrower Collateral Security and/or the Affiliate Collateral Security;
- (i) upon enforcement of the Borrower Collateral Security and of the Affiliate Collateral Security following the occurrence of a Borrower Event of Default, perform the servicing of 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;
- (j) perform the management and servicing of the Covered Bonds and of the other resources of the Issuer mentioned in Article L. 513-30 of the French Monetary and Financial Code (*Code monétaire et financier*) and more generally, assist the Issuer to enter into any credit transactions of the *Banque de France* in accordance with the monetary policy and intra-day credit operations rules of the Eurosystem for the purpose of covering any liquidity needs in accordance with the SFH Legal Framework; and
- (k) notify the Rating Agencies of the cancellation of any Auto-held Covered Bond by the Issuer.

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

- (a) Euro fixed-term deposits provided that in all cases such investment has a remaining maturity of thirty (30) days or less and mature on or before the next following Payment Date and the unsecured, unguaranteed and unsubordinated debt obligations of the entities with which the fixed-term deposits are made are rated at least A-1 (short-term) by S&P, and F1 (short-term) or A- (long-term) by Fitch Ratings (or, after the date hereof, any other rating levels (i) as may be required by applicable law and regulations and (ii) commensurate with the then current ratings of the Covered Bonds);
- (b) Euro fixed-term deposits provided that in all cases such investment has a remaining maturity of sixty (60) days or less and greater than thirty (30) days and mature on or before the next following Payment Date, and the unsecured, unguaranteed and unsubordinated debt obligations of the entities with which the fixed-term deposits are made are rated at least A-1 (short-term) by S&P, and F1+ (short-term) or AA- (long-term) by Fitch Ratings (or, after the date hereof, any other rating levels (i) as may be required by applicable law and regulations and (ii) commensurate with the then current ratings of the Covered Bonds);
- (c) Euro denominated government securities, Euro fixed-term deposits, certificates of deposit and debt obligations (including commercial paper) provided that in all cases such investments have a remaining maturity of three (3) months or less and greater than sixty (60) days and mature on or before the next following Payment Date, and the unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the fixed-term deposits are made are rated at least A-1+ (short-term) or AA- (long-term) by S&P, and F1+ (short-term) or AA- (long-term) by Fitch Ratings (or, after the date hereof, any other rating levels (i) as may be required by applicable law and regulations and (ii) commensurate with the then current ratings of the Covered Bonds);
- (d) Euro denominated government securities, Euro fixed-term deposits, certificates of deposit and debt obligations (including commercial paper) provided that in all cases such investments have a remaining maturity of more than three (3) months and less than three hundred sixty-four (364) days and mature on or before the next following Payment Date, and the unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the fixed-term deposits are made are rated at least A-1+ (short-term) or AA- (long-term) by S&P, and F1+ (short-term) or AA- (long-term) by Fitch Ratings (or, after the date hereof, any other rating levels (i) as may be required by applicable law and regulations and (ii) commensurate with the then current ratings of the Covered Bonds); and
- (e) deposits of cash on accounts opened within the books of a central bank of a Member State of the European Union which comply with the criteria listed in 1(a) of Article 416 of the Capital Requirements Regulation n°575/2013 dated 26 June 2013 (as it may be amended from time to time) provided that they

will comply with the above remaining maturities and minimum ratings requirements as set out above in items (a) to (d),

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

Substitution and Agency

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

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

Fees

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

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

Representations, warranties and undertakings

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

Indemnities

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

Resignation of the Administrator

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

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

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

Administrator's Defaults

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

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

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

- (i) 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) 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) 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) 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) any order for the winding-up or administration of the relevant entity is issued;
- (vi) a judgment is issued for the judicial liquidation (*liquidation judiciaire*), the safeguard procedure of the relevant entity (*procédure de sauvegarde*), the rescheduling of the debt of the relevant entity (*redressement judiciaire*) or the transfer of the whole or part of the business of the relevant entity (*cession de l'entreprise*) pursuant to Articles L. 620-1 *et seq.* of the French Commercial Code (*Code de commerce*) or, the accelerated safeguard procedure (*procédure de sauvegarde accélérée*) or, to the extent permitted by applicable law, any other insolvency or bankruptcy proceedings or makes any conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors; or
- (vii) any liquidator, trustee in bankruptcy, receiver, administrative receiver, administrator or the like (including, without limitation, any *mandataire ad hoc*, *administrateur judiciaire*, *administrateur provisoire*, *conciliateur* or *mandataire liquidateur*) is appointed in respect of the relevant entity or any substantial or material part of the assets or the directors of the relevant entity request such appointment it being understood that the appointment of an ad hoc representative (*mandataire ad hoc*) or entering into a conciliation procedure (*procédure de conciliation*) or being subject to such application with its principal creditors will not constitute an event of default pursuant to new

Article L. 611-16 of the French Commercial Code (*Code de commerce*). Pursuant to such new Article L. 611-16 of the French Commercial Code (*Code de commerce*), any contractual provision to the contrary shall be null and void.

Administrator Rating Trigger Event

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

For such purposes, "**Administrator Rating Trigger Event**" means the event in which:

- (i) the long-term senior unsecured, unsubordinated and unguaranteed debt obligations of the Administrator become rated below BBB by S&P; or
- (ii) the long-term issuer default rating (IDR) of the Administrator becomes rated below BBB by Fitch Ratings;

or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations and (ii) commensurate with the then current ratings of the Covered Bonds.

Termination

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

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

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

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

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

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

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

Term and Termination of the Administrative Agreement

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

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

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

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

Limited Recourse – Non Petition - Amendments

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

SUMMARY OF THE SFH LEGAL FRAMEWORK AND OTHER LEGAL ISSUES

As of the date of this Base Prospectus, the legal and regulatory regime applicable to the Issuer as *société de financement de l'habitat* (SFH) results from the following provisions (the "SFH Legal Framework") as amended from time to time, and in particular as amended by the entry into force of the decree-law (*ordonnance*) no. 2021-858 dated 30 June 2021, the decree (*décret*) no. 2021-898 dated 6 July 2021, a ministerial decree (*arrêté*) dated 7 July 2021 and the decree (*décret*) no 2022-766 dated 2 May 2022, which applies from 8 July 2022 and which transposes under French law Directive (EU) No. 2019/2162 of the European Parliament and of the Council dated 27 November 2019 on the issue of covered bonds and covered bond public supervision (the "Covered Bonds Directive") amending Directives 2009/65/EC and 2014/59/EU:

- Articles L. 513-1 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*) (as they may be amended from time to time);
- Articles R. 513-1-A *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*) (as they may be amended from time to time);
- the Regulation (*règlement*) no. 99-10 dated 9 July 1999 issued by the *Comité de la Réglementation Bancaire et Financière* (Banking and Financial Regulation Committee) (as it may be amended from time to time) (the "CRBF Regulation");
- various *Autorité de contrôle prudentiel et de résolution's* instructions applicable to *sociétés de financement de l'habitat*.

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

Exclusive legal purpose

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

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

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

In order to hedge their interest and currency risks on loans, exposures, *obligations de financement de l'habitat* and other sources of financing benefiting from the *Privilège*, or to manage or hedge the global risk on their assets, liabilities and off balance sheet exposures, *sociétés de financement de l'habitat* may use forward financial instruments that must comply with the provisions of Article R. 513-6-1 of the French Monetary and Financial Code (*Code monétaire et financier*) notably in respect of the credit rating of the hedging counterparty. Pursuant to Article L. 513-10 of the French Monetary and Financial Code (*Code monétaire et*

financier), any amounts due by the Issuer pursuant to these forward financial instruments, after applicable netting, benefit from the *Privilège*.

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

In addition:

- in accordance with Article L. 513-31 of the French Monetary and Financial Code (*Code monétaire et financier*), the provisions of Article L. 632-2 of the French Commercial Code (*Code de commerce*) (*nullités facultatives de la période suspecte*) are not applicable to contracts concluded by a *société de financement de l'habitat*, or to legal transactions made by or in favour of *société de financement de l'habitat*, as far as such contracts or transactions are directly related to the transactions referred to in Articles L. 513-28 to L. 513-30 of the French Monetary and Financial Code (*Code monétaire et financier*);
- in accordance with Article L. 513-20 of the French Monetary and Financial Code (*Code monétaire et financier*), the bankruptcy proceedings (*procédure de sauvegarde, de redressement ou de liquidation judiciaires*) of a shareholder of a *société de financement de l'habitat* cannot be extended to the *société de financement de l'habitat* itself;
- any service/loan agreement pursuant to which a *société de financement de l'habitat* has delegated to another credit institution or financing company (*société de financement*) the management or the recovery of loans, exposures, assimilated receivables, securities, deposits and bonds or other sources of financing may be immediately terminated upon the opening of bankruptcy proceedings (*procédure de sauvegarde, de redressement ou de liquidation judiciaires*) affecting that credit institution or financing company (*société de financement*);
- pursuant to Article L. 513-11 of the French Monetary and Financial Code, notwithstanding any legal or contractual provision to the contrary, no termination, suspension, set-off or amendment of an ongoing forward financial instrument entered into by the Issuer can result solely from safeguard (*sauvegarde*), judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) proceedings against the Issuer, or resolution proceedings opened pursuant to Article L. 613-49 of the French Monetary and Financial Code against the Issuer; and
- in case of bankruptcy proceedings (*procédure de sauvegarde, de redressement ou de liquidation judiciaires*) of a *société de financement de l'habitat*, the Specific Controller will be responsible for filing claims on behalf of creditors benefiting from the *Privilège*.

Eligible assets

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

- (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 L. 513-3 I, 1 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 qualifying for the credit quality step 2 (*deuxième échelon de qualité de crédit*) or above given by an external rating agency recognised by the ACPR as provided in Article L. 511-44 of the French Monetary and Financial Code (*Code monétaire et financier*). The property must be located in France or in any other Member State of the European Union or the EEA or the United Kingdom 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 pursuant to the provisions of Articles L. 211-38 to L. 211-40 or Articles L. 313-23 to L. 313-35 of the French

Monetary and Financial Code, provided that the provisions of Article L. 513-3 of the French Monetary and Financial Code (*Code monétaire et financier*) are complied with; and

- (iii) 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, provided that the provisions of Article L. 513-3 of the French Monetary and Financial Code (*Code monétaire et financier*) are complied with.

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 transfers by way of security of the full title (*remises en pleine propriété à titre de garantie*) of Home Loan receivables in favour of the Issuer pursuant to the provisions of Articles L. 211-36 *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 promissory notes referred to in (iii), 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.

Pursuant to Article R. 513-18 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*.

In accordance with Article L. 513-7 of the French Monetary and Financial Code (*Code monétaire et financier*), the *sociétés de financement de l'habitat* are not allowed to make any other investments, except investments in securities, exposures or deposits within the conditions and limits set out in Articles R. 513-6 and R. 513-20 of the French Monetary and Financial Code (*Code monétaire et financier*) (the "**Legal Substitution Assets**").

Pursuant to Article 12 of the CRBF Regulation, the Issuer shall dispose of a system for measuring overall interest rate risks under the conditions set forth in Articles 134 to 139 of the arrêté dated 3 November 2014 relating to the internal control of credit institutions.

Pursuant to Article 12 ter of the CRBF Regulation, the level of rate matching between the assets and the liabilities of the Issuer shall be verified by the Specific Controller. The ACPR will define the rules on inclusion and valuation of the forward financial instruments.

Sociétés de financement de l'habitat must publish and send to the ACPR certain quarterly an annual information on their assets and liabilities the detail, content and form of which are set forth in the CRBF Regulation and the relevant ACPR instructions (as they may be amended from time to time, in particular as they have been amended by the entry into force of the decree-law (*ordonnance*) no. 2021-858 dated 30 June 2021 which transposes under French law the Covered Bonds Directive).

Financing portion (*quotité de financement*)

Pursuant to Article R. 513-1 of the French Monetary and Financial Code (*Code monétaire et financier*) to which Article R. 513-19 of the same code expressly refers, a *société de financement de l'habitat* may only finance the home loans through issuance of *obligations de financement de l'habitat* or other resources benefiting from the *Privilège* up to the lowest of the following amounts:

- the principal outstanding amount of the home loan;
- the product of (i) the value of the financed real estate by guaranteed home loans or of the charged residential real estate for mortgage home loan and (ii) the applicable "financing portion" (*quotité de financement*) referred to in Article R.513-1 of the French Monetary and Financial Code (*Code monétaire et financier*) (which in respect of certain home loans is 80%).

The *Privilège* (Statutory Priority in Right of Payment) and legal derogation to bankruptcy laws

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

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

- (i) all amounts payable to the Issuer in respect of loans or assimilated receivables, exposures and securities referred to in Articles L. 513-3 to L. 513-7 of the French Monetary and Financial Code (*Code monétaire et financier*) including any mortgage, charge, lien or other guarantee or indemnity relating thereto, and forward financial instruments referred to in Article L. 513-10 of the French Monetary and Financial Code (*Code monétaire et financier*), in each case after any applicable set-off, together with the claims in respect of deposits made by the Issuer with credit institutions, shall be allocated in priority to the payment of any sums due in respect of *obligations de financement de l'habitat* (such as the Covered Bonds) and any other resources raised by the Issuer and benefiting from the *Privilège*;
- (ii) in case of safeguard (*sauvegarde*), judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) proceedings against the Issuer, or resolution proceedings opened pursuant to Article L. 613-49 of the French Monetary and Financial Code (*Code monétaire et financier*) against the Issuer, the amounts due by the Issuer from time to time under the *obligations de financement de l'habitat* (including the Covered Bonds) or any other resources or liabilities benefiting from the *Privilège*, are to be paid on their contractual due date, and in priority to all other debts, whether or not preferred or secured, including interest resulting from agreements whatever their duration. Accordingly, until all creditors benefiting from the *Privilège* (including the Bondholders) have been paid in full, no other creditor of the Issuer may exercise any right over the assets and rights of the Issuer, either in principal or accrued or future interest; and
- (iii) neither safeguard (*sauvegarde*), judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) proceedings against the Issuer, nor resolution proceedings opened pursuant to Article L. 613-49 of the French Monetary and Financial Code (*Code monétaire et financier*) against the Issuer will result in the acceleration of payment of *obligations de financement de l'habitat* and the other debts benefiting from the *Privilège*.

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

Minimum Legal Overcollateralisation Ratio

Pursuant to Articles L. 513-12 and R. 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 claims for payment attached to forward financial instruments benefiting from the *Privilège* as well as any collateral received in relation to such forward financial instruments) and its liabilities benefiting from the *Privilège* (the "**Overcollateralisation Ratio**"). As of the date of this Base Prospectus, the minimum legal Overcollateralisation 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, pursuant to Article R. 513-8 of the French Monetary and Financial Code, when the assets comprise receivables secured by collateral assets pursuant to Articles L.211-38 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 (*Code monétaire et financier*), which are not liquid assets or short term exposures to credit institutions, 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. In addition, for the calculation of this ratio, *sociétés de financement de*

l'habitat shall take into account, under the conditions and within the limits defined by order of the *Ministre de l'économie*, exposures on companies belonging to the same consolidated group within the meaning of Article L. 233-16 of the French Commercial Code (*Code de commerce*). Unsecured receivables deemed to be in default within the meaning of Article 178 of Regulation (EU) no. 575/2013 dated 26 June 2013 (as amended) may not contribute to the calculation of the cover ratio. Moreover, assets that contribute to compliance with the cover ratio above the level of 100% are not subject to the limits applicable to exposures on credit institutions (*établissements de crédit*) defined in Article R. 513-6 of the French Monetary and Financial Code (*Code monétaire et financier*) and are not taken into account for the purposes of calculating these limits.

Article R. 513-8 of the French Monetary and Financial Code (*Code monétaire et financier*) and Articles 8 and 9 of the CRBF Regulation define the way the Overcollateralisation 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.

Pursuant to Article 10 of the CRBF Regulation, *Sociétés de financement de l'habitat* must declare their Overcollateralisation Ratio on 31 March, 30 June, 30 September and 31 December of each year. At the date of this Base Prospectus, the latest published Overcollateralisation Ratio as of 31 December 2021 is 111,41 %.

Liquidity needs coverage

Pursuant to Articles L. 513-8 and R. 513-7 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 by eligible liquid assets listed in Article R. 513-7 of the French Monetary and Financial Code, 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 (*Code monétaire et financier*). 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 (*Code monétaire et financier*), which are not liquid assets or short term exposures to credit institutions, 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. In case of Soft Bullet Covered Bonds for which the Final Maturity Date may be extended, the calculation of the expected flows in principal may be made on the basis of the Extended Final Maturity Date in accordance with the contractual terms of the Covered Bonds.

Pursuant to the CRBF Regulation, *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. 513-8 of the French Monetary and Financial Code (*Code monétaire et financier*), does not exceed more than eighteen (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 (*Code monétaire et financier*), which are not securities, exposures or deposits that are sufficiently secure and liquid as defined in Article L. 513-7 of the French Monetary and Financial Code (*Code monétaire et financier*), 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 is taken into account in the Borrower Collateral Security Agreement and for each issuance of Covered Bonds.

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

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

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

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

CRD IV package and new capital requirements

The framework of the Basel Committee for Banking Supervision has been implemented under EU legislation through the "CRD IV package" which consists of the Capital Requirements Directive no. 2013/36/EU dated 26 June 2013 (as it may be amended from time to time) ("**CRD IV**") and the Capital Requirements Regulation no. 575/2013 dated 26 June 2013 (as it may be amended from time to time) ("**CRR**"). A number of requirements arising from the CRD IV package was implemented under French law by the Banking Law, as amended by the Ordinance (as defined above). The implementation of the CRD IV package was finalized under French law by ordinance no. 2014-158 dated 20 February 2014 at the legislative level and several *décrets* and *arrêtés* dated 3 November 2014.

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

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

The European Parliament and the Council of the European Union adopted the Directive no. 2019/878/EU dated 20 May 2019 amending the CRD IV (the "**CRD IV Revision**" and together with the CRD IV, the "**CRD V**") and the Regulation no. 2019/876/EU dated 20 May 2019 amending the CRR (the "**CRR Revision**" and together with the CRR, the "**CRR II**" and together with the CRD V, the "**CRD V package**"). The CRD IV Revision was implemented under French law by the *Ordonnance n°2020-1635 portant diverses dispositions d'adaptation de la législation au droit de l'Union Européenne en matière financière* dated 21 December 2020 and the *Décret n°2020-1637 portant diverses dispositions d'adaptation au droit de l'Union européenne en matière financière et relative aux sociétés de financement* dated 22 December 2020. Certain portions of the CRR Revision are already applicable (including those applicable to the new requirements for own funds and eligible liabilities and while others shall apply as from 28 June 2021, 1st January 2023 or 28 January 2023).

The implementation of the current new texts, and their application to the Issuer and BNP Paribas or the taking of any action thereunder is currently uncertain.

Extendable maturity structure

Prior to the decree-law (*ordonnance*) no. 2021-858 dated 30 June 2021 and the decree (*décret*) no. 2021-898 dated 6 July 2021, the practice of issuing *obligations de financement de l'habitat* with extendable maturity structures has developed among *sociétés de financement de l'habitat*.

Such practice is now enshrined by decree-law (*ordonnance*) no. 2021-858 dated 30 June 2021, the decree (*décret*) no. 2021-898 dated 6 July 2021 and the decree (*décret*) no 2022-766 dated 2 May 2022.

In accordance with Article L. 513-30 and Article R. 513-8-1 of the French Monetary and Financial Code (*Code monétaire et financier*), a *société de financement de l'habitat* may issue *obligations de financement de l'habitat* with extendable maturity structures, provided that:

- (i) the relevant maturity extension triggers mentioned in Article R. 513-8-1 of the French Monetary and Financial Code are the following:
 - a. in the event of a default of payment of the principal on the Final Maturity Date initially set by the *société de financement de l'habitat*, the credit institution benefiting from loans granted by the *société de financement de l'habitat* and guaranteed by the remittance, assignment or pledge of receivables pursuant to Articles L. 211-38 to L. 211-40 or Articles L. 313-23 to L. 313-35 of the French Monetary and Financial Code (*Code monétaire et financier*), whether or not these receivables are of a professional nature, or the credit institution issuing promissory notes subscribed by the *société de financement de l'habitat* in accordance with the terms and conditions defined in Articles L. 313-43 to L. 313-48 of the French Monetary and Financial Code (*Code monétaire et financier*);
 - b. in the event the *société de financement de l'habitat*, a credit institution benefiting from loans granted by the *société de financement de l'habitat* and guaranteed by the remittance, assignment or pledge of receivables pursuant to Articles L. 211-38 to L. 211-40 or Articles L. 313-23 to L. 313-35 of the French Monetary and Financial Code (*Code monétaire et financier*), whether or not these receivables are of a professional nature, or a credit institution issuing promissory notes subscribed by the *société de financement de l'habitat* in accordance with the terms and conditions defined in Articles L. 313-43 to L. 313-48 of the French Monetary and Financial Code (*Code monétaire et financier*), is subject to safeguard proceedings (*procédure de sauvegarde*), judicial reorganisation or liquidation proceedings (*procédure de redressement ou de liquidation judiciaires*) or resolution proceedings opened pursuant to Article L. 613-49 of the French Monetary and Financial Code (*Code monétaire et financier*).
- (ii) the contractual terms and conditions of such *obligations de financement de l'habitat* specify the relevant maturity extension triggers;
- (iii) the final maturity date of such *obligations de financement de l'habitat* is at all times determinable; and
- (iv) in the event of the insolvency or resolution of the *société de financement de l'habitat* issuing such *obligations de financement de l'habitat*, or in the event of default of paiement mentioned in paragraph (i) above, the maturity extensions do not affect the ranking of the investors in such *obligations de financement de l'habitat* or invert the sequencing of the original maturity schedule of such *obligations de financement de l'habitat*.

With respect to the Issuer, the maturity of the Covered Bonds of a given Series may be extended in accordance with, and subject to, the provisions of Condition 7(a) (Final Redemption) of the Covered Bonds.

Labelling

Pursuant to Article L. 513-26-1 of the French Monetary and Financial Code, a *société de financement de l'habitat* may use, for its programme:

- (i) the "European Covered Bond" label for issuances of *obligations de financement de l'habitat* or other resources benefiting from the *Privilège*, provided that it complies with the SFH Legal Framework; and
- (ii) the "European Covered Bond (Premium)" label for issuances of *obligations de financement de l'habitat* or other resources benefiting from the *Privilège*, provided that it complies with the SFH

Legal Framework and the provisions of Article 129 of Regulation (EU) no. 575/2013 dated 26 June 2013 (as amended).

If a *société de financement de l'habitat* either (i) requests the use of, or (ii) benefits from, the "European Covered Bond (Premium)" label, in accordance with Article L. 513-32 of the French Monetary and Financial Code the Specific Controller verifies that the provisions of Article 129 of Regulation (EU) no. 575/2013 dated 26 June 2013, (as amended) are complied with.

Pursuant to Article 16 of the CRBF Regulation, the *Autorité de contrôle prudentiel et de résolution* is responsible for the granting and supervision of both "European Covered Bond" and "European Covered Bond (Premium)" labels. The conditions and procedures for granting and monitoring these labels are detailed in Instruction no 2022-I-05 issued by the ACPR on 9 March 2022. In particular, the ACPR publishes the list of *obligations de financement de l'habitat* that are entitled to use the "European Covered Bond" label and the list of *obligations de financement de l'habitat* that are entitled to use the "European Covered Bond (Premium)" label. Subject to the aforementioned verification of the Specific Controller and approval and supervision of the *Autorité de contrôle prudentiel et de résolution*, the Issuer intends to issue Covered Bonds that are eligible to the "European Covered Bond (Premium)" label.

Collateral Security

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

The Borrower Collateral Security 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").

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 Articles L. 211-36 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*).

Impact of the hardening period on the collateral security

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

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

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

However, it cannot be excluded that Article L. 211-40 of the French Monetary and Financial Code (*Code monétaire et financier*) does not intend to overrule Article L. 632-2 of the French Commercial Code (*Code de Commerce*), which provides for a potential nullity of acts which are onerous (*actes à titre onéreux*) if the counterparty of the debtor was aware, at the time of conclusion of such acts, that the debtor was unable to pay its debts due with its available funds (*en état de cessation des paiements*). Should Article L. 632-2 of the French Commercial Code (*Code de Commerce*) be deemed applicable, nullity of the collateral security could be sought, if the Issuer was aware, at the time where the collateral security was granted (or the subject of an addition or a substitution), that BNP Paribas was unable to pay its debt due with its available funds (*en état de cessation des paiements*). However, within the SFH Legal Framework applicable to *sociétés de financement de l'habitat*, Article L. 513-31 of the French Monetary and Financial Code (*Code monétaire et financier*) provides that the provisions of Article L. 632-2 of the French Commercial Code (*Code de Commerce*) are not applicable to contracts concluded by a *société de financement de l'habitat*, or to legal transactions made by or in favour of *société de financement de l'habitat*, as far as such contracts or transactions are directly related to the transactions referred to in Articles L. 513-28 to L. 513-30 of the French Monetary and Financial Code (*Code monétaire et financier*).

Disproportionate guarantee

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

However, there is only few French case law decisions interpreting and implementing the provisions of Article L. 650-1 of the French Commercial Code (*Code de commerce*) and accordingly, there is an uncertainty as to whether the provisions of Article L. 650-1 of the French Commercial Code (*Code de commerce*) would apply to the Borrower 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.

THE MAIN PROGRAMME DOCUMENTS

On the date of this Base Prospectus, the main Programme Documents entered into by the Issuer are as following.

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

I. THE BORROWER FACILITY AGREEMENT

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

Background

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

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

The Borrower

The Borrower under the Borrower Facility Agreement is BNP Paribas.

General information relating to BNP Paribas

BNP Paribas is a French *société anonyme* (limited company) incorporated in France and registered with the *Registre du Commerce et des Sociétés* in Paris under number 662 042 449 (APE business identifier code: 6419Z), authorised as a bank under the French Monetary and Financial Code (*Code monétaire et financier*) (Book V, Title 1). BNP Paribas is domiciled in France; its registered office is located at 16, boulevard des Italiens - 75009 Paris, France. BNP Paribas is governed by French and European regulation (such as French Monetary and Financial Code (*Code monétaire et financier*), French Commercial Code (*Code de commerce*), European Banking Authority guidelines...) and by its Articles of Association. The Bank's purpose (Article 3 of the Articles of Association) is to provide and carry out the following services with any individual or legal entity, in France and abroad, subject to compliance with the French laws and regulations applicable: any and all investment services, any and all services related to investment services, any and all banking transactions, any and all services related to banking transactions, any and all equity investments, as defined in the French Monetary and Financial Code (*Code monétaire et financier*) Book III – Section I governing banking transactions and Section II governing investment services and related services. The Bank's legal life was extended on 17 September 1993 for a period of ninety-nine (99) years. Each financial year begins on 1 January and ends on 31 December.

Share Capital

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

On 30 June 2022, BNP Paribas share capital stood at € 2,468,663,292 divided into 1,234,331,646 shares with a nominal value of 2 euros each.

The shares are all fully paid-up and are held in registered or bearer form at the choice of their holders, subject to compliance with the relevant French laws and regulations in force. None of the BNP Paribas' shares entitle their holders to an increased dividend or double voting rights or limit the exercise of voting rights.

Business Overview

BNP Paribas, together with its consolidated subsidiaries is a global financial services provider, conducting retail, corporate and investment banking, private banking, asset management, insurance and specialized and other financial activities throughout the world.

The BNP Paribas Group (the "**Group**"), one of Europe's leading providers of banking and financial services has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg. It operates in seventy-five 65 countries and has nearly 180,000 employees, including nearly 145,000 in Europe. BNP Paribas holds key positions in its three main businesses::

- Commercial, Personal Banking & Services, including:
 - Commercial banks in the euro zone:
 - French Commercial Banking (FCB),
 - BNL banca commerciale (BNL bc), Italian commercial banking,
 - Belgium Commercial Banking (BCB),
 - Luxembourg Commercial Banking (LCB).
 - Commercial banks outside the euro zone, which are organised around:
 - Europe-Mediterranean, to cover Central and Eastern Europe and Turkey,
 - BancWest in the United States.
 - Specialised businesses lines:
 - Arval,
 - BNP Paribas Leasing Solutions,
 - BNP Paribas Personal Finance,
 - BNP Paribas Personal Investors,
 - New digital business lines (Nickel, Floa, Lyf, etc.).
- Investment & Protection Services, including:
 - Insurance (BNP Paribas Cardif),
 - Wealth and Asset Management (BNP Paribas Asset Management, BNP Paribas Wealth Management and BNP Paribas Real Estate),
 - Management of the BNP Paribas Group's portfolio of unlisted and listed industrial and commercial investments (BNP Paribas Principal Investments).
- Corporate and Institutional Banking (CIB):
 - Global Banking,
 - Global Markets,
 - Securities Services.

BNP Paribas is the parent company of the Group.

At 31 December 2021, the Group had consolidated assets of €2,634 billion (compared to €2,488 billion at 31 December 2020), consolidated loans and receivables due from customers of €814 billion (compared to €810 billion at 31 December 2020), consolidated items due to customers of €958 billion (compared to €941 billion at 31 December 2020) and shareholders' equity (Group share) of € 117.9 billion (compared to €112.8 billion at 31 December 2020).

At 31 December 2021, pre-tax income from continuing activities was €12.7 billion (compared to €9.3 billion as at 31 December 2020). Net income, attributable to equity holders was €9.5 billion (compared to €7.1 billion for 2020).

At 31 March 2022, the Group had consolidated assets of €2,861 billion (compared to €2,634 billion at 31 December 2021), consolidated loans and receivables due from customers of €839 billion (compared to €814

billion at 31 December 2021), consolidated items due to customers of €1,009 billion (compared to €958 billion at 31 December 2021) and shareholders' equity (Group share) of € 119 billion (compared to €118 billion at 31 December 2021).

At 31 March 2022, pre-tax income from continuing activities was €3.3 billion (compared to €2.8 billion as at 31 March 2021). For the first quarter 2022, net income, attributable to equity holders was €2.1 billion (compared to €1.8 billion for the first quarter 2021).

Main Shareholders of BNP Paribas

As at 31 December 2021, the main shareholders were Société Fédérale de Participations et d'Investissement ("SFPI") a public-interest *société anonyme* (limited company) acting on behalf of the Belgian State holding 7.8% of the share capital, BlackRock Inc holding 6.1% of the share capital and Grand Duchy of Luxembourg holding 1.0% of the share capital. To BNPP's knowledge, no shareholder other than SFPI and BlackRock Inc. owns more than 5% of its capital or voting rights.

Management and administration

Pursuant to the Articles of Association of BNP Paribas, the business affairs of BNP Paribas are administered by the board of directors, which is composed of a total of not less than nine (9) nor more than eighteen (18) directors (excluding directors elected by employees). The board of directors currently comprises thirteen (13) directors, plus two (2) additional directors elected, in accordance with the terms of the Articles of Association, by employees of BNP Paribas. In accordance with French law, the directors of BNP Paribas may be removed at any time, with or without cause. Each director is elected or appointed for a term of three (3) years. The board of directors elects a chairman from among its members and also establishes the term of the appointment of the chairman that may not exceed the period or remaining period, as the case may be, of the chairman's appointment as a member of the board of directors.

Control

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

Accounting regulations and methods

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

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

Deloitte & Associés was re-appointed as Statutory Auditor at the Annual General Meeting of 24 May 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements for the year ending 31 December 2023. The firm was first appointed at the Annual General Meeting of 23 May 2006.

Deloitte & Associés is represented by Laurence Dubois.

Deputy:

Société BEAS, 6, place de la Pyramide, Paris-La Défense Cedex (92), France, SIREN No. 315 172 445, Nanterre trade and companies register.

PricewaterhouseCoopers Audit was re-appointed as Statutory Auditor at the Annual General Meeting of 24 May 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements for the year ending 31 December 2023. The firm was first appointed at the Annual General Meeting of 26 May 1994.

PricewaterhouseCoopers Audit is represented by Patrice Morot.

Deputy:

Jean-Baptiste Deschryver, 63, Rue de Villiers, Neuilly-sur-Seine (92), France.

Mazars was re-appointed as Statutory Auditor at the Annual General Meeting of 24 May 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements for the year ending 31 December 2023. The firm was first appointed at the Annual General Meeting of 23 May 2000.

Mazars is represented by Virgnie Chauvin.

Deputy:

Charles de Boisriou, 61, rue Henri Regnault, Courbevoie (92), France.

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

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

The Borrower Advances

The Borrower Advances shall be made available to the Borrower in an aggregate maximum amount equal to € 40,000,000,000 (the "**Borrower Facility Commitment**") for the purpose of financing the general financial needs of the Borrower and, in particular, any Affiliate Advance (as described in "**The Affiliates, the Affiliate Facility Agreements and the Affiliate Collateral Security**") under any Affiliate Facility Agreement (as described in "**The Affiliates, the Affiliate Facility Agreements and the Affiliate Collateral Security**").

Pursuant to the Borrower Facility Agreement, the Borrower shall send to the Administrator (with a copy to the Issuer acting as the Lender under the Borrower Facility Agreement) a duly completed drawdown request (a "**Drawdown Request**") in respect of the Borrower Advance to be made available under the Borrower Facility Agreement. Upon receipt of a Drawdown Request by the Administrator (with copy to the Lender), the Lender, together with the Administrator, shall elaborate (i) corresponding Final Terms of the Covered Bonds to be issued to fund such Drawdown Request, and (ii) final terms of Borrower Advance ("**Final Terms of Borrower Advance**") reflecting the terms and conditions of such corresponding Final Terms of the Covered Bonds, save in respect of Borrower Advances financed by Soft Bullet Covered Bonds, which Final Terms of Borrower Advance shall not provide for an extended maturity date.

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

Principal and interest amounts

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

Representations, warranties and undertakings

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

Main other terms

The Borrower Facility Agreement also provides for:

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

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

Borrower Events of Default

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

- (a) the Borrower fails to pay any sum due under the Borrower Facility Agreement when due, in the currency and in the manner specified herein; provided, however, that where such non-payment is due to an administrative error or the failure of continuing external payment systems or clearing systems reasonably used by the Borrower and such payment is made by the Borrower within three (3) Business Days of such non-payment, such non-payment shall not constitute a Borrower Event of Default;
- (b) a Breach of Pre-Maturity Test occurs;
- (c) a Breach of Asset Cover Test occurs;
- (d) a Breach of Affiliate Debt Commingling Funding Requirement occurs;
- (e) a Breach of Interest Reserve Funding Requirement occurs;
- (f) any material representation or warranty made by the Borrower, in the Borrower Facility Agreement or in any notice or other document, certificate or statement delivered by it pursuant hereto or in connection herewith is or proves to have been incorrect or misleading in any material respect when made, and the same is not remedied (if capable of remedy) within sixty (60) Business Days after the Administrator or the Issuer has given notice thereof to the Borrower or (if sooner) the Borrower has knowledge of the same, provided that the Issuer, at its discretion, certifies that it is prejudicial to the interests of the holders of the relevant Covered Bonds;
- (g) the Borrower fails to comply with any of its material obligations under the Borrower Facility Agreement unless such breach is capable of remedy and is remedied within sixty (60) Business Days after the Administrator or the Issuer has given notice thereof to the Borrower or (if sooner) the

Borrower has knowledge of the same, provided that the Issuer, at its discretion, certifies that it is prejudicial to the interests of the holders of the relevant Covered Bonds;

- (h) as regards the Borrower, an Insolvency Event occurs;
- (i) any effect, event or matter (regardless of its nature, cause or origin and in particular the commencement of any legal, administrative or other proceedings against the Borrower) occurs which is or could be reasonably expected to be materially adverse to (i) the financial or legal situation, assets, business or operations of the Borrower and (ii) the ability of the Borrower to perform its payment obligations or the financial covenants under any of the Programme Documents;
- (j) at any time it is or becomes unlawful for the Borrower to perform or comply with any or all of its material obligations under the Borrower Facility Agreement or any of the material obligations of the Borrower under the Borrower Facility Agreement are not or cease to be legal, valid and binding;
- (k) a Breach of Maximum Legal Substitution Assets Limit has occurred and is continuing and the license of the Issuer as a *société de financement de l'habitat* has been withdrawn following such breach.

Upon the occurrence of a Borrower Event of Default, the Issuer (represented by the Administrator or the Issuer Independent Representative) shall, by written notice (such notice to constitute a *mise en demeure*) to the Borrower (with copy to (ii) the Issuer Independent Representative (if the Borrower Enforcement Notice is delivered by the Administrator), (ii) the Administrator (if the Borrower Enforcement Notice is delivered by the Issuer Independent Representative) and (iii) (in each instance) the Rating Agencies), (x) declare that (i) no further Borrower Advances shall be available under the Borrower Facility Agreement, and (ii) the then outstanding Borrower Advances are immediately due and payable and (y) enforce the rights of the Lender under the Borrower Collateral Security Agreement and the Cash Collateral Agreement for the repayment of any sum due by the Borrower under the Borrower Facility Agreement and not paid by the Borrower (whether at its contractual due date or upon acceleration) (a "**Borrower Enforcement Notice**").

Borrower's indemnities

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

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

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

Guarantee

Subject to customary legal limitation under French law, the Borrower, as guarantor (in such capacity, the "**Guarantor**") irrevocably and unconditionally, (i) jointly and severally guarantees (*caution solidaire*) to the Lender the due and punctual observance and performance of the terms, conditions and covenants under each

Affiliate Facility Agreement (as described in "**The main Programme Documents - The Affiliates, the Affiliate Facility Agreements and the Affiliate Collateral Security**") on the part of each relevant Affiliate (as described in "**The main Programme Documents - The Affiliate Facility Agreements**") (other than an Excluded Affiliate), including the payment of the Guaranteed Liabilities, and agrees to pay from time to time on demand of the Administrator any and every sum or sums of money which is at any time payable to the Lender in respect of the Guaranteed Liabilities and (ii) agrees as a primary obligation to indemnify the Lender from time to time on demand of the Administrator from and against any loss incurred by the Lender as a result of any of the obligations of any Affiliate (other than an Excluded Affiliate) under or pursuant to the Programme Documents being or becoming void, voidable, unenforceable or ineffective as against such Affiliate for any reason whatsoever, whether or not known to the Lender or any other person, the amount of such loss being the amount which the Lender would otherwise have been entitled to recover from such Affiliate.

For such purposes,

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

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

Broken Funding Indemnity

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

Limited Recourse - Non Petition - Amendments

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

II. THE BORROWER COLLATERAL SECURITY AGREEMENT

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

Background

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

Borrower Secured Liabilities

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.

Eligible Assets

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

- (a) prior to the date upon which the relevant Home Loan has been made available to the borrower thereof, all scoring, lending criteria and conditions precedent as applied by the originator of such relevant Home Loan pursuant to its customary lending procedures were satisfied;
- (b) the underlying property is located in the jurisdiction of the originator of the relevant Home Loan;
- (c) the relevant Home Loan is governed by the law of the jurisdiction where the originator of the relevant Home Loan is located;
- (d) the relevant Home Loan is denominated in Euro or in a Specified Currency;
- (e) all sums due under the relevant Home Loan (including interest and costs) are secured by a fully effective Home Loan Security;
- (f) on the date on which the Borrower notifies the other parties that the relevant Home Loan is effectively transferred as Borrower Collateral Security (the "**Selection Date**"), the current principal balance of such Home Loan is no more than Euro 1,000,000 or its equivalent in the Specified Currency;
- (g) the Loan-To-Value of the relevant Home Loan is no more than one hundred per cent. (100%);
- (h) on the relevant Selection Date, the remaining term for the relevant Home Loan is less than thirty (30) years;
- (i) on the relevant Selection Date, the borrower under the relevant Home Loan has paid at least one (1) instalment (in principal and/or interest) in respect of the Home Loan, and to the best of the knowledge of the Borrower or any Affiliate, the borrower under the Home Loan is not subject to a recovery plan within the framework of a reconciliation carried out by a commission for the examination of the over-indebtedness of individuals (*commission de surendettement des particuliers*) or of a jurisdiction, whether pursuant to the provisions of Title III of Book III of the French Consumer Code (*Code de la consommation*) or of Article 1343-5 of the French Civil Code (*Code civil*) (formerly Article 1244-1 of the French Civil Code (*Code civil*)), including any conservatory measures or forced execution measures which the borrower under the Home Loan may apply, as the case may be, on the financed or charged residential real estate property;
- (j) the borrower under the relevant Home Loan is an individual or individuals through a *société civile immobilière* who is not an employee of the originator of such relevant Home Loan;
- (k) the relevant Home Loan is current (i.e. does not present any arrears) as at the Selection Date;
- (l) the borrower under the relevant Home Loan does not benefit from a contractual right of set off;
- (m) the opening by the borrower under the relevant Home Loan of a bank account dedicated to payments due under such relevant Home Loan is not provided for in the relevant contractual arrangements as a condition precedent to the originator of such relevant Home Loan making such relevant Home Loan available to the borrower under such relevant Home Loan; and
- (n) subject to prior Rating Affirmation, no amount drawn under the relevant Home Loan is capable of being redrawn by the borrower thereof (i.e. the Home Loan is not flexible).

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

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

For the purpose hereof:

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

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

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

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

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

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

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

Borrower Collateral Security Assets

Eligible Assets shall be validly 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**").

Transfers

In accordance with paragraphs I and II, 1°) of Articles 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.

Asset Monitoring and Asset Cover Test

The Borrower shall monitor the Borrower Collateral Security Assets so as to at all times comply with the Asset Cover Test (as further described in "**Asset Monitoring – The Asset Cover Test**").

In particular, the Borrower may at any time add, substitute or release Borrower Collateral Security Assets (including Home Loan receivables arising from Ineligible Home Loans) from the scope of the Borrower Collateral Security. However, any such addition, substitution and/or release shall be effective only subject to confirmation by the Issuer Calculation Agent that a Non Compliance with Asset Cover Test (as defined below) would not occur as a result of such addition, substitution and/or release. For such purpose, the Issuer Calculation Agent shall re calculate the Asset Percentage (as defined in "**Asset Monitoring – The Asset Cover Test**") that would be applicable following such addition, substitution and/or release each time any such addition, substitution or release is requested by the Borrower.

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 Ratings), for the servicing of the 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 Ratings;

or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations 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, 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 transferred as Borrower Collateral Security, as specified from time to time to the Issuer Calculation Agent pursuant to the relevant terms of the Borrower Collateral Security Agreement.

Representations, warranties and undertakings

The Borrower has made customary representations, warranties and undertakings in favour of the Issuer, such representations and warranties being given on the execution date of the Borrower Collateral Security Agreement and continuing until satisfaction in full of the Borrower Secured Liabilities.

Affiliate Debt Commingling Trigger Event and Affiliate Debt Commingling Account

Upon downgrading of the credit rating of the Borrower below:

- (a) by S&P: A-1 (short-term); or

- (b) by Fitch Ratings:
- (i) F1 (short-term) and A (long-term), if the asset balance reporting frequency is greater than a month; or
 - (ii) F2 (short-term) and BBB (long-term), if the asset balance reporting frequency is a month or shorter (and as long as there is no payment interruption risk); or
- (c) after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations and (ii) commensurate with the then current ratings of the Covered Bonds)

(the "**Affiliate Debt Commingling Trigger Event**") and within fourteen (14) calendar days from the occurrence of such Affiliate Debt Commingling Trigger Event:

- the Borrower and each relevant Affiliate shall take all necessary steps so that all and any amounts owed by any Affiliates under any Affiliate Facility, are paid into the credit of a single dedicated bank account to be opened within such period in the Issuer's name and in the books of the Issuer Accounts Bank (the "**Affiliate Debt Commingling Account**"); and
- the Borrower shall grant any cash amount standing on the credit of the Affiliate Debt Commingling Account as Cash Collateral (*gage-espèces*) for the benefit of the Issuer so as to secure as they become due and payable the payments of the Borrower Secured Liabilities.

All cash credited to the Affiliate Debt Commingling Account as described above shall be granted as Cash Collateral subject to, and in accordance with, the relevant terms of the Cash Collateral Agreement and shall secure the Borrower Secured Liabilities as they become due and payable.

Failure by the Borrower to fund the Affiliate Debt Commingling Account up to the required amount within the required period following the occurrence date of the Affiliate Debt Commingling Trigger Event shall constitute a "**Breach of Affiliate Debt Commingling Funding Requirement**" within the meaning of the Cash Collateral Agreement. A Breach of Affiliate Debt Commingling Funding Requirement constitutes the occurrence of a Borrower Event of Default.

Enforcement

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*).

Application of proceeds

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 "**Collections** ") received by the Issuer thereunder shall be 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 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 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.

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**".

III. THE CASH COLLATERAL AGREEMENT

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

Background

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

Borrower Secured Liabilities

The Cash Collateral Agreement sets forth the terms and conditions upon which the Cash Collateral Provider shall fund certain amounts as cash collateral (*gage espèces*) (each, a "**Cash Collateral**") into the Cash Collateral Account and the Affiliate Debt Commingling Account so as to secure the Borrower Secured Liabilities.

Creation and Perfection

Any Cash Collateral shall be created upon credit of the corresponding sums into the Cash Collateral Account and the Affiliate Debt Commingling Account.

The perfection of each Cash Collateral shall not be conditional upon any formality. Each Cash Collateral shall entail the transfer of title in favour of the Issuer with respect to the relevant cash funded into the Cash Collateral Account and the Affiliate Debt Commingling Account.

The positive balance from time to time outstanding on the Cash Collateral Account and the Affiliate Debt Commingling Account shall at all times be kept and vested with the Issuer, form part of the Issuer's assets and be applied to the repayment of the Secured Liabilities.

Any such balance at any time standing to the credit of the Cash Collateral Account and the Affiliate Debt Commingling Account may be invested only in Permitted Investments whose maturity is earlier than the Final Maturity Date of the relevant Series of Covered Bonds. For the purpose of each Cash Collateral to be created hereunder, the Issuer shall be hereby entitled not to segregate the funds credited to the Cash Collateral Account and the Affiliate Debt Commingling Account from its other assets.

Cash Collateral Account

The Cash Collateral Provider shall fund the Cash Collateral Account up to an amount determined in accordance with the provisions of the Cash Collateral Agreement to meet certain liquidity tests as more described in section entitled "**Asset Monitoring - The Legal Liquidity Reserve**", "**Asset Monitoring - The Pre-Maturity Test**" and "**The Interest Reserve**" of this Base Prospectus.

Remuneration

The Issuer shall pay interest (each, an "**Interest Payment**") to the Cash Collateral Provider in respect of the principal amount of each of the Cash Collateral funded subject to, and in accordance with, the terms of the Cash Collateral Agreement. Each Interest Payment will accrue daily on each of such Cash Collateral at the Interest Rate. Each Interest Payment will be calculated for each Interest Period on each relevant Interest

Payment Date for the Interest Period. On the contrary, subject to the SFH Legal Framework, if any of the Cash Collateral is funded or invested in an account opened in the name of the Issuer and is remunerated at a rate that is or become negative, the Cash Collateral Provider shall refund such negative remuneration to the Issuer.

For the purposes hereof:

"Interest Rate" means the remuneration received by the Issuer in investing the cash standing to the credit of (as applicable) the Cash Collateral Account and the Affiliate Debt Commingling Account during the relevant Interest Period.

"Business Day" means a day on which the banks are open for business in Paris and in London (excluding in any event Saturday and Sunday).

"Interest Payment Date" means the last day of each Interest Period. If an Interest Payment Date falls on a day other than a Business Day, the Interest Payment Date shall be postponed on the next Business Day.

"Interest Period" means, with respect to each Cash Collateral, a period of three (3) calendar months. The first Interest Period with respect to each Cash Collateral will start from and including any date upon which such Cash Collateral is funded subject to, and in accordance with, the relevant terms hereof, and will end on but excluding the last day of the three-month period following such date. Each following Interest Period with respect to such Cash Collateral will be the period from, and including, the preceding Interest Payment Date to, but excluding, the next Interest Payment Date.

The Interest Payments due with respect to each Cash Collateral shall accrue on a day-to-day basis and shall be credited on each Interest Payment Date to (as applicable) Cash Collateral Account and the Affiliate Debt Commingling Account. Each Interest Payment shall be compounded with the relevant Cash Collateral where the said Interest Payment has accrued for at least one year. Each Interest Payment shall be part of the Cash Collateral (*gage-espèces*) and, accordingly, be held by the Issuer and applied to the repayment of the Secured Liabilities.

Representations, warranties and undertakings

The Cash Collateral Provider has made customary representations and warranties and undertakings to the Issuer, the representations and warranties being given on the execution date of the Cash Collateral Agreement and continuing until satisfaction in full of the Borrower Secured Liabilities.

Enforcement

Upon the service by the Issuer (represented by the Issuer Independent Representative or by the Administrator) to the Borrower of a Borrower Enforcement Notice subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement following the occurrence of a Borrower Event of Default, the Issuer (represented by the Issuer Independent Representative or by the Administrator) shall be entitled to apply to the repayment of the Secured Liabilities (i) all sums standing to the credit of the Cash Collateral Account and the Affiliate Debt Commingling Account.

Any sum remaining to the credit of the Cash Collateral Account and the Affiliate Debt Commingling Account after satisfaction in full of the Secured Liabilities shall be promptly repaid to the Cash Collateral Provider in accordance with the relevant Priority Payments Orders. For the avoidance of doubt, such claim for repayment (*créance de restitution*) does not benefit from the *Privilège* referred to in Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*).

With immediate effect as from the service of a Borrower Enforcement Notice and upon the instructions of each of the Issuer, the Administrator or any of its representative, agent or expert acting on its behalf (each, an **"Enforcing Party"**), the Cash Collateral Provider shall:

- (a) execute any document, take whatever action and do all such things required in order to perfect, or any other action that the Enforcing Party deems necessary for the purpose of perfecting, the Issuer's rights hereunder; and

- (b) take all steps and do all things and cooperate in good faith to enable any entity which shall have been appointed as Substitute Administrator in replacement of the Administrator to take over its duties in such capacity.

Conditions of enforcement

Enforcement requires no other formality whatsoever (including the necessity to obtain a court order or conduct an auction), any notification requirements (to the Borrower, the Cash Collateral Provider or any other person) nor any other procedures.

No right of the Issuer to enforce its rights under the Cash Collateral Agreement shall be in any manner affected or limited by any insolvency proceedings with respect to the Borrower.

Release without discharge

In respect of each Cash Collateral funded pursuant to the terms of the Cash Collateral Agreement, the Cash Collateral Provider shall have the right to request from the Issuer the release of such Cash Collateral under the following circumstances (each, a "**Release Without Discharge Event**"):

- (a) in any event, if, on a given date, (i) the amount of Cash Collateral standing to the credit of the Cash Collateral Account exceeds the applicable CCRFA or (ii) the amount of Cash Collateral standing to the credit of the Affiliate Debt Commingling Account exceeds the amount that must be funded in such account pursuant to the terms of the Cash Collateral Agreement;
- (b) while such Cash Collateral has been funded upon a Pre-Maturity Rating Downgrade Event, the Borrower regains the Pre-Maturity Rating Required Levels; in such case, a release without discharge may be made for an amount equal to the amount of Cash Collateral standing to the credit of the Cash Collateral Account which exceeds the amount of the Legal Liquidity Reserve on such date.

Upon any release request by the Cash Collateral Provider following the occurrence of a Release Without Discharge Event, the Issuer shall release the relevant Cash Collateral and repay to the Cash Collateral Provider up to the relevant amount. Any release and repayment made as mentioned above shall not be deemed a discharge of the Cash Collateral Provider with respect to its obligations to fund further Cash Collateral pursuant to the terms of the Cash Collateral Agreement.

Final release and discharge

The Issuer shall, at the request and cost of the Cash Collateral Provider, give final release with respect to all Cash Collateral, cancel the security created under the Cash Collateral Agreement and discharge the Cash Collateral Provider from all its obligations to fund any further Cash Collateral pursuant to the terms of the Cash Collateral Agreement when all sums due under any and all the Tranches and Series of Covered Bonds shall have been repaid in full and the Secured Liabilities have been entirely and definitively discharged in full (independently of any intermediate or partial discharges).

In connection with the final release and cancellation described above, the Issuer shall do all such acts and things, at the cost of the Cash Collateral Provider, as are reasonably requested by the Cash Collateral Provider in order to release and cancel the security created under the Cash Collateral Agreement and discharge the Cash Collateral Provider from all its obligations to fund any further Cash Collateral pursuant to the terms of the Cash Collateral Agreement.

Limited Recourse - Non Petition - Amendments

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

IV. THE AFFILIATE FACILITY AGREEMENTS

This section sets out the main material terms of the Affiliate Facility Agreements.

Background

Prior to its accession to the Programme, each relevant Affiliate enters into an affiliate facility agreement (each, an "**Affiliate Facility Agreement**") with BNP Paribas, as "Affiliate Lender" (the "**Affiliate Lender**") in order to determine the terms and conditions according to which the Affiliate Lender shall grant such Affiliate with advances under an Affiliate Facility Agreement (each, an "**Affiliate Advance**"). At the date of this Base Prospectus, no Affiliate Advance made by the Affiliate Lender to any relevant Affiliate under any Affiliate Facility Agreement is outstanding.

The Affiliate Lender may fund each Affiliate advance to be made available to the relevant Affiliate (i) with the proceeds of a Borrower Advance made available under the Borrower Facility or (ii) out of its own resources.

The Affiliates

Any Affiliate may access the Programme subject to the satisfaction of the following conditions precedent:

- (a) the Affiliate is an entity controlled by BNP Paribas within the meaning of Article L. 233-3 of the French Commercial Code (*Code de commerce*);
- (b) the Affiliate is a French legal entity located in France;
- (c) the Affiliate is licensed as credit institution (*établissement de crédit*) by the French *Autorité de contrôle prudentiel et de résolution*;
- (d) the Affiliate has duly concluded an Affiliate Facility Agreement with the Borrower and the execution of such Affiliate Facility Agreement has been approved by the general meeting of the shareholders of the Issuer;
- (e) the Affiliate has duly concluded an Affiliate Collateral Security Agreement with the Borrower and the execution of such Affiliate Collateral Security Agreement has been approved by the general meeting of the shareholders of the Issuer;
- (f) the accession to the Programme of such Affiliate is subject to prior Rating Affirmation;
- (g) no Borrower Event of Default has occurred and is continuing and the accession of the Affiliate to the Programme will not or is not likely to trigger the occurrence of a Borrower Event of Default; and
- (h) no Issuer Event of Default has occurred and is continuing and the accession of the Affiliate will not or is not likely to trigger the occurrence of an Issuer Event of Default.

Affiliate Facility

Each Affiliate Facility shall be made available to the Affiliate in an aggregate maximum amount to be determined by the relevant Affiliate and the Affiliate Lender (the "**Affiliate Facility Commitment**"), it being provided that the aggregated amounts of all the Affiliate Facility Commitments shall not exceed € 40,000,000,000. Each Affiliate Facility shall be made available for the purpose of financing the general financial needs of the relevant Affiliate.

Principal and interest amounts

The terms and conditions of an Affiliate Advance may not mirror those of the Borrower Advance funding such Affiliate Advance. Any amounts repaid or prepaid under any Affiliate Advance may be re-borrowed.

Representations, warranties and undertakings

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

Main other terms

Each Affiliate Facility Agreement also provides for:

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

Affiliate Event of Default

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

- (a) the relevant Affiliate fails to pay any sum due under the Affiliate Facility Agreement when due, in the currency and in the manner specified herein; provided, however, that where such non-payment is due to an administrative error or the failure of continuing external payment systems or clearing systems reasonably used by the Affiliate and such payment is made by the Affiliate within three (3) Business Days of such non-payment, such non-payment shall not constitute an Affiliate Event of Default;
- (b) any material representation or warranty made by the Affiliate, in the relevant Affiliate Facility Agreement or in any notice or other document, certificate or statement delivered by it pursuant hereto or in connection herewith is or proves to have been incorrect or misleading in any material respect when made, and the same is not remedied (if capable of remedy) within sixty (60) Business Days after the Affiliate Lender has given notice thereof to the Affiliate or (if sooner) the Affiliate has knowledge of the same;
- (c) the Affiliate fails to comply with any of its material obligations under the Affiliate Facility Agreement unless such breach is capable of remedy and is remedied within sixty (60) Business Days after the earlier of (i) the date on which the Affiliate Lender has given notice thereof to the Affiliate or (ii) the date on which the Affiliate has knowledge of the same;
- (d) as regards the Affiliate, an Insolvency Event occurs;
- (e) any effect, event or matter (regardless of its nature, cause or origin and in particular the commencement of any legal, administrative or other proceedings against the Affiliate) occurs which is or could be reasonably expected to be materially adverse to (i) the financial or legal situation, assets, business or operations of the Affiliate and (ii) the ability of the Affiliate to perform its payment obligations or the financial covenants under any of the Programme Documents; or
- (f) at any time it is or becomes unlawful for the Affiliate to perform or comply with any or all of its material obligations under the Affiliate Facility Agreement or any of the material obligations of the Affiliate under the Affiliate Facility Agreement are not or cease to be legal, valid and binding.

Upon the occurrence of an Affiliate Event of Default, the Affiliate Lender shall, by written notice (such notice to constitute a *mise en demeure*) to the Affiliate (with copy to the Issuer Independent Representative, the Administrator and the Rating Agencies), (x) declare that (i) no further Affiliate Advances shall be available under the Affiliate Facility Agreement, and (ii) the then outstanding Affiliate Advances are immediately due and payable and (y) enforce the rights of the Affiliate Lender under the Affiliate Collateral Security Agreement for the repayment of any sum due by the Affiliate under the Affiliate Borrower Facility Agreement and not paid by the Affiliate (whether at its contractual due date or upon acceleration) (a "**Affiliate Enforcement Notice**").

Affiliate Facility early amortisation upon Borrower Event of Default

Any Affiliate Facility will be accelerated upon the occurrence of a Borrower Event of Default. For such purposes, upon the occurrence of a Borrower Event of Default, the Administrator, duly mandated by the Affiliate Lender for such purposes, shall, by written notice (such notice to constitute a *mise en demeure*) to the relevant Affiliate, (i) declare that no more Affiliate Advances shall be made under the relevant Affiliate Facility, (ii) declare that the Affiliate Facility shall be cancelled, and (iii) declare that the Affiliate Advances shall immediately become due and payable and enforce its rights under the relevant Affiliate Collateral Security Agreement (a "**Cross-Acceleration Enforcement Notice**").

Guarantee

Subject to customary legal limitations under French law and up to the maximum amount that may be owed by each Affiliate under the relevant Affiliate Facility Agreement, each Affiliate, as guarantor (in such capacity, the "**Affiliate Guarantor**") irrevocably and unconditionally and jointly and severally:

- (i) guarantees to the Lender the due and punctual observance and performance of the terms, conditions and covenants under the Borrower Facility Agreement (as described in "**The main Programme Documents - The Borrower Facility Agreement**") on the part of the Borrower, including the payment of the Guaranteed Liabilities (as defined herein), and agrees to pay from time to time on demand of the Administrator any and every sum or sums of money which is at any time payable to the Lender in respect of the Guaranteed Liabilities (as defined herein); and
- (ii) agrees as a primary obligation to indemnify the Lender from time to time on demand of the Administrator from and against any loss incurred by the Lender as a result of any of the obligations of the Borrower under or pursuant to the Programme Documents being or becoming void, voidable, unenforceable or ineffective as against the Borrower for any reason whatsoever, whether or not known to the Lender or any other person, the amount of such loss being the amount which the Lender would otherwise have been entitled to recover from the Borrower.

For such purposes,

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

Affiliate not incorporated in France

Variations to the above described terms of any Affiliate Facility Agreement may be agreed between the Affiliate Lender and any Affiliate not incorporated in France if required under the law of the jurisdiction where the relevant Affiliate is incorporated or the law governing the Home Loans and/or the Affiliate Collateral Security. Other variations to the above described terms of any Affiliate Facility Agreement can only be agreed subject to prior Rating Affirmation.

Limited Recourse - Non petition - Amendments

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

V. THE AFFILIATE COLLATERAL SECURITY AGREEMENTS

This section sets out the main material terms of the Affiliate Collateral Security Agreements.

Background

An Affiliate Collateral Security Agreement refers to any agreement made between (i) any Affiliate which has concluded an Affiliate Facility Agreement, and (ii) BNP Paribas in its capacity as "Affiliate Lender", "Administrator" and "Issuer Calculation Agent" (each an "**Affiliate Collateral Security Agreement**").

Affiliate Secured Liabilities

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.

Eligible Assets

For the purposes of each Affiliate Collateral Security Agreement, an "**Eligible Asset**" means any Home Loans Receivable that meets the requirements of the SFH Legal framework and complies or whose underlying Home Loan complies with all the Home Loans Eligibility Criteria.

The "Home Loans Eligibility Criteria" are those described in "The main Programme Documents – the Borrower Collateral Security Agreement".

Affiliate Collateral Security Assets

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

Transfers

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 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 Affiliate Secured Liabilities.

Additions, Substitutions and Partial Releases

Under each Affiliate Collateral Security Agreement and in order to preserve the value of its security thereunder, the Affiliate Lender will have the discretion to request from the relevant Affiliate to transfer additional or substitute Eligible Assets as Affiliate Collateral Security upon conditions to be agreed on a case by case basis.

The Affiliate Lender will have also the right to accept or refuse any release from the scope of an Affiliate Collateral Security that may have been requested by the relevant Affiliate.

Asset Servicing

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 Ratings), or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations and (ii) commensurate with the then current ratings of the Covered Bonds, for the servicing of the relevant Affiliate Collateral Security Assets.

For such purposes, "**Affiliate Servicing Rating Trigger Event**" means, as regards an Affiliate, the event in which (i) the long-term senior unsecured, unsubordinated and unguaranteed debt obligations of this Affiliate (or if long-term senior unsecured, unsubordinated and unguaranteed debt obligations of this Affiliate are not rated, the long-term senior unsecured, unsubordinated and unguaranteed debt obligations of the Borrower) become rated below BBB by S&P or (ii) the long-term senior issuer default rating (IDR) of this Affiliate (or if long-term senior issuer default rating (IDR) of this Affiliate is not rated, the long-term senior issuer default rating (IDR) of the Borrower) becomes rated below BBB- by Fitch Ratings, or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations and (ii) commensurate with the then current ratings of the Covered Bonds.

Representations, warranties and undertakings

Each Affiliate shall make the customary representations and warranties and undertakings to the Affiliate Lender, the representations and warranties being given on the execution date of the Affiliate Collateral Security Agreement and continuing until satisfaction in full of the relevant Affiliate Secured Liabilities.

Enforcement

Upon the service of an Affiliate Enforcement Notice subject to, and in accordance with, the relevant terms of the relevant Affiliate Facility Agreement following the occurrence of an Affiliate Event of Default which is continuing unremedied, the Affiliate Lender shall have over the Affiliate Collateral Security Assets the same

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

Conditions of enforcement

Conditions of enforcement of an Affiliate Collateral Security granted by an Affiliate which is incorporated in France will be those applicable to the enforcement of the Borrower Collateral Security (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.

Affiliate not incorporated in France

Variations to the above described terms of any Affiliate Collateral Security Agreement may be agreed between the Affiliate Lender and any Affiliate not incorporated in France if required under the law of the jurisdiction where the relevant Affiliate is incorporated or the law governing the Home Loans and/or the Affiliate Collateral Security. Other variations to the above described terms of any Affiliate Facility Agreement can only be agreed subject to prior Rating Affirmation.

Limited Recourse - Non petition - Amendments

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

VI. THE ISSUER ACCOUNTS AGREEMENT

This section sets out the main material terms of the Issuer Accounts Agreement pursuant to which the Issuer Accounts are opened in the books of the Issuer Accounts Bank.

Background

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

Purpose

Under the Issuer Accounts Agreement, BNP Paribas Home Loan SFH, as Issuer, appoints BNP Paribas as its account bank for the opening and operation of its bank accounts (the "**Issuer Accounts**"). The Issuer Accounts Bank will always act in the best and exclusive interest of BNP Paribas Home Loan SFH.

Issuer Accounts

The Issuer Accounts opened in the name of the Issuer in the books of the Issuer Accounts Bank include:

- (a) the "**Issuer Cash Accounts**", including the Issuer General Account (denominated in Euro), the Cash Collateral Account (denominated in Euro) and the Share Capital Proceeds Account (denominated in Euro); and
- (b) the "**Issuer Securities Accounts**", which are securities account (*comptes d'instruments financiers*) opened in relation to each Issuer Cash Account,

it being provided that, according to the Administrative Agreement, the Administrator may, to the extent permitted by the SFH Legal Framework, open these Issuer Cash Accounts and Issuer Securities Accounts in the books of any central bank in lieu of the Issuer Accounts Bank and may open within the books of the Issuer Accounts Bank or any central bank, any new bank cash account in the name of the Issuer which may be

necessary or advisable for the performance by the Issuer of its rights and obligations under any Programme Document, and notably in case of issuance of Covered Bonds denominated in a Specified Currency other than Euro provided that an Issuer Securities Account (*compte de titres financiers*) is opened in relation to each such Issuer Cash Account. On or about the date of this Base Prospectus, the Administrator has opened a cash and securities account in the name of the Issuer in the books of the *Banque de France*.

The Administrator shall open the Affiliate Debt Commingling Account, in the name of the Issuer and within the books of the Issuer Accounts Bank, whenever a Cash Collateral is to be funded by the Cash Collateral Provider into such account in accordance with the Cash Collateral Agreement provided that an Issuer Securities Account (*compte de titres financiers*) is opened in relation to such Issuer Cash Account.

The Administrator shall open, as the case may be, the swap collateral account in the name of the Issuer and within the books of the Issuer Accounts Bank or any central bank in accordance with the provisions of the Issuer Hedging Agreement.

Funds Allocation

Each of the Issuer Bank Accounts shall be exclusively allocated to the operation of the Issuer.

All sums standing to the credit balance of the Issuer Cash Accounts may be invested from time to time in Permitted Investments by the Administrator (see section entitled "**The Issuer - The Administrative Agreement**").

Operation

The Issuer Cash Accounts shall not be operated by the Issuer Accounts Bank otherwise than in accordance with the provisions of the Issuer Accounts Agreement and the Administrative Agreement and, in particular, the Issuer Accounts Bank shall be entitled to refuse to, without being liable for any such refusal:

- (a) deliver credit cards or other means of payment with respect to the Issuer Cash Accounts or make any transfer from any of the Issuer Cash Accounts upon instructions of the Administrator other than by bank transfer or any such other means as is agreed with the Issuer;
- (b) debit any of the Issuer Cash Accounts upon instructions of any person other than the Issuer or the Administrator;
- (c) debit any of the Issuer Cash Accounts upon instructions of the Administrator, if the Issuer Accounts Bank is aware that such instructions may cause a debit balance of the relevant Issuer Cash Accounts (in which case the Issuer Accounts Bank will promptly inform the Administrator and the Issuer and postpone the performance of the relevant instructions until it has received the relevant renewed written instructions of the same); or
- (d) implement any instruction from the Issuer (or the Administrator acting on its behalf) in connection with the Issuer Accounts if it is aware that an implementation of such instruction would constitute a breach of any provision of the Issuer Accounts Agreement.

Issuer General Account

As from the Programme Date and on any relevant date thereafter, the Issuer General Account shall be credited or debited by the Issuer Accounts Bank, acting upon the instructions of the Issuer (or the Administrator acting on its behalf), with any and all amounts which are not specified to be credited or debited to any other Issuer Cash Accounts (the "**Issuer General Account**").

Cash Collateral Account

The Cash Collateral Account shall be credited and debited only subject to, and in accordance with, the Cash Collateral Agreement as described in sections "**The main Programme Documents – The Cash Collateral Agreement - The Cash Collateral Account**", "**Asset Monitoring - The Legal Liquidity Reserve**" and "**Asset Monitoring - The Pre-Maturity Test**" (the "**Cash Collateral Account**").

Upon the occurrence of a Borrower Event of Default which is enforced subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement, the Issuer (or the Administrator acting on its behalf) will give the appropriate instructions in order to ensure that the balance of the Cash Collateral Account be allocated in accordance with the applicable Priority Payment Order.

Share Capital Proceeds Account

On or prior to the Programme Date and upon instruction of the Issuer (or the Administrator acting on its behalf), the Share Capital Proceeds Account shall be credited with the amount of the Issuer Share Capital, the Issuer Subordinated Loan and the Super Subordinated Bonds Issue (the "**Share Capital Proceeds Account**").

The funds standing to the Share Capital Proceeds Account shall be invested from time to time in Permitted Investments. Such funds and the proceeds from the relevant Permitted Investments shall be included in the Issuer's available funds and allocated to the payments due by the Issuer in accordance with the applicable Priority Payment Order.

Representations, warranties and undertakings

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

Indemnities

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

Fees

In consideration of the services provided by the Issuer Accounts Bank to the Issuer under the Issuer Accounts Agreement, the Issuer (or the Administrator acting on its behalf) will pay to the Issuer Accounts Bank a fee to be computed subject to, and in accordance with, the provisions of the Issuer Accounts Agreement.

The Issuer Accounts Bank will not benefit from the *Privilège* for the payment of its fees or any other amounts that might be due by the Issuer under the Issuer Accounts Agreement.

Resignation of Issuer Accounts Bank

The Issuer Accounts Bank will not resign from the duties and obligations imposed on it as Issuer Accounts Bank pursuant to the Issuer Accounts Agreement, except as follows:

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

Such resignation shall become effective upon replacement of the Issuer Calculation Agent.

Issuer Accounts Bank's Defaults

Each of the following events shall constitute an Issuer Accounts Bank's Default (an "**Issuer Accounts Bank's Default**"):

- (a) any material representation or warranty made by the Issuer Accounts Bank is or proves to have been incorrect or misleading in any material respect when made, and the same is not remedied (if capable of

remedy) within sixty (60) Business Days after the Issuer has given notice thereof to the Issuer Accounts Bank or (if sooner) the Issuer Accounts Bank has knowledge of the same, provided that the Issuer, at its discretion, certifies that it is prejudicial to the interests of the holders of the relevant Covered Bonds;

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

If an Issuer Accounts Bank's Default occurs, the Issuer Accounts Bank shall notify the Issuer (or the Administrator) of such occurrence promptly after becoming aware of the same.

Issuer Accounts Bank Rating Trigger Event

If an Issuer Accounts Bank Rating Trigger Event occurs, the Issuer Accounts Bank will promptly notify the Issuer in writing of the occurrence of such event. Within sixty (60) calendar days of the occurrence of an Issuer Accounts Bank Rating Trigger Event:

- (a) the Issuer (or the Administrator acting on its behalf) shall have closed the then existing Issuer Bank Accounts and opened new accounts in its name under the terms of a new Issuer Accounts Agreement substantially on the same terms as the Issuer Accounts Agreement, with another financial institution whose:
 - (i) unsecured, unsubordinated and unguaranteed debt obligations are rated at least A-1 (short-term) and A(long-term) by S&P; and
 - (ii) long-term Deposit Rating or, if no such rating is assigned or applicable, long-term issuer default rating (IDR) is rated at least A- by Fitch Ratings or short-term Deposit Rating or, if no such rating is assigned or applicable, the short-term issuer default rating (IDR) is rated at least F1 by Fitch Ratings,

or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations and (ii) commensurate with the then current ratings of the Covered Bonds; or

- (b) subject to prior Rating Affirmation, the Issuer Accounts Bank has obtained a guarantee of its obligations under the Issuer Accounts Agreement on terms acceptable to the Issuer, acting reasonably, from a financial institution whose:
 - (i) unsecured, unsubordinated and unguaranteed debt obligations are rated at least A-1 (short-term) and A (long-term) by S&P; and
 - (ii) long-term issuer default rating (IDR) is rated at least A- by Fitch Ratings or short-term issuer default rating (IDR) is rated at least F1 by Fitch Ratings,

or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations and (ii) commensurate with the then current ratings of the Covered Bonds,

provided that failure to comply with the provisions of paragraph (a) or paragraph (b) above (each, a "**Remedy to an Issuer Accounts Bank Rating Trigger Event**") within the relevant sixty (60) calendar day-period shall constitute an Issuer Accounts Bank Termination Event within the meaning of the Issuer Accounts Agreement.

For the purpose of the above, "**Issuer Accounts Bank Rating Trigger Event**" means the event in which:

- (i) the unsecured, unsubordinated and unguaranteed debt obligations of the then appointed Issuer Accounts Bank become rated below A-1 (short-term) or A (long-term) by S&P; or
- (ii) the long-term Deposit Rating or, if no such rating is assigned or applicable, the long-term issuer default rating (IDR) of the then appointed Issuer Accounts Bank becomes rated below A- by Fitch Ratings and the short-term Deposit Rating or, if no such rating is assigned or applicable, the short-term issuer default rating (IDR) of the then Issuer Accounts Bank becomes rated below F1 by Fitch Ratings,

or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations and (ii) commensurate with the then current ratings of the Covered Bonds.

The same provisions will apply each time an Issuer Accounts Bank Rating Trigger Event occurs in relation to any substitute financial institution appointed in replacement of an Issuer Accounts Bank.

Termination

"**Issuer Accounts Bank Termination Events**" under the Issuer Accounts Agreement will include the following events:

- (a) the Issuer Accounts Agreement has been terminated in accordance with its scheduled term;
- (b) the occurrence of any Issuer Accounts Bank's Default;
- (c) the failure to comply with one or the other remedies to an Issuer Accounts Bank Rating Trigger Event within the relevant sixty (60) calendar day-period; or
- (d) as long as the Borrower is also the Issuer Accounts Bank, a Borrower Event of Default has occurred.

If an Issuer Accounts Bank Termination Event occurs, the Issuer shall terminate the appointment of the Issuer Accounts Bank under the Issuer Accounts Agreement by delivery of a written termination notice to the Issuer Accounts Bank (the "**Notice of Termination**"). Upon receipt by the Issuer Accounts Bank of the Notice of Termination, the appointment of the Issuer Accounts Bank under the Issuer Accounts Agreement will terminate with effect not earlier than twenty (20) Business Days as from the receipt by the Issuer Accounts Bank of the Notice of Termination or at any other date that the Issuer may have specified in the Notice of Termination, save for any continuing obligations of the Issuer Accounts Bank contained in the Issuer Accounts Agreement.

Upon the resignation of the Issuer Accounts Bank or termination of its appointment as Issuer Accounts Bank hereunder in accordance with the terms of the Issuer Accounts Agreement, the Issuer shall replace BNP Paribas, as Issuer Accounts Bank, at the costs of BNP Paribas, by any legal entity (the "**Substitute Issuer Accounts Bank**"), the choice of which being subject to prior Rating Affirmation. Upon its appointment and unless otherwise agreed with the Issuer (but subject to prior Rating Affirmation), the Substitute Issuer Accounts Bank shall:

- (a) have its unsecured, unsubordinated and unguaranteed debt obligations rated at least A-1 (short-term) and A (long-term) by S&P; and shall have a long-term Deposit Rating or, if no such rating is assigned or applicable, a long-term issuer default rating (IDR) rated at least A- by Fitch Ratings or a short term Deposit Rating or, if no such rating is assigned or applicable, a short-term issuer default rating (IDR) rated at least F1 by Fitch Ratings;
- (b) provide the Issuer with all necessary advice and assistance and know-how, whether technical or other, including in connection with the opening, maintaining and operation of the Issuer Accounts and the Programme Documents and, in particular, as described under the Issuer Accounts Agreement;
- (c) together with the Issuer Accounts Bank, take all steps necessary to replace the Issuer Accounts Bank in all rights and obligations arisen from the Programme Documents to which the Issuer Accounts Bank is a party and, for such purposes, become a party, as Issuer Accounts Bank, to any relevant Programme Documents to which the Issuer Accounts Bank is a party;

Notwithstanding its resignation or the termination of its appointment as Issuer Accounts Bank in accordance with the terms of the Issuer Accounts Agreement and notwithstanding any other provision of the Issuer Accounts Agreement, the duties of the Issuer Accounts Bank under the Issuer Accounts Agreement shall continue and the Issuer Accounts Bank shall continue to be bound by all its obligations under the Issuer Accounts Agreement until the earlier of (i) its replacement as Issuer Accounts Bank, or (ii) the termination of the Issuer Accounts Bank Agreement in accordance with its terms (the "**Service Termination Date**").

Term and Termination of the Issuer Accounts Bank Agreement

The Issuer Accounts Bank Agreement shall remain in effect for an initial period of ten (10) years and shall be automatically renewed for additional ten-year periods unless a party thereto notifies to the others its intention to terminate the Issuer Accounts Bank Agreement three (3) months prior to the end of the initial period or the additional periods, as the case may be in which case the Issuer Accounts Agreement shall terminate at the end of such three-month period.

Without prejudice to the other terms of the Issuer Accounts Bank Agreement, the Issuer Accounts Bank Agreement shall terminate:

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

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

Limited Recourse - Non petition - Amendments

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

VII. THE CALCULATION SERVICES AGREEMENT

This section sets out the main material terms of the Calculation Services Agreement.

Background

The "**Calculation Services Agreement**" refers to the agreement dated on or prior to the Programme Date and entered into between (i) BNP Paribas Home Loan SFH, in its capacity as "Lender" and (ii) BNP Paribas, in its capacity as "Issuer Calculation Agent" (the "**Issuer Calculation Agent**").

Purpose

Under the Calculation Services Agreement, BNP Paribas Home Loan SFH, as Issuer, appoints BNP Paribas as its servicer for the purposes of any calculation and determinations to be made under the Programme Documents (but excluding all calculation and determinations to be made with respect to the Series of Covered Bonds, such calculation and determinations to be made on behalf of the Issuer by the Calculation Agent under the Issuer Agency Agreement). The Issuer Calculation Agent will always act in the best and exclusive interest of BNP Paribas Home Loan SFH.

Duties of the Issuer Calculation Agent

Pursuant to the Calculation Services Agreement, the Issuer Calculation Agent will inter alia undertake:

- (a) any and all calculation in relation to the Borrower Facility Agreement and the Affiliate Facility Agreement, including, but not limited to, any interest and principal amounts and the effective global rate (*taux effectif global*);
- (b) any and all calculation in relation to the Borrower Collateral Security Agreement and the Affiliate Collateral Security Agreement, including, but not limited to, the Asset Cover Test (see section entitled "**Asset Monitoring**");
- (c) any and all calculation in relation to the Cash Collateral Agreement (see sections "**The main Programme Documents – The Cash Collateral Agreement**", "**The main Programme Documents – Affiliate Debt Commingling Account**" and "**Asset Monitoring**");
- (d) any and all calculation in relation to the Amortisation Test (see section entitled "**Asset Monitoring**").

Substitution and Agency

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

- (a) the Issuer Calculation Agent remains liable to the Issuer for the proper performance of those tasks and, with respect to the Issuer only, the relevant third party has expressly waived any right to any contractual claim against the Issuer; and
- (b) the relevant third party has undertaken to comply with all obligations binding upon the Issuer Calculation Agent under the Calculation Services Agreement.

Fees

In consideration of the services provided by the Issuer Calculation Agent to the Issuer under the Calculation Services Agreement, the Issuer will pay to the Issuer Calculation Agent a servicing fee computed subject to, and in accordance with, the provisions of the Calculation Services Agreement.

The Issuer Calculation Agent will not benefit from the *Privilège* for the payment of its fees or any other amounts that might be due to it by the Issuer under the Calculation Services Agreement.

Representations, warranties and undertakings

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

Indemnities

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

Resignation of the Issuer Calculation Agent

The Issuer Calculation Agent will not resign from the duties and obligations imposed on it as Issuer Calculation Agent pursuant to the Calculation Services Agreement, except:

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

Such resignation shall however be effective upon replacement of the Issuer Calculation Agent.

Issuer Calculation Agent's Defaults

Issuer Calculation Agent's Defaults will occur upon the occurrence of the following events:

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

If an Issuer Calculation Agent's Default has occurred, the Issuer Calculation Agent shall notify the Issuer of such occurrence promptly after becoming aware of it.

Issuer Calculation Agent Rating Trigger Event

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

For such purposes, "**Issuer Calculation Agent Rating Trigger Event**" means the event in which (i) the long-term senior unsecured, unsubordinated and unguaranteed debt obligations of the Issuer Calculation Agent become rated below BBB by S&P, or (ii) its senior long-term issuer default rating (IDR) becomes rated below BBB by Fitch Ratings (or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations and (ii) commensurate with the then current ratings of the Covered Bonds).

Termination

"**Issuer Calculation Agent Termination Events**" under the Calculation Services Agreement will include the following events:

- (a) the occurrence of any Issuer Calculation Agent's Default;
- (b) the occurrence of the Issuer Calculation Agent Rating Trigger Event; or
- (c) the occurrence of a Borrower Event of Default.

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

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

and save for any continuing obligations of the Issuer Calculation Agent contained in the Calculation Services Agreement.

Upon the resignation of the Issuer Calculation Agent or termination of its appointment as Issuer Calculation Agent hereunder in accordance with the terms of the Issuer Calculation Services Agreement, the Issuer shall replace BNP Paribas, as Issuer Calculation Agent, by any legal entity (the "**Substitute Issuer Calculation Agent**"), the choice of which being subject to prior Rating Affirmation. Upon its appointment and unless otherwise agreed with the Issuer (but subject to prior Rating Affirmation), the Substitute Issuer Calculation Agent shall:

- (a) provide the Issuer with all necessary assistance and know-how, whether technical or other, as described under this Calculation Services Agreement;
- (b) together with the Issuer Calculation Agent, take all steps necessary to replace the Issuer Calculation Agent in all rights and obligations arisen from the Programme Documents to which the Issuer Calculation Agent is a party and, for such purposes, become a party, as Issuer Calculation Agent, to any relevant Programme Documents to which the Issuer Calculation Agent is a party;

Notwithstanding its resignation or the termination of its appointment in accordance with the terms of the Issuer Calculation Services Agreement and notwithstanding any other provision of the Issuer Calculation Services Agreement, the duties of the Issuer Calculation Agent under the Issuer Calculation Services Agreement shall continue and the Issuer Calculation Agent shall continue to be bound by all its obligations hereunder until the earlier of (i) its replacement as Issuer Calculation Agent and (ii) the termination of the Issuer Calculation Services Agreement in accordance with its terms (the "**Service Termination Date**").

Term and Termination of the Issuer Calculation Services Agreement

The Issuer Calculation Services Agreement shall remain in effect for an initial period of ten (10) years and shall be automatically renewed for additional ten-year periods unless a party thereto notifies to the others its intention to terminate the Issuer Calculation Services Agreement three (3) months prior to the end of the initial period or the additional periods, as the case may be in which case this Calculation Services Agreement shall terminate at the end of such three-month period.

Without prejudice to the other terms of the Issuer Calculation Services Agreement, the Issuer Calculation Services Agreement shall terminate:

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

Agent, or (ii) the last day of the sixty (60) calendar days period starting on the date a Notice of Termination is delivered to the Issuer Calculation Agent.

The termination of the Issuer Calculation Services Agreement in accordance with its terms shall trigger the termination of the appointment of BNP Paribas as Issuer Calculation Agent thereunder on the relevant termination date of the Issuer Calculation Services Agreement.

Limited Recourse - Non petition - Amendments

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

ASSET MONITORING

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

Under the Borrower Collateral Security Agreement and for so long as no Borrower Event of Default has occurred and been enforced subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement, the Borrower shall monitor the Borrower Collateral Security Assets and cause each Affiliate to monitor the relevant Affiliate Collateral Security Assets so as to ensure compliance with an asset cover test (the "**Asset Cover Test**").

Under the Cash Collateral Agreement and for so long as no Borrower Event of Default has occurred and been enforced subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement, the Borrower, as Cash Collateral Provider, shall fund the Cash Collateral Account up to an amount determined in accordance with the Cash Collateral Agreement.

Under Condition 5(f) of the Terms and Conditions of the Covered Bonds and following the enforcement of a Borrower Event of Default subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement, the Issuer shall ensure compliance with an amortisation test (the "**Amortisation Test**").

I. THE ASSET COVER TEST

The following terms shall have the following definitions:

"**Asset Cover Test Date**" means the twentieth (20th) day of each calendar month and each issuance date of a Series or a Tranche of Covered Bonds. The first Asset Cover Test Date was on 20 December 2006.

"**Asset Cover Test Calculation Period**" means, in relation to any Asset Cover Test Date, each period starting on, and including, the immediately preceding Asset Cover Test Date, and ending on, and excluding such Asset Cover Test Date.

Compliance with the Asset Cover Test requires compliance with the asset cover ratio R specified below (the "**Asset Cover Ratio**"). Such compliance is tested by the Issuer Calculation Agent from time to time subject to, and in accordance with, the relevant terms of the Borrower Collateral Security Agreement and the Calculation Services Agreement.

The Asset Cover Ratio (R)

"**R**" means the following ratio which shall be at least equal to one (1) at each Asset Cover Test Date:

$$R = \frac{\text{Adjusted Aggregate Asset Amount (AAAA)}}{\text{Aggregate Covered Bond Outstanding Principal Amount}}$$

whereby:

"**Aggregate Covered Bond Outstanding Principal Amount**" or "**ACBOPA**" means, at any Asset Cover Test Date, the aggregate amount of principal (in Euro or Euro Equivalent with respect to Covered Bonds denominated in a Specified Currency) outstanding at such date under all Covered Bonds;

whereby:

"**Euro Equivalent**" means the Euro equivalent amount of the relevant amount denominated in the Specified Currency (as defined in section "Terms and Conditions of the Covered Bonds"), being specified that, if any Borrower Advance is denominated in a Specified Currency and the Issuer and the Borrower have agreed in advance the foreign exchange rate that will be applicable, either (i) in the Hedging Agreements entered into by the Issuer or (ii) in the final terms for the related Borrower Advance, as applicable, then the amount of Eligible Assets that will be required to be transferred by the Borrower and/or an Affiliate in accordance with the

relevant terms of the Borrower Collateral Security Agreement or any Affiliate Collateral Security Agreement and which shall secure the "euro equivalent" amount of such Borrower Advance, shall be calculated using the above mentioned pre-agreed foreign exchange rate.

"Adjusted Aggregate Asset Amount (AAAA)" means, at any Asset Cover Test Date:

$$(AAAA) = A + B + C + D$$

whereby:

"A" means the lower of "A1" and "A2".

"A1" is equal to the sum of all Adjusted Home Loan Outstanding Principal Amounts of all Relevant Home Loans (see section entitled **"The main Programme Documents - The Borrower Collateral Security"** for a description of the Home Loans Eligibility Criteria) during the applicable Asset Cover Test Calculation Period (the **"Relevant Home Loans"**), as such Adjusted Home Loan Outstanding Principal Amounts under Borrower Facility will be calculated on the relevant Asset Cover Test Date, whereby:

"Adjusted Home Loan Outstanding Principal Amount" means, with respect to each Relevant Home Loan, 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.

"Applicable Deemed Reductions" means the aggregate sum of the financial losses incurred by the Borrower or (as appropriate) any Affiliate with respect to the Relevant Home Loans to the extent that such financial losses have been incurred as a direct result of a material breach of the Servicing Procedures by the Borrower or (as appropriate) such Affiliate during the applicable Asset Cover Test Calculation Period (see section entitled **"The main Programme Documents - The Borrower Collateral Security Agreement – Asset Servicing"** for a description of the Servicing Procedures).

"Home Loan Outstanding Principal Amount" means, with respect to each Relevant Home Loan, the amount of principal outstanding at the relevant Asset Cover Test Date under such Relevant Home Loan.

"Index" means the index of increases of house prices issued by INSEE in relation to residential properties in France.

"Indexed Valuation" means at any date in relation to any Relevant Home Loan secured over any property:

- (i) where the Original Market Value of that property is equal to or greater than the Price Indexed Valuation as at that date, the Price Indexed Valuation; or
- (ii) where the Original Market Value of that property is less than the Price Indexed Valuation as at that date, the Original Market Value plus eighty per cent. (80%) of the difference between the Price Indexed Valuation and the Original Market Value.

"LTV Cut-Off Percentage" means:

- (i) eighty per cent. (80%) for each Relevant Home Loan secured by a Mortgage;
- (ii) eighty per cent. (80%) for each Relevant Home Loan secured by a Home Loan Guarantee issued by *Crédit Logement*;
- (iii) a percentage which will be agreed with the Rating Agencies from time to time for each Relevant Home Loan that has the benefit of an insurance policy with an acceptable insurer or guarantee with an acceptable financial institution, insuring the credit risk under such Relevant Home Loan; and

- (iv) a percentage which will be determined in accordance with the methodologies published by S&P and Fitch Ratings from time to time for each Relevant Home Loan not mentioned under (i) to (iii) above.

"Original Market Value" in relation to any property means the purchase price of such property or (as applicable) the most recent valuation of such property, as disclosed to the Borrower or the relevant Affiliate by the relevant debtor under the related Relevant Home Loan.

"Price Indexed Valuation" in relation to any property at any date means the Original Market Value of that property increased or decreased as appropriate by the increase or decrease in the Index since the date of the Original Market Value.

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

"A2" is equal to the sum of all unadjusted "Home Loan Outstanding Principal Amounts" of all Relevant Home Loans minus the Applicable Deemed Reductions (as defined above) multiplied by the applicable Asset Percentage, whereby:

"Asset Percentage" means (i) ninety-two point five per cent. (92.5%) or (ii) such percentage figure as is determined on quarterly basis by the Issuer Calculation Agent pursuant to the relevant terms of the Borrower Collateral Security Agreement.

For the purpose of the calculation of the Asset Percentage referred to in (ii) above, the Issuer Calculation Agent will calculate, on a quarterly basis (subject to below), the WARR, the WAFF, and the WALs (and/or such figures calculated by the Issuer Calculation Agent in accordance with any relevant alternative methodologies published by S&P and Fitch Ratings) for all Relevant Home Loans or for a random sample of the same. The WARR, WAFF and WALs (or other relevant figures) so calculated will be incorporated by the Issuer Calculation Agent into one (1) or more cash flow models designed by the Issuer Calculation Agent in accordance with the methodologies published by S&P and Fitch Ratings. Such models, which test the credit enhancement required in various cash flow scenarios, will indicate, on the basis of the latest WARR, WAFF and WALs figures (or other relevant figures), the Asset Percentage needed in order to provide credit enhancement to cover all such cash flow scenarios. Save where otherwise determined in accordance with the methodologies published by S&P and Fitch Ratings, the Asset Percentage will be adjusted in accordance with the various methodologies published by S&P and Fitch Ratings provided that the Asset Percentage may not, at any time, exceed ninety two point five per cent. (92.5%).

"B" is equal to the aggregate amount of cash standing to the credit of the Cash Collateral Account, as reported by the Borrower in the relevant Asset Report.

"C" is equal to the aggregate value outstanding under all Eligible Substitution Assets held by the Issuer (the **"Aggregate Eligible Substitution Asset Amount (AESAA)"**) provided that, the amount of the Aggregate Eligible Substitution Asset Amount (AESAA) (whatever such amount is at any Asset Cover Test Date) shall in any event account only for up to twenty per cent. (20%) of the Adjusted Aggregate Asset Amount (AAAA) for the purposes hereof. The Aggregate Eligible Substitution Asset Amount (AESAA) shall be reported by the Borrower in the relevant Asset Report. Eligible Substitution Assets will be valued on the last Business Day of the calendar month immediately preceding each Asset Cover Test Date and be taken into account for their mark-to-market value at a discount based on a methodology published by the Rating Agencies.

For the purposes of the above calculation, an **"Eligible Substitution Asset"** is:

- (a) any Legal Substitution Asset (other than a Permitted Investment) which is a Euro or another Specified Currency demand or time deposit, certificate of deposit, long-term debt obligation or short-term debt obligation (including commercial paper) provided that in all cases such investment has a remaining period to maturity of one (1) year or less and the short-term unsecured, unguaranteed and unsubordinated debt obligations or, as applicable, the long-term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposit is made (being duly licensed for such purposes) are rated at least A1+/AA- by S&P and AA- and F1+ by Fitch Ratings (or, after the date hereof, any other rating levels (i) as may be

required by applicable laws and regulations and (ii) commensurate with the then current ratings of the Covered Bonds); or

- (b) any Legal Substitution Asset (other than a Permitted Investment) which is a Euro or another Specified Currency denominated government and public securities, provided that such investment has a remaining maturity of one (1) year or less and is rated at least AAA by S&P and AAA by Fitch Ratings (or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations and (ii) commensurate with the then current ratings of the Covered Bonds); or
- (c) any substitution assets which are eligible for an investment by a *société de financement à l'habitat* and which comply with the then applicable criteria determined in accordance with the methodologies published by the Rating Agencies.

"D" is equal to the aggregate value outstanding under all Permitted Investments, as determined by the Issuer Accounts Bank (or the Administrator on its behalf) and reported to the Issuer Calculation Agent pursuant to the Issuer Accounts Bank Agreement. Permitted Investments will be valued on the last Business Day of the calendar month immediately preceding each Asset Cover Test Date and be taken into account for their market-to-market value at a discount based on a methodology published by the Rating Agencies.

Calculation of the Asset Cover Ratio (R)

On each Asset Cover Test Date, the Asset Cover Ratio (R) shall be calculated by the Issuer Calculation Agent according to the terms, definitions and calculation formula set forth above.

No later than three (3) Business Days following any Asset Cover Test Date, the Issuer Calculation Agent shall inform the Issuer and the Borrower (with a copy to the Rating Agencies) of its calculation of the Asset Cover Ratio (R).

Non Compliance with Asset Cover Test

Non compliance with the Asset Cover Test (the "**Non Compliance with Asset Cover Test**") would result from the Asset Cover Test Ratio (R) being less than one (1).

Remedies

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

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

in each case, as necessary to cure such Non Compliance with Asset Cover Test.

A Non Compliance with Asset Cover Test does not constitute the occurrence of an Issuer Event of Default or a Borrower Event of Default. However, it will prevent the Issuer from issuing any further Series as long as it remains unremedied.

Breach of Asset Cover Test

The failure by the Borrower to cure a Non Compliance with Asset Cover Test occurred on any Asset Cover Test Date prior to the next following Asset Cover Test Date shall constitute a "**Breach of Asset Cover Test**" within the meaning of the Borrower Collateral Security Agreement. The Issuer Calculation Agent will inform promptly the Issuer and the Borrower (with a copy to the Rating Agencies) of its calculation of the Asset Cover Ratio and, if applicable, the occurrence of a Breach of Asset Cover Test.

A Breach of Asset Cover Test constitutes the occurrence of a Borrower Event of Default.

A Breach of Asset Cover Test will not constitute the occurrence of an Issuer Event of Default but will prevent the Issuer from issuing any further Series, except for the purposes of subscription by the Issuer of Auto-held Covered-Bonds in accordance with Condition 19 of the Terms and Conditions of the Covered Bonds.

II. THE MINIMUM LEGAL OVERCOLLATERALISATION RATIO

In accordance with the French SFH Legal Framework on the date hereof, and in particular pursuant to Articles L. 513-12 and R. 513-8 of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer must at all times maintain a Minimum Legal Overcollateralisation Ratio (see section entitled "**Summary of the SFH Legal Framework and other legal issues**").

Non-compliance by the Issuer with the Minimum Legal Overcollateralisation Ratio shall constitute a "**Breach of Minimum Legal Overcollateralisation Ratio**". The Specific Controller is legally responsible for notifying promptly the Issuer and the *Autorité de contrôle prudentiel et de résolution* of the occurrence of a Breach of Minimum Legal Overcollateralisation Ratio. Upon such notification, the Issuer shall then notify the Borrower, the Rating Agencies and the Issuer Calculation Agent of the same.

A Breach of Minimum Legal Overcollateralisation Ratio does not constitute the occurrence of a Borrower Event of Default or an Issuer Event of Default. However, it may trigger the withdrawal of the license of the Issuer as a *société de financement de l'habitat*.

III. THE PRE-MATURITY TEST

The contractual liquidity test of the Issuer (the "**Pre-Maturity Test**") shall be deemed complied with for so long as, in relation to any and each Series of Covered Bonds, (i) no Pre-Maturity Rating Downgrade Event has occurred during any Pre-Maturity Test Period, or (ii) if, to the contrary, a Pre-Maturity Rating Downgrade Event has occurred and is continuing during any Pre-Maturity Test Period, the Cash Collateral Provider has duly funded the Cash Collateral Account with the relevant Cash Collateral, up to the relevant amount within fourteen (14) calendar days from the day of occurrence of such Pre-Maturity Rating Downgrade Event or any relevant date thereafter.

The Cash Collateral Provider shall be requested to fund the Cash Collateral Account with the relevant Cash Collateral, up to the relevant amount, if the Borrower fails to maintain, during any Pre-Maturity Test Period (as defined below), any of the Pre-Maturity Rating Required Levels (a "**Pre-Maturity Rating Downgrade Event**"). The occurrence of a Pre-Maturity Rating Downgrade Event does not constitute the occurrence of a Borrower Event of Default or an Issuer Event of Default.

The following credit ratings with respect to the Borrower are defined as the "**Pre-Maturity Rating Required Levels**" for the purposes of the Cash Collateral Agreement:

- (i) A-1 (short-term) and A (long-term) by S&P; and
- (ii) F1 (short-term) or A (long-term) by Fitch Ratings;

or, after the date hereof, any other rating levels (i) as may be required by applicable laws and regulations and (ii) commensurate with the then current ratings of the Covered Bonds.

Upon the occurrence of a Pre-Maturity Rating Downgrade Event, the Issuer Calculation Agent shall inform the Cash Collateral Provider of the same within three (3) Business Days from such occurrence by written notice (the "**Cash Collateral Funding Notice**") delivered to the Cash Collateral Provider (with a copy to the Issuer, the Administrator and the Rating Agencies).

At any relevant time and in particular upon receipt of a Cash Collateral Funding Notice by the Cash Collateral Provider, the Cash Collateral Provider shall fund the Cash Collateral Account within the required time period specified above up to an amount (the "**Cash Collateral Required Funding Amount**" or "**CCRFA**") calculated by the Issuer Calculation Agent as being equal to the greater of:

- a. the Pre-Maturity Test Required Amount; and
- b. the amount of the Legal Liquidity Reserve on such date.

The following amount is defined as the "**Pre-Maturity Test Required Amount**" for the purposes of the Cash Collateral Agreement:

Pre-Maturity Test Required Amount = A+B+C

with:

A = Pre-Maturity Covered Bond Principal Amount in relation to the relevant Series of Covered Bonds

B = Pre-Maturity Covered Bond Interest Amount in relation to the relevant Series of Covered Bonds

C = Pre-Maturity Costs

whereby:

"Pre-Maturity Costs" means the aggregate amount of fees, costs, expenses, taxes and other ancillary sums (excluding interest and principal amounts) scheduled to be paid by the Issuer within the next one hundred eighty (180th) calendar days and known by the Issuer at the date of the delivery of the Cash Collateral Funding Notice.

"Pre-Maturity Covered Bond Principal Amount" means the aggregate amount (in Euro or Euro Equivalent with respect to Covered Bonds denominated in a Specified Currency other than Euro) of principal that will become due and payable under any relevant outstanding Covered Bonds for which the relevant Pre-Maturity Test Period has started. For the avoidance of doubt and when applicable, the Euro principal amount that will become due and payable by the Issuer under the Issuer Hedging Agreement for the same period shall be taken into account instead for Covered Bonds denominated in a Specified Currency other than Euro.

"Pre-Maturity Covered Bond Interest Amount" means the aggregate amount (in Euro or Euro Equivalent with respect to Covered Bonds denominated in a Specified Currency other than Euro) of interest that will become due and payable under any outstanding Covered Bonds within the next one hundred eighty (180th) calendar days. For the avoidance of doubt, the Euro interest amount that will become due and payable by the Issuer under the Issuer Hedging Agreement for the same period shall be taken into account instead for Covered Bonds denominated in a Specified Currency other than Euro.

"Pre-Maturity Test Period" means (i) with respect to any Series of outstanding Covered Bonds which are not Soft Bullet Covered Bonds, the period starting from, and including, the one hundred eighty (180th) calendar day preceding the Final Maturity Date of that Series and ending on, and including, such Final Maturity Date, and (ii) with respect to any Series of outstanding Soft Bullet Covered Bonds, the period starting from, and excluding, the one hundred eighty (180th) calendar day preceding the Extended Final Maturity Date of that Series and ending on, and including, such Extended Final Maturity Date.

"Soft Bullet Covered Bonds" means the Covered Bonds containing an Extended Final Maturity Date specified in the relevant Final Terms.

Each of the following events shall constitute a "**Breach of Pre-Maturity Test**":

- (a) the failure by the Cash Collateral Provider to fund into the Cash Collateral Account the CCRFA within fourteen (14) calendar days from the day of occurrence of a Pre-Maturity Rating Downgrade Event; or
- (b) as long as a Pre-Maturity Rating Downgrade Event is continuing during any Pre-Maturity Test Period, the failure by the Cash Collateral Provider to maintain at any time into the Cash Collateral Account an amount equal to the CCRFA within fourteen (14) calendar days from that time.

For the avoidance of doubt, if on the same date, an Interest Reserve Rating Trigger Event has also occurred and is continuing, such failure shall be assessed if the credit balance of the Cash Collateral Account on the relevant

date is not at least equal to the sum of the Interest Reserve and the relevant CCRFA. A Breach of Pre-Maturity Test shall constitute a Borrower Event of Default under the Borrower Facility Agreement.

IV. THE INTEREST RESERVE

Upon downgrading of the credit ratings of the Borrower below A or A-1 by S&P (each, an "**Interest Reserve Rating Trigger Event**"), the Cash Collateral Provider shall be required to fund into the credit of the Cash Collateral Account, within thirty (30) calendar days following the occurrence of an Interest Reserve Rating Trigger Event, an amount calculated by the Issuer Calculation Agent in accordance with the provisions below.

The amount to be funded and maintained into the credit of the Cash Collateral Account in this respect (the "**Interest Reserve**") shall be equal to the positive difference between:

- (i) the interests amounts (in Euro or Euro Equivalent with respect to Covered Bonds denominated in a Specified Currency other than Euro) to be paid under the Covered Bonds until the latest maturity of the Covered Bonds (by taking into account, for any floating rate interest amount, forward projections of the relevant index). For the avoidance of doubt, the Euro interest amount to be paid by the Issuer under the Issuer Hedging Agreement shall be taken into account instead for Covered Bonds denominated in a Specified Currency other than Euro; and
- (ii) the interests amounts to be received under the Collateral Security Assets (taking into account their contractual amortization profile and assuming, for floating rate interests, that the rates remain on their current level as of calculation date) until the latest maturity of the Covered Bonds.

As long as an Interest Reserve Rating Trigger Event is continuing, on each Asset Cover Test Date following the occurrence of the Interest Reserve Rating Trigger Event, the Cash Collateral Provider shall fund into the Cash Collateral Account an amount equal to the Interest Reserve (if any) on such date.

Each of the following events shall constitute a "**Breach of Interest Reserve Funding Requirement**":

- (a) the failure by the Cash Collateral Provider to fund into the Cash Collateral Account the Interest Reserve within thirty (30) calendar days from the day of occurrence of an Interest Reserve Rating Trigger Event; or
- (b) as long as an Interest Reserve Rating Trigger Event is continuing, the failure by the Cash Collateral Provider to maintain at any time into the Cash Collateral Account an amount equal to the Interest Reserve within thirty (30) calendar days from that time.

For the avoidance of doubt, if on the same date, a Pre-Maturity Rating Downgrade Event has also occurred and is continuing, such failure shall be assessed if the credit balance of the Cash Collateral Account on the relevant date is not at least equal to the sum of the Interest Reserve and the relevant CCRFA. A Breach of Interest Reserve Funding Requirement shall constitute a Borrower Event of Default under the Borrower Facility Agreement.

V. THE AMORTISATION TEST

Following the enforcement of a Borrower Event of Default subject to, and in accordance with, the relevant terms of the Borrower Facility Agreement, the Issuer undertakes to comply with the Amortisation Test in accordance with Condition 5 (f) of the Terms and Conditions of the Covered Bonds.

For the purpose of the determination of the Amortisation Ratio, the following terms shall have the following definitions:

"**Amortisation Test Date**" means the twentieth (20th) day of each calendar month following the enforcement of a Borrower Event of Default.

"**Amortisation Test Calculation Period**" means, in relation to any Amortisation Test Date, each period starting on, and including, the immediately preceding Amortisation Test Date, and ending on, and excluding such Amortisation Test Date.

Compliance with the Amortisation Test requires compliance with the amortisation ratio RA specified below (the "**Amortisation Ratio (RA)**"). Such compliance is tested by the Issuer Calculation Agent from time to time throughout the period following the enforcement of a Borrower Event of Default subject to, and in accordance with the Condition 5(f) of the Terms and Conditions of the Covered Bonds and the Calculation Services Agreement.

The Amortisation Ratio

"**RA**" means the following ratio which shall be at least equal to one (1) at each Amortisation Test Date:

$$RA = \frac{TAAA'}{ACBOPA}$$

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 Relevant Transferred Home Loan, as such "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 Borrower Collateral Security 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, 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 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 of the Terms and Conditions of the Covered Bonds.

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 and to the Specific Controller) of the occurrence of a Breach of Amortisation Test.

A Breach of Amortisation Test constitutes the occurrence of an Issuer Event of Default.

CASH FLOW

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

Cash management

Pursuant to the Administrative Agreement, the Administrator will assist the Issuer in operating its bank accounts, the management and investment of its available cash in Permitted Investments in accordance with the relevant Permitted Investments rules, and any other matters in relation to the management of its bank accounts and funds so as to ensure that the Issuer will at all times comply with the provisions of the Programme Documents and the SFH Legal Framework.

Pursuant to the Administrative Agreement and, subject to and, in accordance with the Terms and Conditions, the Administrator will invest any cash standing from time to time to the credit of the Issuer Cash Accounts pending application in accordance with the Priority Payment Orders (see section entitled "**Cash Flow - Priority Payment Orders**"), in instruments which qualify as "Permitted Investments" (as defined in "**The Issuer – The Administrative Agreement**").

Issuer Accounts

Available Funds of the Issuer will be from time to time credited and debited by the Administrator on behalf of the Issuer into the Issuer Cash Accounts opened in the books of the Issuer Accounts Bank (see section entitled "**The main Programme Documents – The Issuer Accounts Bank Agreement**" for a further description of the Issuer Accounts).

For the purposes hereof:

"**Available Funds**" means:

- (a) in the absence of service of a Borrower Enforcement Notice (and whether an Issuer Enforcement Notice has been served to the Fiscal Agent (with copy to the Issuer and to the Rating Agencies) or not):
 - (i) payment proceeds from the Borrower under the Borrower Facility Agreement;
 - (ii) cash standing to the credit of the Issuer General Account or the Share Capital Proceeds Account (including proceeds from Permitted Investments invested with such cash (if any));
 - (iii) any Cash Collateral (if any) standing to the credit of the Cash Collateral Account and the Affiliate Debt Commingling Account (including proceeds from Permitted Investments invested with any such Cash Collateral (if any));
 - (iv) 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; and
 - (v) 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 whether an Issuer Enforcement Notice has been served to the Fiscal Agent (with copy to the Issuer and to the Rating Agencies) or not):
 - (i) payment proceeds, whether in interest, principal or otherwise, received by the Issuer following service of a notice to any or all debtors under the Home Loans mentioning the new payment instructions to be observed by the same with respect to the payment of sums due under the Home Loans and/or the related Asset Contractual Documentation and standing to the credit of the Issuer General Account;

- (ii) insurance proceeds and other proceeds (other than that proceeds mentioned in (i)) above received entities by the Issuer under the Home Loans and standing to the credit of the Issuer General Account;
- (iii) payment proceeds, whether in interest, principal or otherwise, received by the Issuer from the debtors under the Legal Substitution Assets and standing to the credit of the Issuer General Account;
- (iv) proceeds from disposal of, transfer, sale or refinancing (by way of securitisation or otherwise) of the Home Loans and standing to the credit of the Issuer General Account;
- (v) proceeds from the enforcement of any Home Loan Security (if any) and standing to the credit of the Issuer General Account;
- (vi) cash from Permitted Investments (if any) standing to the credit of the Issuer General Account;
- (vii) cash standing to the credit of the Cash Collateral Account Account and the Affiliate Debt Commingling Account;
- (viii) payment proceeds from the Issuer Hedging Agreements and Borrower Hedging Agreements (if any);
- (ix) cash standing to the credit of the Share Capital Proceeds Account; and
- (x) proceeds from disposal of, transfer, sale or refinancing (by way of securitisation or otherwise) of all other eligible assets of the Issuer and standing to the credit of the Issuer General Account.

Priority Payment Orders

Pre-Enforcement Priority Payment Order

In the absence of service by the Issuer (represented by the Issuer Independent Representative or by the Administrator) to the Borrower of a Borrower Enforcement Notice and in the absence of service of an Issuer Enforcement Notice, on any Payment Date and (as applicable) Final Maturity Date (or the Extended Final Maturity Date, if any) of each relevant Series of Covered Bonds, the Administrator (on behalf of the Issuer) will give the appropriate instructions to the Issuer Accounts Bank to debit the relevant Issuer Cash Accounts and (as the case may be) the relevant Issuer Securities Accounts (other than the Issuer General Account) from the cash that shall constitute the Available Funds of the Issuer on such date and shall credit the same into the Issuer General Account. The Administrator (on behalf of the Issuer) shall then give the appropriate instructions on such date to the Issuer Accounts Bank and the Paying Agent to apply the Available Funds of the Issuer to the following payments owed by the Issuer on such date, in the following Pre-Enforcement Priority Payment Order:

- (i) **first**, in or towards payment or discharge *pari passu* and *pro rata* of any and all amounts (including in particular but without limitation any termination cost) then due and payable by the Issuer, if any, as the case may be, after netting if applicable in accordance with the provisions of Article L. 513-10 of the French Monetary and Financial Code (*Code monétaire et financier*), under the Issuer Hedging Agreements (other than the Issuer Hedging Subordinated Termination Costs, as defined below) (the "**Issuer Hedging Costs**");
- (ii) **secondly**, in or towards payment or discharge *pari passu* and *pro rata* of any and all Interest Amounts then due and payable by the Issuer under the relevant series of Covered Bonds;
- (iii) **thirdly**, in or towards payment or discharge *pari passu* and *pro rata* of any and all principal amounts then due and payable by the Issuer under the relevant series of Covered Bonds;
- (iv) **fourthly**, in or towards payment or discharge *pari passu* and *pro rata* of any and all amounts then due and payable by the Issuer, if any, in respect of any payments to be made by the Issuer following an early termination of the Issuer Hedging Agreements as a result of an event of default under the same in respect of which the relevant hedge counterparty of the Issuer is the defaulting party or

following a termination event of the same in respect of which the hedge counterparty of the Issuer is the affected party (together, the "**Issuer Hedging Subordinated Termination Costs**");

- (v) **fifthly**, in or towards payment or discharge *pari passu* and *pro rata* of the amounts then due and payable by the Issuer to (a) the Administrator under Clauses 7, 8 and 9 of the Administrative Agreement, if any, and (b) the servicer under the servicing agreement pursuant to which the servicing of the 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;
- (vi) **sixthly**, in or towards payment or discharge *pari passu* and *pro rata* of any and all amounts (excluding any termination amounts which shall be reduced to zero (0) in accordance with the Borrower Hedging Agreement) then due and payable by the Issuer, if any as the case may be, after netting if applicable in accordance with the provisions of Article L. 513-10 of the French Monetary and Financial Code (*Code monétaire et financier*) under the Borrower Hedging Agreement(s) (the "**Borrower Hedging Costs**");
- (vii) **seventhly**, only after and subject to the payment of any due and payable amounts due to the Issuer's creditors under item (i) to item (vi) hereabove (the "**Privileged Creditors**"), and, as applicable, in accordance with any statutory or preference right they may benefit from the then applicable general law, in or towards payment or discharge of (a) the Issuer's liability, if any, to taxation, (b) any costs, expenses, fees, remuneration and indemnity payments (if any) and any other amounts payable by the Issuer to any relevant entity in connection with the holding of any meeting of holders of Covered Bonds, to any stock exchange and other listing entities where the Covered Bonds are listed, any clearing systems entities where the Covered Bonds are cleared, BNP Paribas (with respect to any insurance premium, regulatory, professional and legal fees, costs and other expenses paid by BNP Paribas on behalf of the Issuer and to be repaid by the Issuer to BNP Paribas subject to, and in accordance with, the relevant terms of the *Convention d'Externalisation et de Mise à Disposition de Moyens*), the Administrator (other than the amounts referred to under item (v) above), the Issuer Calculation Agent, the Issuer Accounts Bank, the Paying Agent(s), the Permanent Dealers, the Dealers, the Fiscal Agent(s), the Calculation Agent(s), the Issuer's Auditors, the Specific Controller, the Substitute Specific Controller, the Representatives and the Rating Agencies in respect of the monitoring fees (together (a) and (b), the "**Administrative and Tax Costs**"), (c) any and all amounts then due and payable by the Issuer to the Cash Collateral Provider under the Cash Collateral Agreement, and (d) any and all amounts then due and payable by the Issuer with respect to any other resources raised by the Issuer, if any, in accordance with Article L. 513-30 of the French Monetary and Financial Code (*Code monétaire et financier*) and which do not benefit from the *Privilège*;
- (viii) **eighthly**, in or towards payment *pari passu* and *pro rata* of any and all amounts then due and payable by the Issuer with respect to (i) any dividend to be then distributed to the Issuer's shareholders, and (ii) interest, principal and other payments then due and payable under the Subordinated Loan; and
- (ix) **ninthly**, in or towards payment *pari passu* and *pro rata* of any and all amounts then due and payable by the Issuer with respect to (i) any dividend to be then distributed to the Issuer's shareholders, and (ii) interest, principal and other payments then due and payable under the Super Subordinated Bonds Issue.

Controlled Post-Enforcement Priority Payment Order

In the event of service by the Issuer (represented by the Issuer Independent Representative or by the Administrator) to the Borrower of a Borrower Enforcement Notice and thereafter unless and until an Issuer Enforcement Notice is served to the Issuer, on any Payment Date and (as applicable) Final Maturity Date (or the Extended Final Maturity Date, if any) of each relevant Series of Covered Bonds, the Administrator (on behalf of the Issuer) will give the appropriate instructions to the Issuer Accounts Bank to debit the relevant Issuer Cash Accounts and (as the case may be) the relevant Issuer Securities Accounts (other than the Issuer General Account) from the cash that shall constitute the Available Funds of the Issuer on such date and shall credit the same into the Issuer General Account. The Administrator (on behalf of the Issuer) shall then give the appropriate instructions on such date to the Issuer Accounts Bank and the Paying Agent to apply the Available

Funds of the Issuer to the following payments owed by the Issuer on such date, in the following Controlled Post-Enforcement Priority Payment Order:

- (i) **first**, in or towards payment or discharge *pari passu* and *pro rata* of any and all Issuer Hedging Costs then due and payable by the Issuer, if any; or
- (ii) **secondly**, in or towards payment or discharge *pari passu* and *pro rata* of any and all Interest Amounts then due and payable by the Issuer under the relevant series of Covered Bonds;
- (iii) **thirdly**, in or towards payment or discharge *pari passu* and *pro rata* of any and all principal amounts then due and payable by the Issuer under the relevant series of Covered Bonds;
- (iv) **fourthly**, in or towards payment or discharge *pari passu* and *pro rata* of any amounts then due and payable by the Issuer to (a) the Administrator under Clauses 7, 8 and 9 of the Administrative Agreement, if any, and/or (b) the new servicer under the servicing agreement entered into by the Issuer in accordance with Article L. 513-15 of the French Monetary and Financial Code (*Code monétaire et financier*), as the case may be;
- (v) **fifthly**, only after and subject to the full repayment of any outstanding Covered Bonds, in or towards payment or discharge *pari passu* and *pro rata* of any and all Issuer Hedging Subordinated Termination Costs then due and payable by the Issuer, if any;
- (vi) **sixthly**, only after and subject to the full repayment of any outstanding Covered Bonds, in or towards payment or discharge *pari passu* and *pro rata* of any and all Borrower Hedging Costs then due and payable by the Issuer, if any;
- (vii) **seventhly**, only after and subject to the full repayment of any outstanding Covered Bonds, and, as applicable, in accordance with any statutory or preference right they may benefit from the then applicable general law, in or towards payment or discharge of (a) any and all Administrative and Tax Costs then due and payable by the Issuer and (b) any and all amounts then due and payable by the Issuer with respect to any other resources raised by the Issuer, if any, in accordance with Article L. 513-30 of the French Monetary and Financial Code (*Code monétaire et financier*) and which do not benefit from the *Privilège*;
- (viii) **eighthly**, (a) only after and subject to the full repayment of any outstanding Covered Bonds, in or towards payment *pari passu* and *pro rata* of any and all amounts then due and payable by the Issuer with respect to any and all enforcement proceeds surplus amounts remaining after enforcement of the Borrower Collateral Security subject to, and in accordance with, the relevant terms of the Borrower Collateral Security Agreement and any and all amounts then due and payable by the Issuer to the Cash Collateral Provider under the Cash Collateral Agreement, (b) only after and subject to the full repayment of any outstanding Covered Bonds and sums referred to in (a) above, in or towards payment *pari passu* and *pro rata* of any and all amounts then due and payable by the Issuer to any third parties (with respect to any dividend already voted and to be then distributed to the Issuer's shareholders, and interest, principal and other payments then due and payable under the Subordinated Loan), and (c) only after and subject to the full repayment of any outstanding Covered Bonds and sums referred to in (a) and (b) above, in or towards payment *pari passu* and *pro rata* of any and all amounts then due and payable by the Issuer under the Super Subordinated Bonds Issue (including any dividend already voted and to be then distributed to the Issuer's shareholders, and interest, principal and other payments then due and payable).

Accelerated Post-Enforcement Priority Payment Order

In the event of service of an Issuer Enforcement Notice and thereafter (whether a Borrower Enforcement Notice shall have been served to the Borrower or not), the Administrator (on behalf of the Issuer) will promptly and no later than three (3) Business Days after receipt by the Issuer of such Issuer Enforcement Notice give the appropriate instructions to the Issuer Accounts Bank to debit all the Issuer Accounts (other than the Issuer General Account) from the cash that shall constitute the Available Funds of the Issuer on such date and shall credit the same into the Issuer General Account. The Administrator (on behalf of the Issuer) shall then give the appropriate instructions on such date to the Issuer Accounts Bank and the Paying Agent to apply the Available

Funds of the Issuer to the following payments owed by the Issuer on such date, in the following Accelerated Post-Enforcement Priority Payment Order:

- (i) **first**, in or towards payment or discharge *pari passu* and *pro rata* of (a) any and all Issuer Hedging Costs then due and payable by the Issuer, if any, and remaining unpaid at such date, (b) any and all amounts then due and payable by the Issuer under the relevant Series of Covered Bonds (and remaining unpaid at such date), it being provided that in case of insufficient available funds to pay all the sums then due under such Series of Covered Bonds, if an amount of interests is due on the same day than an amount of principal under the same Series of Covered Bonds, the payment is made first on the interests amounts due and (c) any and all amounts then due and payable by the Issuer (and remaining unpaid at such date) to (x) the Administrator under Clauses 7, 8 and 9 of the Administrative Agreement, if any, and/or (y) any new servicer under the servicing agreement entered into by the Issuer in accordance with Article L. 513-15 of the French Monetary and Financial Code (*Code monétaire et financier*), as the case may be;
- (ii) **secondly**, after and subject to the full repayment of any and all sums referred to in (i) above, in or towards payment or discharge *pari passu*, *pro rata* and in full of any and all Issuer Hedging Subordinated Termination Costs then due and payable by the Issuer and remaining unpaid at such date;
- (iii) **thirdly**, after and subject to the full repayment of any and all sums referred to in (i) to (ii) above, in or towards payment or discharge *pari passu*, *pro rata* and in full of any and all Borrower Hedging Costs then due and payable by the Issuer, if any, and remaining unpaid at such date;
- (iv) **fourthly**, after and subject to the full repayment of any and all sums referred to in (i) to (iii) above, and, as applicable, in accordance with any statutory or preference right they may benefit from the then applicable general law, in or towards payment or discharge of (a) any and all Administrative and Tax Costs and (b) any and all amounts then due and payable by the Issuer with respect to any other resources raised by the Issuer, if any, in accordance with Article L. 513-30 of the French Monetary and Financial Code (*Code monétaire et financier*) and which do not benefit from the *Privilège*; and
- (v) **fifthly**, (a) after and subject to the full repayment of any and all sums referred to in (i) to (iv) above, in or towards payment *pari passu* and *pro rata* of any and all amounts due by the Issuer with respect to any and all enforcement proceeds surplus amounts remaining after enforcement of the Borrower Collateral Security subject to, and in accordance with, the relevant terms of the Borrower Collateral Security Agreement and any and all amounts then due and payable by the Issuer to the Cash Collateral Provider under the Cash Collateral Agreement, (b) after and subject to the full repayment of any and all sums referred to in (i) to (iv) above and any sums referred to in (a) above, in or towards payment *pari passu* and *pro rata* of any and all amounts due by the Issuer to any third parties (with respect to any dividend already voted and to be then distributed to the Issuer's shareholders, and interest, principal and other payments then due and payable under the Subordinated Loan), and (c) after and subject to the full repayment of any and all sums referred to in (i) to (iv) above and any sums referred to in (a) and (b) above, in or towards payment *pari passu* and *pro rata* of any and all amounts due by the Issuer under the Super Subordinated Bonds Issue (including any dividend already voted and to be then distributed to the Issuer's shareholders, and interest, principal and other payments then due and payable).

ORIGINATION OF THE HOME LOANS

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

The large majority of home loans originated by salespersons within BNP Paribas are originated pursuant to a so called DEFI Immo procedure which makes it possible, in real time and through computerised means, to (i) deal with requests in the client's presence, (ii) register the home loan agreement, (iii) validate the request technical and back-office aspects, (iv) open loan accounts and (v) prepare the various documents necessary for the transaction's completion.

For home loans which do not comply with standard underwriting criteria, a so-called "Hors DEFI" procedure is implemented which is essentially manual although partially computerized, as further detailed below.

Pre Acceptance Controls

Prior to launching an acceptance process, information on the client are collected from the French *Fichier des Incidents de Remboursement des Crédits aux Particuliers* (central administration for consumer loans) and the French *Fichier Central des Chèques* (central administration for checks). If it appears that the client is registered as a defaulting borrower, the application of such client for a home loan is immediately declined.

Under his responsibility, the relevant salesperson shall also collect information from a general information system within BNP Paribas. The salesperson is also responsible for the completion of the loan file and collection of all necessary relevant documents (tax profile of the client, ownership of the property, insurance policies, etc.).

When a home loan guarantee is requested from *Crédit Logement*, the pre acceptance process is coupled with the acceptance process run by *Crédit Logement* via an exchange of electronic data system which operates in real time.

Scoring through the DEFI Immo procedure

- Two acceptance scorecards (*score d'octroi*) (Customers and Prospects) based on historical data bank behavior and socio-demographic data of mortgage underwriters are used for estimating the risk of granting to a borrower. The scoring process takes into account various criteria such as the client indebtedness, the property valuation, the home loan maximum amount, the client assets and revenues, the client banking relationship and profession, etc.

These specific scorecards are fully integrated into the application DEFI Immo (home loans with an amount up to 1M€ are scored by the system). The scoring is a recommendation to the salesperson as to whether the home loan request may be immediately accepted or not.

- The debt ratio plays an important role in the granting process. If a customer does not comply with all the rules, it is then subject to a refusal. Only a limited number of employees with adequate powers are entitled to derogate from a refusal of the expert system (decision limited to the Head of the Group of branches).

Under the "Hors DEFI" procedure, no automatic scoring is established and the file form is manually prepared by the relevant salesperson.

Acceptance

Depending on the delegation level of the relevant salesperson (in terms of acceptance of maximum amounts, negotiation of margins and fees, etc.), the relevant salesperson will be authorised to accept the home loan request on its own or not. If not, directors take the responsibility for the acceptance.

Pre-Funding Controls

Once accepted, the home loan request file (in both its electronic and physical format) is transmitted to the one of the six (6) central agencies which are responsible within BNP Paribas for the commercial support (*Agence de Production et d'Appui Commercial Financement des Particuliers*).

During this phase, the persons in charge at such agencies are responsible for liaising with all relevant third parties (*Crédit Logement*, notary public, etc.). The home loan offer and home loan documentation may only be issued to the client once all required documents have been obtained and required conditions have been met.

Upon the return of an offer by a client, the persons in charge at such agencies check the validity of the acceptance by the client (annotations, signatures, dates, etc.) and proceed with the funding of the home loan.

Servicing

The servicing of the home loans is carried out by the servicers at the relevant *Agence de Production et d'Appui Commercial Financement des Particuliers*.

Responsibilities of the servicers include in particular:

- (a) Acceptance of full or partial early repayment;
- (b) Renegotiations of rates;
- (c) Rescheduling;
- (d) Waivers;
- (e) Substitution of borrower or guarantees.

Since the beginning of 2012, a process completely dematerialized has been implemented, based on a dedicated electronic work flow called MAESTRO.

The home loans files have been doubled archived in both its electronic and physical format (including guaranties agreements).

Arrears management

As soon as a client experiences financial difficulties and, at the latest, upon the payment default, a specialized advisor within one of the seven BNP Paribas CSSB (*Centre Spécialisé en Solution Budgétaire*) becomes responsible of the servicing and collection with respect to the relevant home. This advisor examines all amicable solutions, aiming to avoid possible or further payment defaults.

If an amicable solution cannot be implemented and provided that three months of unpaid instalments, the responsibility for the servicing and collection of the home loan is handed over to a collection agency.

As from the third month of non-payment, with respect to a home loan guaranteed by *Crédit Logement*, the guarantee is drawn in favour of BNP Paribas. *Crédit Logement* must start paying the relevant guaranteed amounts within one month of receipt of the relevant drawing notice. Upon payment by *Crédit Logement*, the latter becomes responsible for the servicing of the home loan. *Crédit Logement* shall make its best efforts to reach an amicable solution with the client. *Crédit Logement* can opt either to reimburse to BNP Paribas only the guaranteed amounts which are due or immediately accelerate the payment of all guaranteed amounts. *Crédit Logement* is committed to accelerate the payment of all the guaranteed amounts.

Four interregional litigation departments within BNP Paribas (services contentieux interrégionaux) are responsible for collecting proceeds by enforcing the mortgages, insurance and other security and guarantees (other than the guarantees from *Crédit Logement*) securing the repayment of the home loan.

PLAN OF DISTRIBUTION

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

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated on or around 7 July 2022 between the Issuer, the Arranger and the Permanent Dealer (the "**Dealer Agreement**"), the Covered Bonds will be offered by the Issuer to the Permanent Dealer. However, the Issuer has reserved the right to sell Covered Bonds directly on its own behalf to Dealers that are not Permanent Dealers. The Covered Bonds may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Covered Bonds may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Covered Bonds to be issued in syndicated Tranches that are jointly and severally underwritten by two (2) or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Covered Bonds subscribed by it. The Issuer has agreed to reimburse the Arranger for their expenses incurred in connection with the Programme and the Dealers for certain of their activities in connection with the Programme.

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

Selling Restrictions

General

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

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

United States

Non-U.S. Distributions

The Covered Bonds have not been and will not be registered under the Securities Act and may not at any time be offered or sold or, in the case of Materialised Covered Bonds, delivered in the United States (as defined in Regulation S) or to, or for the account or benefit of, any person who is (a) a U.S. person (as defined in Regulation S) or (b) not a Non-United States person (as defined in CFTC Rule 4.7).

The Covered Bonds are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S.

Materialised Covered Bonds are subject to U.S. tax law requirements and may not at any time be offered, sold or delivered in the United States or its possessions or to a United States person. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code, as amended, and regulations thereunder.

By entering into the relevant Dealer Agreement, each Dealer has agreed that it will not offer, sell, pledge, transfer or, in the case of Materialised Covered Bonds in bearer form, deliver the Covered Bonds of any Series or Tranche as part of their distribution or otherwise at any other time in the United States or to, or for the account or benefit of, (a) U.S. persons or (b) persons who are not Non-United States persons, and it will have sent to each distributor, dealer (as defined in Section 2(a)(12) of the Securities Act) or person receiving a

selling concession, fee or other remuneration in respect of the Covered Bonds sold to which such Dealer sells Covered Bonds during the relevant distribution compliance period (as defined in Regulation S) in respect of such Series or Tranche as determined, and certified to the relevant Dealer, by the Principal Paying Agent or, in the case of Covered Bonds issued on a syndicated basis, the lead manager, a confirmation or other notice setting forth the restrictions on offers and sales of the Covered Bonds in the United States or to, or for the account or benefit of, U.S. persons and persons who are not Non-United States persons.

Each Dealer has further represented that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to Covered Bonds sold pursuant to Regulation S.

In addition, until forty (40) days after the commencement of the offering, an offer or sale of Covered Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of Covered Bonds outside of the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Covered Bonds, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus to any U.S. person, any person who is not a Non-United States person (as defined in CFTC Rule 4.7), or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person, to any person who is not a Non-United States person (as defined in CFTC Rule 4.7), or to any person within the United States, is prohibited.

European Economic Area

Each Dealer and the Issuer have represented and agreed that it has not made and will not make an offer of French Law Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in a Member State of the European Economic Area ("**EEA**") except that, pursuant to an exemption to publish a prospectus, it may make an offer of such French Law Covered Bonds to the public in that Member State of the EEA:

- (a) qualified investors: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) fewer than 150 offerees: at any time to fewer than one hundred and fifty (150) natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) other exempt offers: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of French Law Covered Bonds referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of French Law Covered Bonds to the public**" in relation to any French Law Covered Bonds in any Member State of the EEA means the communication in any form and by any means of sufficient information on the terms of the offer and the French Law Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the French Law Covered Bonds and the expression "**Prospectus Regulation**" means Regulation 2017/1129/EU of the European Parliament and of the Council dated 14 June 2017, as amended.

The qualification of German law Covered Bonds, in particular their qualification as securities within the meaning of the Prospectus Regulation, and other regulations and directives applicable in the relevant jurisdictions to the offering of the German law Covered Bonds to the public may vary among the different Member States of the EEA. Therefore, each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make any offer of German Law Covered Bonds to the public or otherwise in any Member State of the EEA unless in

compliance with the laws applicable in that Member State of the EEA or the United Kingdom to German law Covered Bonds.

Prohibition of Sales to EEA Retail Investors

If the Final Terms in respect of any Covered Bonds include a legend entitled "Prohibition of Sales to EEA Retail Investors", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of IDD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds.

France

Each of the Dealers and the Issuer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it undertakes to comply with applicable French laws and regulations in force regarding the offer, the placement or the sale of the Covered Bonds and the distribution in France of this Base Prospectus or any other offering material relating to the Covered Bonds.

Germany

No Base Prospectus or any prospectus within the meaning of the Prospectus Regulation has been, or will be, published in Germany or filed with the German Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) with regard to any Covered Bond.

Covered Bonds may not be offered, sold or delivered, and will not be offered, sold or delivered, directly or indirectly to the public in Germany, except in compliance with all applicable laws, in the case of German Law Covered Bonds in particular the prospectus Regulation and the German Investment Product Act.

The Issuer assumes no responsibility and makes no representation regarding the suitability of Covered Bonds including, without limitation, German Law Covered Bonds as an investment product for any investor. In particular, the Issuer assumes no responsibility for the eligibility of any Covered Bonds as investment for any Bondholder domiciled in Germany and subject to particular regulatory requirements with regard to its investments, including, without limitation, insurance companies, pension funds, credit institutions and investment funds. Unless explicitly stated otherwise in the Conditions and/or the terms and conditions of the German Law Covered Bonds or the Final Terms, no reference therein to particular German law regulatory requirements implies or may be construed to imply any representation or warranty by the Issuer as to the suitability of the relevant Covered Bond for the Bondholder.

United Kingdom

Prohibition of sales to UK Retail Investors

Unless the Final Terms in respect of any Covered Bonds specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the

offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or
 - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds.

Other regulatory restrictions

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

- (a) in relation to any Covered Bonds which have a maturity of less than one (1) year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Covered Bonds other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Covered Bonds would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the United Kingdom.

The Netherlands

Each Dealer appointed under this Program and each further Dealer appointed under the Programme will be required to agree that it will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the Netherlands in reliance on Article 1(4) of the Prospectus Regulation unless:

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

provided that no such offer of Covered Bonds referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Republic of Italy

Each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that this Base Prospectus has not been, nor will be, published in the Republic of Italy in connection with the offering of Covered Bonds and such offering of Covered Bonds has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**Consob**") in the Republic of Italy pursuant to Italian securities legislation. Accordingly, each of the Dealers and the Issuer represents and agrees, and any further Dealer appointed under the Programme will be required to represent and agree, that no Covered Bond may be offered, sold, transferred or delivered, and will not be offered, sold, transferred or delivered, directly or indirectly, in the Republic of Italy, nor may, or will, copies of this Base Prospectus or of any other document relating to the Covered Bonds be distributed in the Republic of Italy, except:

- (a) to qualified investors, as defined in Article 2, letter e) of Prospectus Regulation, pursuant to Article 1, fourth paragraph, letter a) of the Prospectus Regulation as implemented by Article 35, paragraph 1, letter d) of CONSOB Regulations No. 20307 of 15 February 2018 (the "**Intermediaries Regulation**"); or
- (b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation. For the purposes of this provision, the expression "offer of Covered Bonds to the public in the Republic of Italy" means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds,, including the placement through authorised intermediaries.

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

- (i) by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the relevant provisions of the Intermediaries Regulation, Legislative Decree No. 58 of 24 February 1998, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree no. 385 of 1 September 1993 (the "**Banking Act**"), in each case as amended and any other applicable laws or regulations;
- (ii) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities; and
- (iii) in compliance with any other applicable laws and regulations or requirements that may be imposed from time to time by CONSOB or the Bank of Italy or other Italian authorities.

Any investor purchasing Covered Bonds in the offering is solely responsible for ensuring that any offer or resale of Covered Bonds it purchased in the offering occurs in compliance with applicable Italian laws and regulations.

This Base Prospectus, any supplement to it or any other document relating to the Covered Bonds, and the information contained herein are intended only for the use of its recipients and are not to be distributed to any third-party resident or located in Italy for any reason. No person resident or located in the Republic of Italy other than the original addressees of this Base Prospectus may rely on this Base Prospectus or its content or any other document relating to the Covered Bonds.

Transfer Restrictions

Non-U.S. Distributions

Each purchaser of Covered Bonds (and, for the purposes hereof, references to Covered Bonds shall be deemed to include interests therein) by accepting delivery of the Covered Bonds, will be deemed to have represented, agreed and acknowledged as follows:

1. It is, or at the time such Covered Bonds are purchased will be, the beneficial owner of such Covered Bonds and it is (x) not a U.S. person (as defined in Regulation S) and (y) a Non- United States person (as defined in CFTC Rule 4.7) and is located outside the United States.
2. It understands that the Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositories. It understands that each of it and any account for which it may act in respect of the Covered Bonds is not permitted to have a partial interest in any Covered Bonds and, as such, beneficial interests in Covered Bonds should only be permitted in principal amounts representing the denomination of such Covered Bonds or multiples thereof or, where applicable, at least the minimum denomination of such Covered Bonds.
3. It understands that no person has registered nor will register as a commodity pool operator of the Issuer under the CEA and the rules of the CFTC thereunder, and that Covered Bonds have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, pledged or otherwise transferred except to a person that (A) is not a U.S. person (within the meaning of Regulation S) and (B) is a Non-United States person (as defined in CFTC Rule 4.7), in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, and in accordance with any other applicable securities laws. The purchaser understands that the Issuer has not been, nor will be, registered under the Investment Company Act.
4. It understands that the Issuer has the right to compel any beneficial owner that is a U.S. person (as defined in Regulation S) or is not a Non-United States person (as defined in CFTC Rule 4.7) to sell its interest in the Covered Bonds, or may sell such interest on behalf of such owner, at the lesser of (x) the purchase price therefor paid by the beneficial owner, (y) 100 per cent. of the principal amount thereof or (z) the fair market value thereof. In addition, the Issuer has the right to refuse to honour the purported transfer of any interest to a U.S. person or to a person that is not a Non-United States person.

(This form of Final Terms will only apply to the French Law Covered Bonds. The form of the final terms applicable to German Law Covered Bonds is included in the Agency Agreement)

**FORM OF FINAL TERMS
FOR USE IN CONNECTION WITH ISSUES OF COVERED BONDS WITH A SPECIFIED
DENOMINATION OF LESS THAN € 100,000 TO BE ADMITTED TO TRADING ON A
REGULATED MARKET IN THE EUROPEAN ECONOMIC AREA OR THE UNITED KINGDOM**

Final Terms dated [●]
[LOGO, if document is printed]

BNP PARIBAS HOME LOAN SFH
Issue of [Aggregate Nominal Amount of Tranche] [Title of Covered Bonds]
under the € 40,000,000,000
Covered Bond Programme

Issue Price: [●] per cent.

[Name(s) of Dealer(s)]

MiFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPs TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Covered Bonds taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended, "MiFID II") / MiFID II]; **EITHER**¹ [and (ii) all channels for distribution of the Covered Bonds are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]²] **OR**³ [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Covered Bonds to retail clients are appropriate - investment advice[, / and] portfolio management[, / and] [non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]. [*Consider any negative target market*]⁴. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]⁵.

[UK MIFIR PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPs TARGET MARKET - Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the [Covered Bonds] has led to the conclusion that: (i) the target market for the [Covered Bonds] is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**") and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); **EITHER** [and (ii) all channels for distribution of the [Covered

¹ Legend to be included if the Covered Bonds are not intended to be sold to retail clients.

² This list may not be necessary, especially for Covered Bonds that are not ESMA complex where all channels of distribution may be appropriate. It reflects the list used in the examples in the ESMA Guidelines.

³ Include for certain ESMA complex Covered Bonds. This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability will be necessary. In addition, if the Covered Bonds constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness required under Article 25(3) of MiFID II.

⁴ ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. At the time of the programme establishment/update consider what types of Covered Bonds may be issued and whether the flexibility to include a negative target market may be needed for relevant issuance. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: "The target market assessment indicates that Covered Bonds are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]."

⁵ Legend to be included if the Covered Bonds are intended to be sold to retail clients in the EEA.

Bonds] are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] **OR** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the [Covered Bonds] to retail clients are appropriate - investment advice[, / and] portfolio management[, / and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the [Covered Bonds] (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the [Covered Bonds] (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable] ⁶.]

[IMPORTANT - PRIIPs REGULATION / PROHIBITION OF SALES TO EUROPEAN ECONOMIC AREA RETAIL INVESTORS – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold, or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU, as amended (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation 2017/1129/EU dated 14 June 2017, as amended (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No. 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]⁷

[PRIIPs REGULATION / PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing MiFID II as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement [Directive 2016/97 /EU of the European Parliament and of the Council of 20 January 2016 on insurance distribution, as amended / the Insurance Distribution Directive], where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA [("**UK MiFIR**")]; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]⁸

⁶ Legend to be included if the Covered Bonds are intended to be sold to retail clients in the UK.

⁷ Legend to be included if the Covered Bonds are not intended to be sold to EEA retail clients in the EEA.

⁸ Legend to be included if the Covered Bonds are not intended to be sold to UK retail clients in the UK.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the Base Prospectus dated 7 July 2022 which received approval No. 22-283 from the *Autorité des marchés financiers* (the "**AMF**") on 7 July 2022 [and the supplement(s) to the Base Prospectus dated [●] which received approval No. [●] from the AMF on [●]], which [together] constitute[s] a base prospectus for the purposes of Article 8 of the Regulation 2017/1129/EU of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**").

This document constitutes the final terms (the "**Final Terms**") of the Covered Bonds described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. [In addition, a summary of the issue of the Covered Bonds is annexed to these Final Terms.] The Base Prospectus [, the supplement to the Base Prospectus] and these Final Terms are available for viewing on the websites of BNP Paribas (www.invest.bnpparibas.com/ - heading BNP Paribas Debt) and of the AMF (www.amf-france.org), and during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent(s) where copies may be obtained. [In addition²² the Base Prospectus [, the supplement to the Base Prospectus] and these Final Terms are available for viewing [on/at] [●].]

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

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions which are the 2014 Covered Bonds Conditions]/[2015 Covered Bonds Conditions]/[2016 Covered Bonds Conditions]/[2018 Covered Bonds Conditions]/[2019 Covered Bonds Conditions]/[2020 Covered Bonds Conditions]/[2021 Covered Bonds Conditions] which are incorporated by reference in this Base Prospectus (as defined below). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 8 of the Regulation 2017/1129/EU of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**") and must be read in conjunction with the base prospectus dated 7 July 2022 which received approval No. 22-283 from the AMF on 7 July 2022 [and the supplements thereto which received approval No. [●] from the AMF], which [together] constitute[s] a base prospectus for the purposes of the Prospectus regulation (the "**Base Prospectus**"), including the Conditions which are incorporated by reference in this Base Prospectus. Full information on the Issuer and the Covered Bonds is only available on the basis of the combination of these Final Terms, Base Prospectus and the /[2014 Covered Bonds Conditions]/[2015 Covered Bonds Conditions]/[2016 Covered Bonds Conditions]/[2018 Covered Bonds Conditions]/[2019 Covered Bonds Conditions]/[2020 Covered Bonds]/[2021 Covered Bonds]. In addition, a summary of the issue of the Covered Bonds is annexed to these Final Terms. The Base Prospectus and these Final Terms are available for viewing on the websites of BNP Paribas (www.invest.bnpparibas.com/ - heading BNP Paribas Debt) and of the AMF (www.amf-france.org), and during normal business hours at the registered office of the Issuer where copies may be obtained. [In addition²³, the Base Prospectus and these Final Terms are available for viewing [on/at] [●].]

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

- | | | |
|----|---|---------------------------------------|
| 1. | Issuer: | BNP Paribas Home Loan SFH |
| 2. | (i) Series Number: | [●] |
| | (ii) Tranche Number: | [●] |
| | (iii) Date on which the Covered Bonds will be assimilated (<i>assimilables</i>) and form a | |
| | | The Covered Bonds will be assimilated |

²² If the Covered Bonds are admitted to trading on a Regulated Market other than Euronext Paris.

²³ If the Covered Bonds are admitted to trading on a Regulated Market other than Euronext Paris.

- single Series:** (assimilables) and form a single Series with the existing [*identify earlier Tranches*] on [the Issue Date/exchange of the Temporary Global Certificate for interests in the Definitive Materialised Covered Bonds, as referred in paragraph 23 (iii) below, which is expected to occur on or about [●].]
3. **Specified Currency or Currencies:** [●]
4. **Aggregate Nominal Amount of Covered Bonds:** [●]
- (i) **Series:** [●]
- (ii) **Tranche:** [●]
5. **Issue Price:** [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6. **Specified Denominations:** [●] (*one (1) denomination only for Dematerialised Covered Bonds*)
7. (i) **Issue Date:** [●]
- (ii) **Interest Commencement Date:** [*Specify/Issue Date/Not Applicable*]
8. **Final Maturity Date:** [*Specify date or (for Floating Rate Covered Bonds) Interest Payment Date falling in or nearest to the relevant month and year*]
- 9 **Extended Final Maturity Date:** [[●]/Not Applicable]
- 9 bis **Maturity Extension Trigger Event(s)** [*Specify any maturity extension trigger event(s)*]/[Not Applicable]
10. **Interest Basis:** [[●] per cent. Fixed Rate]
[[*EURIBOR, €STR, CMS, TEC, or any other reference rate that might replace them*] +/- [●] per cent. Floating Rate]
(*further particulars specified below*)
11. **Redemption/Payment Basis:** Redemption at par
(*further particulars specified below*)
12. **Change of Interest Basis:** [*Specify details of any provision for convertibility of Covered Bonds into another interest basis*]
13. **Put/Call Options:** [Bondholder Put]
[Issuer Call]
[(*further particulars specified below*)]
14. **Date of the Board of Directors (*Conseil d'administration*) of the Issuer authorising the issuance of Covered Bonds:** Authorisation of the Board of Directors (*Conseil d'administration*) dated [●].

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Covered Bond Provisions:** [Applicable/Not Applicable]
(*If not applicable, delete the remaining subparagraphs of this paragraph*)

- (i) Rate[(s)] of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [●] in each year [where applicable (adjusted pursuant to the [specify applicable Business Day Convention])]
- (iii) Fixed Coupon Amount[(s)]: [●] per [●] in Specified Denomination
- (iv) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]*
- (v) Day Count Fraction: [Actual/365 / Actual/365-FBF / Actual/Actual-ISDA / Actual/Actual-ICMA / Actual/Actual-FBF / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF/ 30E/360 / Eurobond Basis / 30E/360-FBF]
- (vi) Determination Dates: [●] in each year
(insert regular Interest Payment Dates, ignoring Issue Date, Final Maturity Date or Extended Final Maturity Date, if any, in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))
- 16. Floating Rate Covered Bond Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Interest Period(s): [[●]], subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment, as the Business Day Convention in (v) below is specified to be Not Applicable]]
- (ii) Specified Interest Payment Dates: [[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment, as the Business Day Convention in (v) below is specified to be Not Applicable]]
- (iii) First Interest Payment Date: [●]
- (iv) Interest Period Date: [●] [Interest Payment Date / Other (specify)]
- (v) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention] [Not Applicable]
- (vi) Business Centre(s) (Condition 6(a)): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ FBF Determination]

- (viii) Party responsible for calculating the Rate(s) of Interest and / or Interest Amount(s) (if not the [Calculation Agent]): [●]
- (ix) Screen Rate Determination: [Applicable/Not Applicable]
- Benchmark: [●] *(specify Benchmark [EURIBOR, €STRTEC or other reference rate that might replace them] and months [e.g. EURIBOR 3 months])*
- Linear Interpolation: [Applicable/Not Applicable] The Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using linear Interpolation *(specify for each short or long interest period)*
- Relevant Time: [●]
- Interest Determination Date(s): [●]
- Primary Source : [Specify relevant screen page or "Reference Banks"]
- Reference Banks (if Primary Source is "Reference Banks"): [Specify four]
- Relevant Financial Centre: [The financial centre most closely connected to the benchmark - specify if not Paris]
- Representative Amount: [Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]
- Effective Date: [Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]
- Specified Duration: [Specify period for quotation if not duration of Interest Accrual Period]
- (x) FBF Determination: [Applicable/Not Applicable]
- Floating Rate (*Taux Variable*): [●] *(specify Benchmark [EURIBOR, €STR, CMS, TEC or other] and months [e.g. EURIBOR 3 months])*
- Linear Interpolation: [Applicable/Not Applicable] The Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using linear Interpolation *(specify for each short or long interest period)*
- Floating Rate Determination Date (Date de Détermination du Taux Variable): [●]
- (xi) Margin(s): [+/-] [●] per cent. per annum
- (xii) Minimum Rate of Interest: [[specify a positive interest rate] per cent. per annum/0 as per Condition 6(c)]
- (xiii) Maximum Rate of Interest: [Not Applicable/[●] per cent. per annum]
- 17. Fixed/Floating Rate Covered Bonds Provisions:** [Applicable/Not Applicable]
(if not applicable, delete the remaining sub-

- paragraphs of this paragraph)*
- (i) Issuer Change of Interest Basis: [Applicable/Not Applicable]
- (ii) Automatic Change of Interest Basis: [Applicable/Not Applicable]
- (iii) Rate of Interest applicable to the Interest Periods preceding the Switch Date (excluded): Determined in accordance with [Condition 6(b), as though the Covered Bonds was a Fixed Rate Covered Bonds/[Condition 6(c), as though the Covered Bonds was a Floating Rate Covered Bonds] with further variables set out in item [●] of these Final Terms
- (iv) Rate of Interest applicable to the Interest Periods following the Switch Date (included): Determined in accordance with [Condition 6(b), as though the Covered Bonds was a Fixed Rate Covered Bonds]/ [Condition 6(c), as though the Covered Bonds was a Floating Rate Covered Bonds] with further variables set out in item [●] of these Final Terms
- (v) Switch Date: [●]
- (vi) Minimum notice period required for notice from the Issuer: [[●] Business Days prior to the Switch Date] / [(for Automatic Change of Interest :) [●]] [Not Applicable]

18. Inverse Floating Rate Covered Bonds Provisions:

- [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Fixed Rate: [[●] per cent. *per annum* [payable [annually / semi-annually / quarterly / monthly] in arrear]
- (ii) Interest Period(s): [●]
- (iii) Specified Interest Payment Dates: [●]
- (iv) First Interest Payment Date: [●]
- (v) Interest Period Date: [Interest Payment Date]
- (vi) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention] [*Insert "unadjusted" if the application of the relevant business day convention is not intended to affect the Interest Amount*]
- (vii) Business Centre(s) (Condition 6(a)): [●]
- (viii) Manner in which the Rate(s) of Interest is/are to be determined: [Fixed Rate] minus [FBF Determination/ Screen Rate Determination]
- (ix) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if

not the Calculation Agent):	[●]
(x) FBF Determination:	[Applicable/Not Applicable]
Floating Rate (<i>Taux Variable</i>):	[●] (<i>specify Benchmark [EURIBOR, €STR, CMS, TEC or other] and months [e.g. EURIBOR 3 months] (additional information if necessary)</i>)
Linear Interpolation:	[Applicable/Not Applicable] The Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using linear Interpolation (specify for each short or long interest period)
Floating Rate Determination Date (<i>Date de Détermination du Taux Variable</i>):	[●]
(xi) Screen Rate Determination:	[Applicable/Not Applicable]
Benchmark:	[●] (<i>specify Benchmark [EURIBOR, €STR, CMS, TEC or other reference rate that might replace them] and months [e.g. EURIBOR 3 months]</i>)
Linear Interpolation:	[Applicable/Not Applicable] The Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using linear Interpolation (<i>specify for each short or long interest period</i>)
[Relevant Time:	[●]](<i>In the case of €STR, delete this paragraph</i>)
Interest Determination Date(s):	[●]
Primary Source :	[Specify relevant screen page or "Reference Banks"]
[Reference Banks (if Primary Source is "Reference Banks"):	[Specify four]] (<i>In the case of €STR, delete this paragraph</i>)
[Observation Look-Back Period:	(<i>only applicable in the case of €STR</i>) [•]/[Not Applicable]]
Relevant Financial Centre:	[The financial centre most closely connected to the benchmark - specify if not Paris]
Representative Amount:	[Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]
Effective Date:	[Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]
Specified Duration:	[Specify period for quotation if not duration of Interest Accrual Period]
(xii) Margin(s):	[+/-] [●] per cent. per annum
(xiii) Minimum Rate of Interest:	[[specify a positive interest rate] per cent. per annum/0 as per Condition 6(c)]

- (xiv) Maximum Rate of Interest: [Not Applicable/[●] per cent. per annum]
- (xvi) Day Count Fraction: [Actual/365 / Actual/365-FBF / Actual/Actual-ISDA / Actual/Actual-ICMA / Actual/Actual-FBF / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF/ 30E/360 / Eurobond Basis / 30E/360-FBF]

PROVISIONS RELATING TO REDEMPTION

- 19. Call Option:** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
- (ii) Notice period: [Condition 7(b)(i) applies/[●] days]
- (iii) Components of the formula of the Optional Redemption Amount(s) of each Covered Bond:
Y = [●] per cent.
[●] per Covered Bond of [●] Specified Denomination
- (iv) If redeemable in part:
- (a) Minimum Redemption Amount: [●]
- (b) Maximum Redemption Amount: [●]
- 20. Put Option:** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
- (ii) Notice period: [Condition 7(c) applies/[●] days]
- (iii) Components of the formula of the Optional Redemption Amount(s) of each Covered Bond:
Y = [●] per cent.
[●] per Covered Bond of [●] Specified Denomination
- 21. Final Redemption Amount of each Covered Bond:** [[●] per Covered Bond of [●] Specified Denomination / Specified Denomination /]
- 22. Early Redemption Amount:**
Early Redemption Amount(s) of each Covered Bond payable on redemption for taxation reasons (Condition (7(e)), Illegality (Condition 7(f)) or on event of default (Condition 10): [Not applicable/Condition 7(d) applies]

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

- 23. Form of Covered Bonds:** Dematerialised Covered Bonds/ Materialised Covered Bonds] *(Materialised Covered Bonds are only in bearer form)*
(Delete as appropriate)

- (i) Form of Dematerialised Covered Bonds: [Bearer form (au porteur)]/[Registered form (au nominatif)]
- (ii) Registration Agent: [Not Applicable/if applicable give name and address] (Note that a Registration Agent must be appointed in relation to Fully Registered Dematerialised Covered Bonds only)
- (iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Covered Bonds on [●] (the "**Exchange Date**"), being forty (40) calendar days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]
- 24. Financial Centre(s) or other special provisions relating to payment dates for the purposes of Condition 8(g):** [Not Applicable/Give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraphs 15 (ii) and 16(v) relate]
- 25. Talons for future Coupons to be attached to Definitive Materialised Covered Bonds (and dates on which such Talons mature):** [Yes/No/Not Applicable. As the Covered Bonds have more than 27 coupons payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made] (*Only applicable to Materialised Covered Bonds*)
- 26. Masse:** (*Insert below, as the case may be, details of the Representative and Alternative Representative and remuneration, if any:*)
 [Name and address of the Representative: [●]]
 [Name and address of the alternate Representative: [●]]
 [The Representative will receive no remuneration/The Representative will receive a remuneration of [●]]
 [Not Applicable]
- 27. [Exclusion of the possibility to request identification information of Bondholders as provided by Condition 2(a)(i):** [Applicable] (*If the possibility to request identification information of the Bondholders as provided by Condition 2(a)(i) is contemplated, delete this paragraph*)

GENERAL

The aggregate principal amount of Covered Bonds issued has been translated into Euro at the rate of [●] per cent. producing a sum of: [●]

THIRD PARTY INFORMATION

[*Relevant third party information*] has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing(s): [Euronext Paris/other (*specify*)/None]
- (ii) [(a)] Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on [*specify relevant regulated market*] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on [*specify relevant regulated market*] with effect from [●].] [Not Applicable]
[The [first/(*specify*)] Tranche(s) of the Covered Bonds are already listed as from [its/their respective] Issue Date.] (*Where documenting a fungible issue need to indicate that original Covered Bonds are already admitted to trading.*)
- [(b) Regulated Markets or equivalent markets on which, to the knowledge of the Issuer, securities of the same class of the Covered Bonds to be admitted to trading are already admitted to trading: [●]]
- (iii) Estimate of total expenses related to admission to trading: [●]
- (iv) Additional publication of Base Prospectus and Final Terms: [●] (*See paragraph 11 of the section "General Information" of this Base Prospectus which provides that the Base Prospectus and Final Terms will be published on the website of the AMF at least during a period of twelve (12) months from the date of the Base Prospectus and that the Final Terms related to Covered Bonds on any Regulated Market will be published on the website of the AMF. Please provide for additional methods of publication in respect of an admission to trading on a regulated market other than Euronext Paris.*)

2. RATINGS

- Ratings: [The Covered Bonds to be issued [have been rated/are expected to be rated]/[The following ratings reflect ratings assigned to Covered Bonds of this type issued under the Programme generally]]:
[S & P: [●]]
[Fitch Ratings: [●]]
[[Other]: [●]]
[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider]
[Each of [•], [•] and] [•] is established in the European Union,

registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council dated 16 September 2009 (as amended) (the "**CRA Regulation**") and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>).]

[[Each of [•], [•] and] [•] is not established in the European Union and has not applied for registration under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**"), but is endorsed by [*insert credit rating agency*] which is established in the European Union, registered under the CRA Regulation and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website

[[Each of [•], [•] and] [•] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, as amended.]

(The above disclosure should reflect the rating allocated to Covered Bonds of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

[[*insert name of relevant EEA CRA(s)*] [is][are] not established in the United Kingdom and [is][are] not registered under Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). The rating[s] of the Notes issued by [*insert name of relevant EEA CRA(s)*] [has][have] been endorsed by [*insert name of relevant UK CRA(s)*], in accordance with the UK CRA Regulation and [has][have] not been withdrawn. As such, the rating[s] issued by [*insert name of relevant EEA CRA(s)*] may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.]⁹

3. SPECIFIC CONTROLLER

The specific controller (*contrôleur spécifique*) of the Issuer has certified that the value of the assets of the Issuer will be greater than the value of its liabilities benefiting from the *privilege* defined in Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*), after settlement of this issue.

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

⁹ To be included only in the case of an issue for which placement in the UK is contemplated and the ratings of the notes issued by the EEA CRA are to be endorsed by a UK CRA.

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

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

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the issue. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.)

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: [●]
(See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from general corporate purposes will need to include those reasons here.)
- (ii) Estimated net proceeds: [●]
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)
- (iii) Estimated total expenses: [●] *(Include breakdown of expenses)*

6. [YIELD - FIXED RATE COVERED BONDS ONLY

Indication of yield: [●]
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7. HISTORIC INTEREST RATES - FLOATING RATE COVERED BONDS ONLY

Historic interest rates: Details of historic [EURIBOR, €STR, CMS or TEC] rates can be obtained from [Reuters/other] / Not Applicable

EU Benchmark Regulation and UK Benchmark Regulation: Article 29(2) statement on benchmarks: [As at the date of these Final Terms *[insert name[s] of the administrator[s]]* [is/are] [not] included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ["ESMA"] pursuant to article 36 of the Regulation (EU) 2016/1011, as amended [(the "BMR").] *[repeat as necessary]* / [the Financial Conduct Authority ("FCA") pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011), as amended, as it forms part of domestic law by virtue of the European (Withdrawal) Act 2018 (the "UK BMR").] [As far

as the Issuer is aware, [•], as administrator of [•] is not required to be registered by virtue of Article 2 of [the Benchmark Regulation]/[UK BMR]/[the transitional provisions in Article 51 of the [BMR]/[UK BMR] apply, such that [insert name[s] of the administrator[s]] is not currently required to obtain authorisation or registration.]

8. OPERATIONAL INFORMATION

ISIN Code: [●]

Common Code: [●]

Depositories:

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

(ii) Common Depositary for Euroclear Bank and Clearstream Banking, société anonyme [Yes/No]

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, *société anonyme* and the relevant identification number(s):

[Not Applicable/give name(s) and number(s) and address(es)]

Delivery: Delivery [against/free of] payment

Names and addresses of initial Paying Agent: **BNP Paribas Securities Services**
(affiliated with Euroclear France under number 29106)
Les Grands Moulins de Pantin
9, rue du Débarcadère
93500 Pantin
France

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

9. DISTRIBUTION

Method of distribution: [Syndicated/Non-syndicated]

(i) If syndicated:

(A) Names and addresses of Managers and underwriting commitments/quotas: [Not Applicable/give names, addresses and underwriting commitments]

(B) Date of Subscription Agreement: [●]

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

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

(iii) Indication of the overall amount of the underwriting commission and of the placing commission:

per cent of the Aggregate Nominal Amount

(iv) U.S. selling restrictions:

The Issuer is Category 2 for the purposes of Regulation S

Non-U.S. distribution

[TEFRA C/ TEFRA D/ TEFRA not Applicable]

(This form of Final Terms will only apply to the French Law Covered Bonds. The form of the final terms applicable to German Law Covered Bonds is included in the Agency Agreement)

**FORM OF FINAL TERMS
FOR USE IN CONNECTION WITH ISSUES OF COVERED BONDS WITH A SPECIFIED
DENOMINATION OF AT LEAST € 100,000 TO BE ADMITTED TO TRADING ON A REGULATED
MARKET**

Final Terms dated [●]
[LOGO, if document is printed]

BNP PARIBAS HOME LOAN SFH
Issue of [Aggregate Nominal Amount of Tranche] [Title of Covered Bonds]
under the € 40,000,000,000
Covered Bond Programme

Issue Price: [●] per cent.

[Name(s) of Dealer(s)]

[PRIIPS REGULATION / PROHIBITION OF SALES TO EEA]– The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation 2017/1129/EU dated 14 June 2017, as amended (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.]¹⁰

[PRIIPs REGULATION / PROHIBITION OF SALES TO UK RETAIL INVESTORS] – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing MiFID II as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement [Directive 2016/97 /EU of the European Parliament and of the Council of 20 January 2016 on insurance distribution, as amended / the Insurance Distribution Directive], where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA [("**UK MiFIR**")]; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]¹¹

[MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET] – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Covered Bonds, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 has led to the conclusion that: (i) the target market for the

¹⁰ Legend to be included if the Covered Bonds are not intended to be sold to UK retail clients in the EEA.

¹¹ Legend to be included if the Covered Bonds are not intended to be sold to UK retail clients in the UK.

Covered Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the [Covered Bonds] has led to the conclusion that: (i) the target market for the [Covered Bonds] is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the [Covered Bonds] to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]¹². Any person subsequently offering, selling or recommending the [Covered Bonds] (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the [Covered Bonds] (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

¹² ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. At the time of the programme establishment/update consider what types of bonds may be issued and whether the flexibility to include a negative target market may be needed for relevant issuance. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: "The target market assessment indicates that Covered Bonds are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]."

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the Base Prospectus dated 7 July 2022 which received approval No. 22-283 from the *Autorité des marchés financiers* (the "**AMF**") on 7 July 2022 [and the supplement(s) to the Base Prospectus dated [●] which received approval No. [●] from the AMF on [●]], which [together] constitute[s] a base prospectus for the purposes of Article 8 of the Regulation 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**").

This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [, the supplement to the Base Prospectus] and these Final Terms are available for viewing on the websites of BNP Paribas (www.invest.bnpparibas.com/ - heading BNP Paribas Debt) and of the AMF (www.amf-france.org), and during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent(s) where copies may be obtained. [In addition⁴⁵ the Base Prospectus [, the supplement to the Base Prospectus] and these Final Terms are available for viewing [on/at] [●].]

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

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions which are the /[2014 Covered Bonds Conditions]/[2015 Covered Bonds Conditions]/[2016 Covered Bonds Conditions]/[2018 Covered Bonds Conditions]/[2019 Covered Bonds Conditions]/[2020 Covered Bonds]/[2021 Covered Bonds] which are incorporated by reference in this Base Prospectus (as defined below). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 8 of the Regulation 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**") and must be read in conjunction with the base prospectus dated 7 July 2022 which received approval No. 22-283 from the AMF on 7 July 2022 [and the supplements thereto which received approval No. [●] from the AMF], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the "**Base Prospectus**"), including the Conditions which are incorporated by reference in this Base Prospectus. Full information on the Issuer and the Covered Bonds is only available on the basis of the combination of these Final Terms, Base Prospectus and the /[2014 Covered Bonds Conditions]/[2015 Covered Bonds Conditions]/[2016 Covered Bonds Conditions]/[2018 Covered Bonds Conditions]/[2019 Covered Bonds Conditions]/[2020 Covered Bonds]/[2021 Covered Bonds]. The Base Prospectus and these Final Terms are available for viewing on the websites of BNP Paribas (www.invest.bnpparibas.com/ - heading BNP Paribas Debt) and of the AMF (www.amf-france.org), and during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent(s) where copies may be obtained. [In addition⁴⁶, the Base Prospectus and these Final Terms are available for viewing [on/at] [●].]

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

- | | | |
|----|--|---|
| 1. | Issuer: | BNP Paribas Home Loan SFH |
| 2. | (i) Series Number: | [●] |
| | (ii) Tranche Number: | [●] |
| | (iii) Date on which the Covered Bonds will be assimilated (<i>assimilables</i>) and form a single Series: | The Covered Bonds will be assimilated (<i>assimilables</i>) and form a single Series with existing [<i>identify earlier Tranches</i>] on [the Issue Date/exchange of the Temporary Global |

⁴⁵ If the Covered Bonds are admitted to trading on a Regulated Market other than Euronext Paris.

⁴⁶ If the Covered Bonds are admitted to trading on a Regulated Market other than Euronext Paris.

Certificate for interests in the Definitive Materialised Covered Bonds, as referred in paragraph 23(iii) below, which is expected to occur on or about [●].]

3. **Specified Currency or Currencies:** [●]
4. **Aggregate Nominal Amount of Covered Bonds:** [●]
- (i) **Series:** [●]
- (ii) **Tranche:** [●]
5. **Issue Price:** [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6. **Specified Denominations:** [●] (*one (1) denomination only for Dematerialised Covered Bonds*)
7. (i) **Issue Date:** [●]
- (ii) **Interest Commencement Date:** [*Specify*]/Issue Date/Not Applicable]
8. **Final Maturity Date:** [*Specify date or (for Floating Rate Covered Bonds) Interest Payment Date falling in or nearest to the relevant month and year*]
9. **Extended Final Maturity Date:** [[●]/Not Applicable]
- 9 bis **Maturity Extension Trigger Event(s)** [*Specify any maturity extension trigger event(s)*]/[Not Applicable]
10. **Interest Basis:** [[●] per cent. Fixed Rate]
 [[*EURIBOR, €STR, CMS, TEC or other reference rate that might replace them*] +/- [●] per cent. Floating Rate]
 [Fixed/Floating Rate]
 [Inverse Floating Rate]
 (*further particulars specified below*)
11. **Redemption/Payment Basis:** Redemption at par
 (*further particulars specified below*)
12. **Change of Interest Basis:** [*Specify the date when any fixed to floating rate change occurs or refer to paragraphs 15 and 16 below and identify there*]/Not Applicable]
13. **Put/Call Options:** [Bondholder Put]
 [Issuer Call]
 (*further particulars specified below*)]
14. **Date of the Board of Directors (*Conseil d'administration*) of the Issuer authorising the issuance of Covered Bonds :** Authorisation of the Board of Directors (*Conseil d'administration*) dated [●].

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Covered Bond Provisions:** [Applicable/Not Applicable]
 (*If not applicable, delete the remaining subparagraphs of this paragraph*)

- (i) Rate[(s)] of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [●] in each year [where applicable (adjusted pursuant to the [specify applicable Business Day Convention])]
- (iii) Fixed Coupon Amount[(s)]: [●] per [●] in Specified Denomination
- (iv) Broken Amount(s): [Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]
- (v) Day Count Fraction: [Actual/365 / Actual/365-FBF / Actual/Actual-ISDA / Actual/Actual-ICMA / Actual/Actual-FBF / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF/ 30E/360 / Eurobond Basis / 30E/360-FBF]
- (vi) Determination Dates: [●] in each year
(insert regular Interest Payment Dates, ignoring Issue Date, Final Maturity Date or Extended Final Maturity Date, if any, in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))

16. Floating Rate Covered Bond Provisions:

[Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Interest Period(s): [[●] [, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment, as the Business Day Convention in (v) below is specified to be Not Applicable]]
- (ii) Specified Interest Payment Dates: [[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment, as the Business Day Convention in (v) below is specified to be Not Applicable]]
- (iii) First Interest Payment Date: [●]
- (iv) Interest Period Date: [●] [Interest Payment Date / Other (*specify*)]
- (v) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention] [*Insert "unadjusted" if the application of the relevant business day convention is not intended to affect the Interest Amount*]
- (vi) Business Centre(s) (Condition 6(a)): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ FBF Determination]

(viii) Party responsible for calculating the Rate(s) of Interest and / or Interest Amount(s) (if not the [Calculation Agent]):	[●]
(ix) Screen Rate Determination:	[Applicable/Not Applicable]
Benchmark:	[●] (specify Benchmark [EURIBOR, €STR, CMS, TEC or other] and months [e.g. EURIBOR 3 months])
Linear Interpolation:	[Applicable/Not Applicable] The Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using linear Interpolation (specify for each short or long interest period)
Relevant Time:	[●]
Interest Determination Date(s):	[●]
Primary Source :	[Specify relevant screen page or "Reference Banks"]
Reference Banks (if Primary Source is "Reference Banks"):	[Specify four]
Relevant Financial Centre:	[The financial centre most closely connected to the benchmark - specify if not Paris]
Representative Amount:	[Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]
Effective Date:	[Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]
Specified Duration:	[Specify period for quotation if not duration of Interest Accrual Period]
(x) FBF Determination:	[Applicable/Not Applicable]
Floating Rate (Taux Variable):	[●] (specify Benchmark [EURIBOR, €STR, CMS, TEC or other] and months [e.g. EURIBOR 3 months])
Linear Interpolation:	[Applicable/Not Applicable] The Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using linear Interpolation (specify for each short or long interest period)
Floating Rate Determination Date (Date de Détermination du Taux Variable):	[●]
(xi) Margin(s):	[+/-] [●] per cent. per annum
(xii) Minimum Rate of Interest:	[[specify a positive interest rate] per cent. per annum/0 as per Condition 6(c)]
(xiii) Maximum Rate of Interest:	[Not Applicable/[●] per cent. per annum]
(xiv) Day Count Fraction:	[Actual/365 / Actual/365-FBF / Actual/Actual-ISDA / Actual/Actual-ICMA / Actual/Actual-FBF / Actual/365(Fixed) / Actual/360 / 30/360]

		/ 360/360 / Bond Basis / 30/360-FBF/ 30E/360 / Eurobond Basis / 30E/360-FBF]
17.	Fixed/Floating Rate Covered Bonds Provisions:	[Applicable/Not Applicable] <i>(if not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i) Issuer Change of Interest Basis:	[Applicable/Not Applicable]
	(ii) Automatic Change of Interest Basis:	[Applicable/Not Applicable]
	(iii) Rate of Interest applicable to the Interest Periods preceding the Switch Date (excluded):	Determined in accordance with [Condition 6(b), as though the Covered Bonds was a Fixed Rate Covered Bonds/[Condition 6(c), as though the Covered Bonds was a Floating Rate Covered Bonds] with further variables set out in item [●] of these Final Terms
	(iv) Rate of Interest applicable to the Interest Periods following the Switch Date (included):	Determined in accordance with [Condition 6(b), as though the Covered Bonds was a Fixed Rate Covered Bonds]/ [Condition 6(c), as though the Covered Bonds was a Floating Rate Covered Bonds] with further variables set out in item [●] of these Final Terms
	(v) Switch Date:	[●]
	(vi) Minimum notice period required for notice from the Issuer:	[[●] Business Days prior to the Switch Date] / [[for Automatic Change of Interest :] [●]] [Not Applicable]
18.	Inverse Floating Rate Covered Bonds Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i) Fixed Rate:	[[●] per cent. <i>per annum</i> [payable [annually / semi-annually / quarterly / monthly] in arrear]
	(ii) Interest Period(s):	[●]
	(iii) Specified Interest Payment Dates:	[●]
	(iv) First Interest Payment Date:	[●]
	(v) Interest Period Date:	[Interest Payment Date]
	(vi) Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention] [<i>Insert "unadjusted" if the application of the relevant business day convention is not intended to affect the Interest Amount</i>]
	(vii) Business Centre(s) (Condition 6(a)):	[●]

(viii) Manner in which the Rate(s) of Interest is/are to be determined:	[Fixed Rate] minus [FBF Determination/Screen Rate Determination]
(ix) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[●]
(x) FBF Determination: Floating Rate (<i>Taux Variable</i>):	[Applicable/Not Applicable] [●] (<i>specify Benchmark [EURIBOR, €STR, CMS, TEC or other reference rate that might replace them] and months [e.g. EURIBOR 3 months] (additional information if necessary)</i>)
Linear Interpolation:	[Applicable/Not Applicable] The Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using linear Interpolation (<i>specify for each short or long interest period</i>)
Floating Rate Determination Date (<i>Date de Détermination du Taux Variable</i>):	[●]
(xi) Screen Rate Determination: Benchmark:	[Applicable/Not Applicable] [●] (<i>specify Benchmark [EURIBOR, €STR, CMS, TEC or other] and months [e.g. EURIBOR 3 months]</i>)
Linear Interpolation:	[Applicable/Not Applicable] The Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using linear Interpolation (<i>specify for each short or long interest period</i>)
[Relevant Time:	[●] (<i>In the case of €STR, delete this paragraph</i>)
Interest Determination Date(s): Primary Source :	[●] [Specify relevant screen page or "Reference Banks"]
[Reference Banks (if Primary Source is "Reference Banks"):	[Specify four] (<i>In the case of €STR, delete this paragraph</i>)
[Observation Look-Back Period:	(<i>only applicable in the case of €STR</i>) [•]/[Not Applicable]
Relevant Financial Centre:	[The financial centre most closely connected to the benchmark - specify if not Paris]
Representative Amount:	[Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]
Effective Date:	[Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]
Specified Duration:	[Specify period for quotation if not duration of Interest Accrual Period]

- (xii) Margin(s): [+/-] [●] per cent. per annum
- (xiii) Minimum Rate of Interest: [[specify a positive interest rate] per cent. per annum/0 as per Condition 6(c)]
- (xiv) Maximum Rate of Interest: [Not Applicable/[●] per cent. per annum]
- (xv) Day Count Fraction: [Actual/365 / Actual/365-FBF / Actual/Actual-ISDA / Actual/Actual-ICMA / Actual/Actual-FBF / Actual/365(Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF/ 30E/360 / Eurobond Basis / 30E/360-FBF]

PROVISIONS RELATING TO REDEMPTION

- 19. Call Option:** [Applicable/Not Applicable] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Optional Redemption Date(s): [●]
- (ii) Notice period: [Condition 7(b)(i) applies/[●] days]
- (iii) Components of the formula of the Optional Redemption Amount(s) of each Covered Bond: $Y = [●] \text{ per cent.}$
[●] per Covered Bond of [●] Specified Denomination
- (iv) If redeemable in part:
- (a) Minimum Redemption Amount: [●]
- (b) Maximum Redemption Amount: [●]
- 20. Put Option:** [Applicable/Not Applicable]
(*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Optional Redemption Date(s): [●]
- (ii) Notice period: [Condition 7(c) applies/[●] days]
- (iii) Components of the formula of the Optional Redemption Amount(s) of each Covered Bond: $Y = [●] \text{ per cent.}$
[●] per Covered Bond of [●] Specified Denomination
- 21. Final Redemption Amount of each Covered Bond:** [[●] per Covered Bond of [●] Specified Denomination / Specified Denomination /]
- 22. Early Redemption Amount:**
Early Redemption Amount(s) of each Covered Bond payable on redemption for taxation reasons (Condition (7(e)), Illegality (Condition 7(f)) or on event of default (Condition 10): [Not applicable/Condition 7(d) applies]

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

- 23. Governing Law:** French law
- (i) Form of Covered Bonds: Dematerialised Covered Bonds/ Materialised

Covered Bonds] (*Materialised Covered Bonds are only in bearer form*)

(*Delete as appropriate*)

- (ii) Form of Dematerialised Covered Bonds: [Bearer form (*au porteur*)]/[Registered form (*au nominatif*)]
- (iii) Registration Agent: [Not Applicable/if applicable give name and address] (Note that a Registration Agent must be appointed in relation to Fully Registered Dematerialised Covered Bonds only)
- (iv) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Covered Bonds on [●] (the "**Exchange Date**"), being forty (40) days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]
- 24. Financial Centre(s) or other special provisions relating to payment dates for the purposes of Condition 8(g):** [Not Applicable/*Give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraphs 15 (ii) and 16(v) relate*]
- 25. Talons for future Coupons to be attached to Definitive Materialised Covered Bonds (and dates on which such Talons mature):** [Yes/No/Not Applicable. *As the Covered Bonds have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupons payments are still to be made*] (*Only applicable to Materialised Covered Bonds*)
- 26. Masse:** (*Insert below, as the case may be, details of the Representative and Alternative Representative and remuneration, if any:*)
[Name and address of the Representative: [●]]
Name and address of the alternate Representative: [●]
[The Representative will receive no remuneration/The Representative will receive a remuneration of [●]]
- 27. [Exclusion of the possibility to request identification information of Bondholders as provided by Condition 2(a)(i):** [Applicable] (*If the possibility to request identification information of the Bondholders as provided by Condition 2(a)(i) is contemplated, delete this paragraph*)]

GENERAL

The aggregate principal amount of Covered

Bonds issued has been translated into Euro at
the rate of [●] per cent. producing a sum of: [●]

THIRD PARTY INFORMATION

The Issuer accepts responsibility for the information contained in these Final Terms. [*Relevant third party information*] has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing(s): [Euronext Paris/other (*specify*)/None]
- (ii) [(a)] Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on [*specify relevant regulated market*] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on [*specify relevant regulated market*] with effect from [●].] [Not Applicable]
[The [*first/(specify)*] Tranche(s) of the Covered Bonds are already listed as from [its/their respective] Issue Date.] (*Where documenting a fungible issue need to indicate that original Covered Bonds are already admitted to trading.*)
- [(b)] Regulated Markets or equivalent markets on which, to the knowledge of the Issuer, securities of the same class of the Covered Bonds to be admitted to trading are already admitted to trading: [●]
- (iii) Estimate of total expenses related to admission to trading: [●]
- (iv) Additional publication of Base Prospectus and Final Terms: [●] (*See paragraph 11 of the section "General Information" of this Base Prospectus which provides that the Base Prospectus and Final Terms will be published on the website of the AMF at least during a period of twelve (12) months from the date of the Base Prospectus and that the Final Terms related to Covered Bonds on any Regulated Market will be published on the website of the AMF. Please provide for additional methods of publication in respect of an admission to trading on a regulated market other than Euronext Paris.*)

2. RATINGS

- Ratings: [[The Covered Bonds to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Covered Bonds of this type issued under the Programme generally]]:
[S & P: [●]]
[Fitch Ratings: [●]]
[[Other]: [●]]
[Each of [●], [●] and] [●] is established in the European Union, registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council dated 16 September 2009 (as amended) (the "**CRA Regulation**"), and included in the list of registered credit rating agencies published by the European

Securities and Markets Authority on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>).

[[Each of [●], [●] and [●] is not established in the European Union and has not applied for registration under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**"), but is endorsed by [insert credit rating agency] which is established in the European Union, registered under the CRA Regulation and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website

[[Each of [●], [●] and [●] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, as amended.]

(The above disclosure should reflect the rating allocated to Covered Bonds of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

[[insert name of relevant EEA CRA(s)] [is][are] not established in the United Kingdom and [is][are] not registered under Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). The rating[s] of the Notes issued by [insert name of relevant EEA CRA(s)] [has][have] been endorsed by [insert name of relevant UK CRA(s)], in accordance with the UK CRA Regulation and [has][have] not been withdrawn. As such, the rating[s] issued by [insert name of relevant EEA CRA(s)] may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.]¹³

3. SPECIFIC CONTROLLER

The specific controller (*contrôleur spécifique*) of the Issuer has certified that the value of the assets of the Issuer will be greater than the value of its liabilities benefiting from the *privilège* defined in Article L. 513-11 of the French Monetary and Financial Code (*Code monétaire et financier*), after settlement of this issue.

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

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

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

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the issue. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

¹³ To be included only in the case of an issue for which placement in the UK is contemplated and the ratings of the notes issued by the EEA CRA are to be endorsed by a UK CRA.

(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.)

5. [YIELD - FIXED RATE COVERED BONDS ONLY

Indication of yield: [●]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. HISTORIC INTEREST RATES - FLOATING RATE COVERED BONDS ONLY

Historic interest rates: Details of historic [EURIBOR, €STR, CMS or TEC] rates can be obtained from [Reuters/other] / Not Applicable

EU Benchmark Regulation and UK Benchmark Regulation: Article 29(2) statement on benchmarks:

[As at the date of these Final Terms [*insert name[s] of the administrator[s]*] [is/are] [not] included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ["ESMA"] pursuant to article 36 of the Regulation (EU) 2016/1011, as amended [(the "BMR")], as amended, as it forms part of domestic law by virtue of the European (Withdrawal) Act 2018 (the "UK BMR").] [*repeat as necessary*]. [As far as the Issuer is aware, [•], administrator of [•] is not required to be registered by virtue of Article 2 of the [Benchmark Regulation]/[UK BMR]/[the transitional provisions in Article 51 of the [BMR]/[UK BMR] apply, such that [*insert name[s] of the administrator[s]*] is not currently required to obtain authorisation or registration.]

7. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer: [●]

(ii) Estimated net proceeds: [●]

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

8. OPERATIONAL INFORMATION

ISIN Code: [●]

Common Code: [●]

Depositaries:

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

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

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/give name(s) and number(s) and address(es)]

Delivery: Delivery [against/free of] payment

Names and addresses of initial Paying Agent: **BNP Paribas Securities Services**
(affiliated with Euroclear France under number 29106)
Les Grands Moulins de Pantin
9, rue du Débarcadère
93500 Pantin
France

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

9. DISTRIBUTION

Method of distribution: [Syndicated/Non-syndicated]

(i) If syndicated:

(A) Names of Managers: [Not Applicable/give names]

(B) Stabilisation Manager(s) (if any): [Not Applicable/give names]

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

(iii) U.S. selling restrictions: The Issuer is Category 2 for the purposes of Regulation S
Non-U.S. distribution
[TEFRA C/ TEFRA D/ TEFRA not Applicable]

GENERAL INFORMATION

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

- (1) The Base Prospectus has been approved by the AMF in France as competent authority in France under the Prospectus Regulation. The AMF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Covered Bonds that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in such Covered Bonds. Application will be made in certain circumstances to list and admit the Covered Bonds on Euronext Paris and application may be made for the listing and admission to trading on any other Regulated Market in a Member State of the EEA.
- (2) The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in France in connection with the update of the Programme. Any issuance of Covered Bonds under the Programme, to the extent that such Covered Bonds constitute *obligations* under French law or similar instruments, requires the prior authorisation of the Board of Directors (*Conseil d'Administration*) of the Issuer, which may delegate its power to any person of its choice. For this purpose, the Board of Directors (*Conseil d'Administration*) of the Issuer held on 21 June 2022 delegated, for a period of one year starting on 24 June 2022 (included) and ending on 24 June 2023 (excluded), *inter alia*, to its Chairman and to the Chief Executive Officer (*Directeur Général*) of the Issuer the power to issue *obligations ou autres titres ou autres instruments financiers ou titres de dette équivalents de droit étranger* under the Programme up to a maximum aggregate amount of EUR 10,000,000,000 (or its equivalent in other currency).
- (3) There has been no significant change in the financial position or financial performance of the Issuer since 31 December 2021.
- (4) There has been no material adverse change in the prospects of the Issuer since 31 December 2021.
- (5) There has been no events particular to the Issuer which are to a material extent relevant to an evaluation of its solvency.
- (6) There has been no material change in the borrowing and funding structure of BNP Home Loan SFH within the last 12 months.
- (7) BNP Paribas Home Loan SFH expects to finance its activities by issuing Covered Bonds under the programme pursuant to which it may act as an issuer and/or by entering into hedging agreements with BNP Paribas and its affiliates.
- (8) The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceeding which are pending or threatened of which the Issuer is aware), during a period covering at least the previous twelve (12) months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.
- (9) There are no material contracts that are not entered into the ordinary course of the Issuer's business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to Bondholders in respect of the Covered Bonds being issued.
- (10) Application may be made for Covered Bonds to be accepted for clearance through Euroclear France (66, rue de la Victoire, 75009 Paris, France) and/or Euroclear (boulevard du Roi Albert II, 1210 Bruxelles, Belgique) and Clearstream (42, avenue JF Kennedy, 1855 Luxembourg, Luxembourg). The Common Code and the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of Covered Bonds will be set out in the relevant Final Terms.

- (11) PricewaterhouseCoopers Audit, 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France and Deloitte & Touche, 6 place de la Pyramide, 92908 Paris La Défense cedex, France (both entities regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux comptes*) have been appointed as *Commissaires aux comptes* to the Issuer.
- (12) The Issuer does not intend to provide post-issuance transaction information regarding the Covered Bonds to be admitted to trading and the performance of the underlying collateral, except if required by any applicable laws and regulations.
- (13) The Issuer does not produce consolidated financial statements.
- (14) This Base Prospectus and any supplements thereto will be published on the websites of BNP Paribas (www.invest.bnpparibas.com/ - heading BNP Paribas Debt) and of the AMF (www.amf-france.org). The Final Terms related to Covered Bonds admitted to trading on any Regulated Market of the EEA in accordance with the Prospectus Regulation will be published, so long as such Covered Bonds are admitted to trading on any Regulated Market, on the websites of of BNP Paribas (www.invest.bnpparibas.com/ - heading BNP Paribas Debt) and of the AMF (www.amf-france.org).

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

- (15) So long as Covered Bonds (including German Law Covered Bonds) are capable of being issued under the Programme, copies of the following documents will, when published, be available during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the registered office of the Issuer and at the specified office of the relevant Paying Agent(s) and, with respect to the documents listed in paragraphs (a), (b) and (e) below, on the website of of BNP Paribas:
- (a) the *statuts* of the Issuer;
 - (b) the audited non-consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2021 and 2020 and the Rapport Financier Annuel 2021;
 - (c) the Agency Agreement (which includes the form of the *Lettre Comptable*, the Temporary Global Certificates, the Definitive Materialised Covered Bonds, the Coupons and the Talons);
 - (d) Final Terms for Covered Bonds that are listed and traded on Euronext Paris or any other Regulated Market in the EEA or in the United Kingdom;
 - (e) a copy of this Base Prospectus together with any supplement to this Base Prospectus;
 - (f) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus.
- (16) In accordance with the provisions of EC Regulation 44/2001, a judgment rendered by a court of England (the "**Foreign Judgment**") shall be recognised in France without any special procedure being required. However, the Foreign Judgment will not be recognised by French courts:
- (a) if such recognition is manifestly contrary to public policy in France;
 - (b) where it was given in default of appearance, if the defendant was not served with the document which instituted the proceedings or with an equivalent document in sufficient time and in such a way as to enable him to arrange for his defence, unless the defendant failed to commence proceedings to challenge the judgment when it was possible for him to do so;

- (c) if it is irreconcilable with a judgment given in a dispute between the same parties in France;
- (d) if it is irreconcilable with an earlier judgment given in another Member State or in a third State involving the same cause of action and between the same parties, provided that the earlier judgment fulfils the conditions necessary for its recognition in France; or
- (e) if it conflicts with Sections 3, 4 or 6 of Chapter II of EC Regulation 44/2001, or in a case provided for in Article 72 of EC Regulation 44/2001.

The Foreign Judgment will be declared enforceable by French courts in accordance with the provisions of EC Regulation 44/2001 if the Foreign Judgment has been declared enforceable in England.

The judgment shall be enforced in France when, on the application of any interested party, it has been declared enforceable there.

The party seeking enforcement shall submit to the competent court with its application for a declaration of enforceability, (i) a copy of the judgment which satisfies the conditions necessary to establish its authenticity and (ii) a certificate given by the court where the decision was issued according to provisions of Article 54 of EC Regulation 44/2001.

The judgment shall be declared enforceable immediately on completion of the formalities described above. The party against whom enforcement is sought shall not at this stage of the proceedings be entitled to make any submissions on the application.

The declaration of enforceability shall be served on the party against whom enforcement is sought, accompanied by the judgment.

This decision may be appealed against by either party in accordance with EC Regulation 44/2001. The rules governing French procedure in contradictory matters shall apply to the appeal proceedings.

- (17) The yield of the Fixed Rate Covered Bonds will be specified in the relevant Final Terms. The yield will be calculated at the time of issue on the basis of the Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Covered Bonds and will not be an indication of future yield.
- (18) In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Covered Bonds or effect transactions with a view to supporting the market price of the Covered Bonds at a level higher than that which might otherwise prevail. However, the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) may not undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of thirty (30) calendar days after the issue date of the relevant Tranche and sixty (60) calendar days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.
- (19) Some sections of this Base Prospectus, in particular, "The Issuer", and of the documents incorporated by reference contain forward-looking statements. The Issuer may also make forward-looking statements in their audited annual financial statements, in their interim financial statements, in their offering circulars, in press releases and other written materials and in oral statements made by their officers, directors or employees to third parties. Statements that are not historical facts, including statements about the Issuer beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made, and the Issuer undertakes no obligation to update publicly any of them in light of new information or future events.
- (20) Amounts payable under Floating Rate Covered Bonds may be calculated by reference to EURIBOR, €STR, CMS or TEC, or any reference rate that might replace them, as specified in the relevant Final

Terms. EURIBOR is provided by the European Money Markets Institute ("**EMMI**"), CMS is provided by ICE Benchmark Administration Limited ("**ICE**") and €STR is provided by the European Central Bank ("**ECB**"). As at the date of this Base Prospectus, EMMI and ICE appear on the register of administrators and benchmarks established and maintained by the ESMA (the "**Register**") pursuant to Article 36 of the Benchmark Regulation or on the Financial Conduct Authority's benchmarks administrators register under Article 36 of the Benchmark Regulation as it forms part of UK domestic law by virtue of EUWA. The relevant Final Terms will specify the administrator of any relevant benchmark used as a reference under the Floating Rate Covered Bonds and whether or not such administrator appears on the Register or the FCA register referred to above.

- (21) The Legal Entity Identifier (LEI) of the Issuer is 969500O7DJZNM0F0Z036.

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

In the name of the Issuer

I represent, to the best of my knowledge, that the information contained or incorporated by reference in this Base Prospectus is in accordance with the facts and the Base Prospectus makes no omission likely to affect its import.

Paris, 7 July 2022

BNP Paribas Home Loan SFH

1, boulevard Haussmann
75009 Paris
France

duly represented by Mrs Valérie BRUNERIE
in its capacity as *Présidente du Conseil d'administration* of the Issuer

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Issuer

BNP Paribas Home Loan SFH

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Arranger and Permanent Dealer

BNP Paribas

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75009 Paris
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Fiscal Agent, Principal Paying Agent and Calculation Agent in respect of French Law Covered Bonds

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