



(duly licensed French credit institution)

**€40,000,000,000 Euro Medium Term Note Programme
for the issue of obligations de financement de l'habitat and other privileged notes**

Under the Euro Medium Term Note Programme described in this base prospectus (the "**Programme**"), BPCE SFH (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes to be governed either by French law, German law or the law of New South Wales, Australia (respectively the "**French law Notes**", the "**German law Notes**" and the "**Australian law Notes**", and collectively, unless otherwise specified, the "**Notes**"). The French law Notes will be *Obligations de Financement de l'Habitat* within the meaning of Article L.515-36-I of the French Monetary and Financial Code (*Code monétaire et financier*). The German law Notes will be German law governed *Namenschuldverschreibungen*. Each of the French law Notes, German law Notes and Australian law Notes will benefit from the statutory *privilege* (priority right of payment) created by Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*) (for further description see "Overview of the legislation and regulations relating to *sociétés de financement de l'habitat*").

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

Application has been made to the *Autorité des marchés financiers* (the "**AMF**") for approval of this Base Prospectus, in its capacity as competent authority in France pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive (as defined below).

Application may be made to Euronext Paris for the French law Notes issued under the Programme for the period of twelve (12) months from the date of this Base Prospectus to be listed and admitted to trading on Euronext Paris and/or to the competent authority of any other Member State of the European Economic Area ("**EEA**") for French law Notes issued under the Programme to be listed and admitted to trading on a Regulated Market (as defined below) in such Member State. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EEC, appearing on the list of regulated markets issued by the European Commission (a "**Regulated Market**"). French law Notes which are not listed or admitted to trading on a Regulated Market may also be listed on an alternative stock exchange or may not be listed at all. The relevant final terms (the "**Final Terms**") (as defined in "General Description of the Programme") in respect of the issue of any French law Notes will specify whether or not such French law Notes will be listed and admitted to trading and, if so, the relevant Regulated Market in the EEA where the French law Notes will be listed and admitted to trading. **The German law Notes and Australian law Notes will not be admitted to trading on any market nor listed on any stock exchange; accordingly, any issue of German law Notes and Australian law Notes will be exempt from the obligation to publish a prospectus under the Prospectus Directive. All French law Notes admitted to trading on a Regulated Market in circumstances which require the publication of a prospectus under the Prospectus Directive shall have a minimum denomination of €100,000 (or its equivalent in any other currency at the time of issue), or such higher amount as may be allowed or required by the relevant monetary authority or any applicable laws or regulations.**

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

Dematerialised Notes may, at the option of the Issuer, be (i) in bearer form (*au porteur*) inscribed as from the issue date in the books of Euroclear France (acting as central depository) which shall credit the accounts of the Account Holders (as defined in "Terms and Conditions of the French law Notes - Form, Denomination and Title") including Euroclear Bank S.A./N.V. ("**Euroclear**") and the depository bank for Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"), or (ii) in registered form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder (as defined in "Terms and Conditions of the French law Notes - Form, Denomination and Title"), 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 Noteholder.

Materialised Notes 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 Notes. Such Temporary Global Certificate will subsequently be exchanged for definitive Materialised Notes with, where applicable, coupons for interest or talons attached (the "**Definitive Materialised Notes**"), on or after a date expected to be on or about the fortieth (40th) day after the issue date of the Notes (subject to postponement as described in "Temporary Global Certificate in respect of Materialised Notes") upon certification as to non-U.S. beneficial ownership as more fully described herein. Temporary Global Certificates will (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depository for Euroclear and Clearstream, Luxembourg, and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the Relevant Dealer(s) (as defined below).

German law Notes shall be issued in materialised registered form and Australian law Notes shall be issued in dematerialised registered uncertificated form, as more fully described in the Paying Agency Agreement, with respect to German law Notes, and in the Australian law Note Deed Poll, with respect to the Australian law Notes.

The Programme has been rated Aaa by Moody's Investors Service ("**Moody's**") and AAA by Standard & Poor's Credit Market Services Europe Limited ("**S&P**" and together with Moody's the "**Rating Agencies**"). It is expected that the Notes issued under the Programme will be rated Aaa by Moody's and AAA by S&P. The Rating Agencies are rating agencies established in the European Union, 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**") and included in the list published on the European Securities and Markets Authority's website (www.esma.europa.eu) as of the date of this Base Prospectus. 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.

The Final Terms of the Notes will be determined at the time of the offering of each Tranche and will be set out in the relevant Final Terms.

This Base Prospectus, any supplements thereto (if any) and, so long as Notes are admitted to trading on any Regulated Market in accordance with the Prospectus Directive, the Final Terms relating to such Notes will be published on the websites of BPCE (www.bpce.fr) and of the AMF (www.amf-france.org).

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

ARRANGER
NATIXIS

PERMANENT DEALERS
BPCE
NATIXIS

This Base Prospectus (together with all supplements thereto published from time to time) constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive (as defined below) and contains or incorporates by reference all relevant information concerning the Issuer which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, as well as the base terms and conditions of the French law Notes (but not the German law Notes nor the Australian law Notes) to be issued under the Programme. The terms and conditions applicable to each Tranche (as defined in "General Description of the Programme") 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.

In this Base Prospectus, (i) "Prospectus Directive" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended, including by the 2010 PD Amending Directive, to the extent implemented in the relevant Member State of the European Economic Area which has implemented the Prospectus Directive (each a "Relevant Member State")), and includes any relevant implementing measure of the Prospectus Directive in each Relevant Member State, (ii) "2010 PD Amending Directive" means Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010 and includes any relevant implementing measure of the 2010 PD Amending Directive, and (iii) "European Regulation" means Regulation No. 809/2004/EC of the Commission of 29 April 2004 (as amended, including by the delegated regulation No. 486/2012/EU of the Commission of 30 March 2012).

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

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

No person is or has been authorised to give any information or to make any representation other than those contained or incorporated by reference in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger, the Dealers or the Australian Registrar (each as defined in "General Description of the Programme"). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently 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 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 the Notes in certain jurisdictions may be restricted by law. The Issuer, the Arranger, the Dealers or the Australian Registrar do not represent that this Base Prospectus may be lawfully distributed, or that any Notes 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, the Dealers or the Australian Registrar which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Note 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 Notes may come are required by the Issuer, the Arranger, the Dealers and the Australian Registrar to inform themselves of, and to observe any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States of America, Japan, Australia and the European Economic Area (including France, Italy and the United Kingdom) (see "Subscription and Sale").

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States of America, subject to certain exceptions, and may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act ("Regulation S"). The Notes may include Materialised Notes in

bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold or, in the case of Materialised Notes in bearer form, delivered within the United States of America or, in the case of certain Materialised Notes in bearer form, 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 Notes are being offered and sold outside the United States of America to non-U.S. persons in offshore transactions in accordance with Regulation S.

The Issuer is neither a bank nor an authorised deposit-taking institution which is authorised under the Banking Act 1959 of Australia. The Notes will not be the obligations of the Australian Government and, in particular, will not be guaranteed by the Commonwealth of Australia.

Neither this Base Prospectus nor any other disclosure document in relation to the Notes has been, or will be, lodged with the Australian Securities and Investments Commission. No action has been taken which would permit an offering of the Notes in circumstances that would require disclosure under Parts 6D.2 or 7.9 of the Corporations Act 2001 of Australia.

For a description of these and certain further restrictions on offers, sales and transfers of Notes and on distribution of this Base Prospectus, see "Subscription and Sale".

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

The Arranger, the Dealers and the Australian Registrar have not separately verified the information contained or incorporated by reference in this Base Prospectus. None of the Arranger, any of the Dealers or the Australian Registrar 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 herein) 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, the Dealers or the Australian Registrar that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained or incorporated by reference in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Arranger, any of the Dealers or the Australian Registrar undertakes to review the financial or general condition of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information that may come to the attention of the Arranger, the Dealers or the Australian Registrar.

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

None of the Issuer, the Arranger, the Dealers or the Australian Registrar makes any representation to any prospective investor in the Notes regarding the legality of its investment under any applicable laws. Any prospective investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

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 from time to time, references to "£", "pounds sterling" and "Sterling" are to the lawful currency of the United Kingdom, references to "\$", "USD" and "U.S. Dollar" are to the lawful currency of the United States of America, references to "¥", "JPY" and "Yen" are to the lawful currency of Japan, references to "CHF" and "Swiss Francs" are to the lawful currency of the Helvetic Confederation and references to "A\$", "AUD" and "Australian Dollar" are to the lawful currency of Australia.

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GENERAL DESCRIPTION OF THE PROGRAMME

Words and expressions defined in "Terms and Conditions of the French law Notes" below shall have the same meanings in this general description. Unless otherwise specified, the expression "Notes" shall include the French law Notes, the German law Notes and the Australian law Notes to the extent permitted by the terms and conditions applicable to the French law Notes, the German law Notes and the Australian law Notes, as applicable.

I. THE PROGRAMME AND THE NOTES

Issuer: BPCE SFH, limited liability company (*société anonyme*) incorporated under French law, duly licensed as a credit institution (*établissement de crédit*) with the status of *société de financement de l'habitat* delivered by the *Autorité de contrôle prudentiel* on 28 March 2011.

Arranger: Natixis.

Dealers: Natixis and BPCE have been appointed by the Issuer as dealers in respect of the whole Programme (as defined below).

The Issuer may from time to time appoint additional dealers either in respect of one (1) or more Tranches or in respect of the whole Programme. References in this Base Prospectus to "**Permanent Dealers**" are to Natixis and BPCE and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are to the Permanent Dealers and all persons appointed as a dealer in respect of one (1) or more Tranches.

The Issuer may also from time to time terminate the appointment of any Dealer.

Description: Euro Medium Term Note Programme for the issue of the Notes (as described herein) (the "**Programme**"). Under the Programme, the Issuer, subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes to be governed by French law, German law or the law of New South Wales, Australia (respectively the "**French law Notes**", the "**German law Notes**" and the "**Australian law Notes**"). The French law Notes will be *Obligations de Financement de l'Habitat* within the meaning of Article L.515-36-I of the French Monetary and Financial Code (*Code monétaire et financier*). The German law Notes will be German law governed *Namensschuldverschreibungen*. The principal and interest of each of the French law Notes, the German law Notes and the Australian law Notes will benefit from the statutory *privilège* (priority right of payment) created by Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*) (the "**Privilège**") (for further description see "Overview of the legislation and regulations relating to *sociétés de financement de l'habitat*").

Programme Amount: Up to €40,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time, or such other amount as may be agreed from time to time between the Issuer and the Obligors' Agent (as defined below).

Programme Documents:

- (a) This Base Prospectus;
- (b) the Dealer Agreement (see "Subscription and Sale") (and any related subscription agreement);
- (c) the Paying Agency Agreement (including the terms and conditions of the German law Notes attached as a schedule thereto) and the Australian Agency Agreement;
- (d) the Terms and Conditions of the French law Notes;

- (e) the Australian law Note Deed Poll (including the terms and conditions of the Australian law Notes attached as a schedule thereto);
- (f) the Administrative Services Agreement (see "The Issuer - The Administrative Services Agreement");
- (g) the Management and Recovery Agreement (see "The Issuer – Management and Recovery Agreement");
- (h) the Credit Facility and Collateral Framework Agreement (see "The Credit Facility and Collateral Framework Agreement");
- (i) the Hedging Letter (see "The Hedging Strategy");
- (j) the Issuer Hedging Agreement(s) (if any) (see "The Hedging Strategy"); and
- (k) any other document or agreement entered into by the Issuer (in any capacity whatsoever) for the purposes of the Programme.

Administrative Agent: BPCE.

Management and Recovery Agent: BPCE.

Fiscal Agent, Principal Paying Agent and Calculation Agent: BNP Paribas Securities Services.

Australian Registrar: In respect of the Australian law Notes, BTA Institutional Services Australia Limited (ABN 48 002 916 396).

Method of Issue: The Notes will be issued and may be distributed on a syndicated or non-syndicated basis.

Series and Tranche: The Notes will be issued in series (each a "**Series**") having one (1) or more issue dates and on terms otherwise identical (or identical save for the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes 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 and completed, where necessary, with additional terms and conditions which, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be 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**").

Maturities: Subject to compliance with all relevant laws, regulations and directives, the Notes may have any maturity from one month from the date of original issue, as specified in the relevant Final Terms.

Currencies: Subject to the Hedging Strategy (see "The Hedging Strategy") and to compliance with all relevant laws, regulations and directives, Notes may be issued in Euro, U.S. Dollars, Japanese Yen, Swiss Francs, Australian Dollars and, in any other currency agreed between the Issuer and the relevant Dealer(s).

Denomination(s):	The Notes shall be issued in the Specified Denomination(s) set out in the relevant Final Terms, save that the minimum denomination of all Notes admitted to trading on a Regulated Market in circumstances which require the publication of a prospectus under the Prospectus Directive will be of €100,000 (or its equivalent in any other currency at the time of the issue) or such higher amount as may be allowed or required from time to time in relation to the relevant Specified Currency. Dematerialised Notes and Australian law Notes of a particular Series shall be issued in one (1) denomination only.
Status of Notes:	<p>The Notes are issued under Articles L.515-34 to L.515-39 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>). Noteholders benefit from the <i>Privilège</i> created by Article L.515-19 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>) (for further description see "Overview of the legislation and regulations relating to <i>sociétés de financement de l'habitat</i>").</p> <p>The Notes and, where applicable, any related Receipts and Coupons, will constitute direct, unconditional and privileged obligations of the Issuer (as described above) and will rank <i>pari passu</i> and without preference among themselves and equally and rateably with all other present or future notes (including Notes of all other Series) and other resources raised by the Issuer benefiting from the <i>Privilège</i> created by Article L.515-19 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>).</p>
Negative Pledge:	None.
Redemption Amount:	The Final Terms issued in respect of each Tranche will specify the final redemption amounts payable.
Optional Redemption:	The Final Terms issued in respect of each Tranche will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders, and if so the terms applicable to such redemption.
Final Redemption:	Unless previously redeemed, purchased and cancelled as provided below pursuant to any Issuer's or Noteholders' option in accordance with Condition 6(c) or 6(d), each Note shall be finally redeemed on the Final Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within Condition 6(b) below, its final Instalment Amount.
Redemption by Instalments:	The Final Terms issued in respect of each Tranche that are redeemable in two (2) or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Early Redemption for illegality:	Notes will be redeemable at the option of the Issuer prior to their stated maturity for illegality (as provided in Condition 6(g)).
Taxation:	All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes 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.
Withholding taxes - No gross-up obligation:	If French law should require that payments of principal or interest in respect of any Note, or any Receipt or Coupon relating thereto, be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the

Issuer will not be required to pay any additional amounts.

Payments of interest and other income made by the Issuer with respect to Notes will not be subject to the withholding tax set out under Article 125 A III of the French General Tax Code (*Code général des impôts*), unless such payments are made outside of France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French General Tax Code (*Code général des impôts*) (a "**Non-Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a 75% withholding tax will be applicable (subject (where relevant) to certain exceptions summarised below and the more favorable provisions of any applicable double tax treaty) pursuant to Article 125 A III of the French General Tax Code (*Code général des impôts*).

Furthermore, by virtue of Article 238 A of the French General Tax Code (*Code général des impôts*), interest and other income paid by or on behalf of the Issuer with respect to such Notes may no longer be deductible from the Issuer's taxable income if they are paid or accrued to persons established or domiciled in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other income may be recharacterised as deemed distributed income pursuant to Article 109 of the French General Tax Code (*Code général des impôts*), in which case such non-deductible interest and other income may be subject to the withholding tax set out under Article 119 *bis* of the French General Tax Code (*Code général des impôts*), at a rate of 30% or 75%.

Notwithstanding the foregoing, Articles 125 A III and 238 A of the French General Tax Code (*Code général des impôts*) provide, respectively, that neither the 75% withholding tax nor the non-deductibility will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of a such issue of Notes was not that of allowing the payments of interest or other income to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the official regulation published by French tax authorities on 12 September 2012 (*Bulletin Officiel des Finances Publiques-Impôts* - BOI-INT-DG-20-50-20120912, Section no. 990), an issue of Notes will be deemed to have a qualifying purpose and effect, and accordingly will be able to benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of Notes if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) or pursuant to an equivalent offer in a state or territory other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator, an investment services provider, or by a similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing, delivery and payments systems operator within the meaning of Article L.561-2 of the French Monetary and Financial Code (*Code monétaire et financier*), or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

The above applies to French law Notes only.

**No redemption for
taxation reasons:**

If French law should require that payments of principal or interest in respect of any Note be subject to deduction or withholding in respect of any present or

future taxes or duties whatsoever, such Notes shall not be redeemed early.

Interest Periods and Interest Rates:

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

Fixed Rate Notes:

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

Floating Rate Notes:

Floating Rate Notes 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 2007 FBF Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules, as published by the *Fédération Bancaire Française* (FBF); or
- (b) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc; or
- (c) on the basis of a reference rate appearing on an agreed screen page (the "**Page**") of a commercial quotation service (including, without limitation, EURIBOR, EONIA, LIBOR, CMS or TEC);

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

Zero Coupon Notes:

Zero Coupon Notes may be issued at their nominal amount or at a discount and will not bear interest.

Form of Notes:

French law Notes may be issued in either dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**").

Dematerialised Notes 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 form (*au nominatif administré*). No physical documents of title will be issued in respect of Dematerialised Notes.

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

German law Notes shall be issued in materialised registered form only.

Australian law Notes shall be issued in dematerialised registered uncertificated form only. No certificate or other evidence of title will be issued in respect of Australian law Notes unless required by law or the Issuer determines otherwise.

Representation of

French law Noteholders:

Holders of French Law Notes will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* (in each case, the "**Masse**").

The *Masse* will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through a general meeting of the Noteholders (the "**General Meeting**").

Governing Law:

French law Notes will be governed by French law.

German law Notes will be governed by German law.

Australian law Notes will be governed by the law of New South Wales, Australia.

However, all Notes will be governed by French law with respect to the *Privilège* created by Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*).

Clearing Systems:

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

In respect of Australian law Notes, the Austraclear System.

Initial Delivery of Dematerialised Notes:

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

Initial Delivery of Materialised Notes:

On or before the issue date for each Tranche of Materialised Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depository for Euroclear and Clearstream, Luxembourg or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Management and Recovery Agent and the relevant Dealer(s).

Issue Price:

Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.

Approval, Listing and Admission to Trading of the French law Notes:

Application has been made with the *Autorité des marchés financiers* (the "**AMF**") for approval of this Base Prospectus, in its capacity as competent authority in France pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive.

Application may be made to Euronext Paris for the French law Notes issued under the Programme for the period of twelve (12) months from the date of this Base Prospectus to be listed and admitted to trading on Euronext Paris and/or to the competent authority of any other Member State of the European Economic Area ("**EEA**") for French law Notes issued under the Programme to be listed and admitted to trading on a Regulated Market (as defined below) in such Member State. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EEC, appearing on the list of regulated markets issued by the European Commission (a "**Regulated Market**"). French law Notes which are not listed or admitted to trading on a Regulated Market may also be listed on an alternative stock exchange or may not be listed at all. The relevant final terms (the "**Final Terms**") (as defined in "General Description of the Programme") in respect of the issue of any French law Notes will specify whether or not such French law Notes will be listed and admitted to trading and, if so, the relevant Regulated Market in the EEA where the French law Notes will be listed and admitted to trading.

German law Notes and Australian law Notes will neither be listed nor admitted to trading on any market or stock exchange.

Rating:

Notes issued under the Programme are expected on issue to be rated Aaa by Moody's Investors Service ("**Moody's**") and AAA by Standard & Poor's Credit Market Services Europe Limited ("**S&P**"), both rating agencies being established in the European Union, registered under the Regulation (EC) No. 1060/2009 of the European Parliament and the Council dated 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**"), and included in the list published on the European Securities and Markets Authority's website (www.esma.europa.eu).

The rating of the Notes will be specified in the relevant Final Terms.

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 relevant Rating

Agency.

For the purpose of this Base Prospectus:

"Rating Confirmation" means, with respect to any specified action, determination or appointment, and except as otherwise specified in the Programme Documents, notification by the Issuer (or the relevant representative) to the relevant Rating Agencies, for as long as any Notes 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 Notes.

Selling Restrictions:

There are restrictions on the offer and sale of Notes and the distribution of offering material in various jurisdictions (See "Subscription and Sale").

The Issuer is Category 1 for the purposes of Regulation S under the U.S. Securities Act of 1933, as amended ("**Regulation S**").

The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. persons as defined in Regulation S. The Notes may include Materialised Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold or, in the case of Materialised Notes in bearer form, delivered within the United States of America or, in the case of certain Materialised Notes in bearer form, to, or for the account or benefit of, United States persons as defined in the U.S. Internal Revenue Code of 1986.

Materialised Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) and any successor regulation issued under the Hiring Incentives to Restore Employment Act of 2010 (the "**Hire Act**") (the "**D Rules**") unless (i) the relevant Final Terms states that such Materialised Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) and any successor regulation issued under the Hire Act (the "**C Rules**") or (ii) such Materialised Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

Dematerialised Notes which are not in bearer form (which includes Australian law Notes) for U.S. tax purposes do not require compliance with the TEFRA rules.

II. THE CREDIT FACILITY AND COLLATERAL FRAMEWORK AGREEMENT

The Credit Facility and Collateral Framework Agreement:

On or before 19 April 2011, BPCE SFH, BPCE and each Original Borrower and Original Guarantor (as defined below under "**The Obligors' Agent**") entered into a credit facility and collateral framework agreement (as amended from time to time, the "**Credit Facility and Collateral Framework Agreement**") setting out the general terms and conditions of the Credit Facility (as defined below under "The Credit Facility") to be granted by BPCE SFH to the Borrowers (including BPCE, as the case may be), the terms and conditions for the creation, monitoring, and enforcement of the Collateral Security (as defined below under "The Collateral Security") and the role of BPCE as representative of the Obligors vis-à-vis the Issuer as Obligors' Agent (as defined below under "The Obligors' Agent").

(See "The Credit Facility and Collateral Framework Agreement").

The Credit Facility:

The proceeds from the issuance of Notes under the Programme will be used by the Issuer, as lender (in such capacity, the "**Lender**") to fund advances (each, a "**Borrower Loan**") which shall be made available to the Borrowers (as defined below under "The Borrowers and the Guarantors") under a multicurrency

revolving loan facility (the "**Credit Facility**").

The Credit Facility shall be made available to the Borrowers in an aggregate maximum amount equal to the Programme Amount.

The terms and conditions regarding the calculation and the payment of interest under a Borrower Loan shall mirror the equivalent terms and conditions of the Final Terms of the corresponding Notes, provided however that such corresponding Notes and the Borrower Loan may be denominated in different currencies and that, as a principle, the interest to be paid by the Borrower under a Borrower Loan shall be the financing costs of the Lender under the Notes funding such Borrower Loan increased by a margin (the "**Lender Margin**"). The Lender Margin aims at covering, in particular, 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 the Notes and taxes of the Lender during the Programme and all costs related to any Pre-Enforcement Currency Hedging Transaction, as the need may be.

(See "The Credit Facility and Collateral Framework Agreement - The Credit Facility").

The Collateral Security:

Pursuant to the Credit Facility and Collateral Framework Agreement, each Guarantor (i) agrees to grant as collateral security (*remettre en garantie*) for the benefit of the Lender certain Eligible Assets, in order to secure the full and timely payment of any and all Secured Liabilities and (ii) as the need may be, to increase the amount of Eligible Assets granted by it as collateral security under the Credit Facility and Collateral Framework Agreement, in accordance with Article L.211-38 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*) and the provisions of the Credit Facility and Collateral Framework Agreement. The Eligible Assets granted as security (*remise en garantie*) by the Guarantors in favour of the Lender under the Credit Facility and Collateral Framework Agreement shall be referred to as the "**Collateral Security**".

The "**Secured Liabilities**" are defined as all financial obligations which are, will or may be owed by any and all Obligors to the Lender under the Credit Facility and Collateral Framework Agreement at any time.

For the purposes of the Credit Facility and Collateral Framework Agreement, an "**Eligible Asset**" shall be any Home Loan Receivable that complies with the Home Loans Eligibility Criteria (as defined in "Credit Facility and Collateral Framework Agreement").

In addition, each Guarantor shall also remit cash to the Lender by crediting the relevant Collection Loss Reserve Account (as defined in "Credit Facility and Collateral Framework Agreement"), by way of full transfer of title (*remise d'espèces en pleine propriété à titre de garantie*), in accordance with Article L.211-38 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*). Such cash shall become part of the Collateral Security and shall secure the Secured Liabilities as they become due and payable, in accordance with the relevant terms of the Credit Facility and Collateral Framework Agreement. The terms "Collateral Security Assets" and "Collateral Security" shall also include the cash so remitted.

The creation, perfection and enforcement of the Collateral Security shall be governed by Article L.211-38 *et seq.* of French Monetary and Financial Code (*Code monétaire et financier*).

(See "The Credit Facility and Collateral Framework Agreement - The Collateral Security").

The Borrowers and the Guarantors:

The borrowers under the Credit Facility and Collateral Framework Agreement (the "**Borrowers**") shall be (i) those entities which have entered into the Credit Facility and Collateral Framework Agreement as borrower on the execution thereof (each an "**Original Borrower**") (which shall include BPCE) and any other entities acceding to the Credit Facility and Collateral Framework

Agreement (an "**Additional Borrower**") through the execution of an accession letter for this purpose, in accordance with and subject to the provisions of the Credit Facility and Collateral Framework Agreement and provided in particular that any such Additional Borrower shall be a member of the Group and that a member of the Group may not become an Additional Borrower without becoming simultaneously an Additional Guarantor.

The guarantors under the Credit Facility and Collateral Framework Agreement (the "**Guarantors**") shall be (i) those entities which have entered into the Credit Facility and Collateral Framework Agreement as Guarantor on the execution thereof each an "**Original Guarantor**" (which shall not include BPCE) and any other entities acceding to the Credit Facility and Collateral Framework Agreement (an "**Additional Guarantor**") through the execution of an accession letter for this purpose, in accordance with and subject to the provisions of the Credit Facility and Collateral Framework Agreement and provided in particular that any such Additional Guarantor shall be a member of the Group.

Any Borrower and any Guarantor may resign from such capacity, in accordance with and subject to the provisions of the Credit Facility and Collateral Framework Agreement and provided in particular that the Lender shall be free to accept any such resignation and shall not accept such resignation unless in particular a Rating Confirmation has been obtained.

In any case, save for BPCE, a member of the Group may not be a Borrower without being simultaneously a Guarantor.

The Borrowers and the Guarantors are referred to as the "**Obligors**".

(See "The Borrowers, the Guarantors, the Obligors' Agent, the Management and Recovery Agent and the Administrative Agent").

The Obligors' Agent:

Pursuant to the Credit Facility and Collateral Framework Agreement each Borrower and each Guarantor has appointed BPCE as its agent (*mandataire*) to generally represent the Borrowers and the Guarantors vis-à-vis the Lender and carry out certain tasks in their names and on their behalf (the "**Obligors' Agent**").

(See "The Credit Facility and Collateral Framework Agreement - The Obligors' Agent").

The Group:

The Borrowers, the Guarantors and the Obligors' Agent are members of the Group and of the Network Guarantee System.

"**Group**" means the group constituted by the members of the Networks and the companies affiliated thereto in accordance with the conditions of Article L.511-31 of the French Monetary and Financial Code (*Code monétaire et financier*), as provided for in Article L.512-106 of the French Monetary and Financial Code (*Code monétaire et financier*) and being member of the Network Guarantee System.

"**Network Guarantee System**" means the system set up by BPCE between members of the Group in accordance with Article L.512-107 the French Monetary and Financial Code (*Code monétaire et financier*), in order to guarantee the liquidity of the Group and of each Network and guarantee the solvency of the Group and of each Network.

"**Networks**" means the Banques Populaires network, as defined in Article L.512-11 of the French Monetary and Financial Code (*Code monétaire et financier*) and the Caisses d'Epargne network as defined in Article L.512-86 of the French Monetary and Financial Code (*Code monétaire et financier*).

(See "The Borrowers, the Guarantors, the Obligors' Agent, the Management and Recovery Agent and the Administrative Agent").

Group Events of Default:

Each of the following events shall constitute an event of default for the purposes of the Credit Facility and Collateral Framework Agreement (each, a "**Group Event of Default**"):

- (a) any Obligor fails to pay any sum due under the Credit Facility when due, in the currency and in the manner specified in the Credit Facility and Collateral Framework Agreement; provided, however, that where (i) such non-payment is due to an administrative error or the failure of continuing external payment systems or clearing systems reasonably used by the Obligor and (ii) such payment is made by the Obligor within three (3) Business Days of such non-payment, such non-payment shall not constitute a Group Event of Default;
- (b) any Obligor fails to comply with any of its material obligations under the Credit Facility and Collateral Framework Agreement (other than a financial obligation) and such breach has or could be reasonably expected to have a material adverse effect on (i) the Collateral Security considered as a whole or (ii) on the ability of the Group to implement the Network Guarantee System (such an effect being a "**Material Adverse Effect**");
- (c) any material representation or warranty made by any Obligor under the Credit Facility and Collateral Framework Agreement or in any notice or other document, certificate or statement delivered by it pursuant thereto or in connection therewith 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 Lender has given notice thereof to that Obligor or (if sooner) that Obligor has knowledge of the same, provided that such breach has or could reasonably be expected to have a Material Adverse Effect;
- (d) a Breach of Asset Cover Test or Breach of Collection Loss Reserve Funding Requirement occurs;
- (e) in respect of any member of the Group, an Insolvency Event occurs;
- (f) at any time it is or becomes unlawful for any Obligor to perform or comply with any or all of its material obligations under the Credit Facility and Collateral Framework Agreement or any of the material obligations of any Obligor under the Credit Facility and Collateral Framework Agreement are not or cease to be legal, valid and binding.
- (g) 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 any Obligor) occurs which has or could reasonably be expected to have a Material Adverse Effect;
- (h) BPCE fails to pay the Collateral Security Fee to any Contributing Guarantor and this failure is not remedied within sixty (60) Business Days from the relevant Collateral Security Fee Payment Date;
- (i) upon the occurrence of a Hedging Trigger Event (as defined in the Hedging Letter) (i) the Lender fails to find an Eligible Hedging Provider agreeing to enter into any Issuer Hedging Transaction (as defined in the Hedging Letter) within thirty (30) Business Days from the occurrence date of such Hedging Trigger Event or (ii) BPCE fails to enter into any Borrower Hedging Transaction (as defined in the Hedging Letter) with the Issuer within thirty (30) Business Days from the occurrence date of such Hedging Trigger Event; or
- (j) the Lender fails to comply with its obligations pursuant to Article R.515-7-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and BPCE does not assist the Lender in finding the means necessary to cure such failure within thirty (30) Business Days.

For such purposes, "**Insolvency Event**" means, in respect of any entity, 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 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 (*règlement amiable*) pursuant to article L. 611-1 and seq. of the French Commercial Code (*Code de commerce*) (or any similar provisions of any law other than French law);
- (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 the liquidation of the relevant entity or the opening of proceedings in view of the safeguard (*procédure de sauvegarde*), the rescheduling of the debt (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) of the relevant entity or any such resolution is passed;
- (iv) any person presents a petition for the winding-up or the liquidation of the relevant entity or the opening of proceedings in view of the safeguard (*procédure de sauvegarde*), the rescheduling of the debt (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) of the relevant entity and the petition is not discharged within thirty (30) days;
- (v) a judgement is issued for winding-up or the liquidation of the relevant entity or the opening of proceedings in view of the safeguard (*procédure de sauvegarde*), the rescheduling of the debt (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) of the relevant entity (or any similar proceedings under any law other than French law) or the transfer of the whole or part of the business of the relevant entity (*cession de l'entreprise*) pursuant to article L. 620-1 and seq. of the French Commercial Code (*Code de commerce*) (or any similar provisions of any law other than French law); or

any *mandataire ad hoc*, *administrateur judiciaire*, *administrateur provisoire*, *conciliateur* or *mandataire liquidateur* (or any equivalent under any law other than French law) is appointed in respect of the relevant entity or any material part of the directors of the relevant entity request such appointment.

III. COVER RATIOS

Statutory cover ratio: As a *société de financement de l'habitat*, the Issuer shall also comply, inter alia, with the following legal requirements:

- (a) *sociétés de financement de l'habitat* must at all times maintain a cover ratio between their assets and their liabilities benefiting from the *Privilège*. According to Article R.515-7-2 of the French Monetary and Financial Code (*Code monétaire et financier*), *sociétés de financement de l'habitat* must at all times maintain a ratio of at least 102 per cent. between their resources benefiting from the *Privilège* and their assets, including the replacement assets (*valeurs de remplacement*), provided however that where the assets of a *société de financement de l'habitat* include receivables secured by other 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*), those assets received as collateral security, whether by way of pledge or full transfer of title, shall be taken into account for the calculation of that ratio (instead of the receivables shown on the balance sheet of the *société*

de financement de l'habitat); and

- (b) pursuant to Article L.515-38 of the French Monetary and Financial Code (*Code monétaire et financier*), *sociétés de financement de l'habitat* must appoint a specific controller (*contrôleur spécifique*) with the approval of the French *Autorité de contrôle prudentiel* whose tasks are:
- (i) to ensure that the *société de financement de l'habitat* complies with Articles L.515-34 to L.515-36 of the French Monetary and Financial Code (*Code monétaire et financier*);
 - (ii) to certify that the cover ratio is satisfied in connection with (x) the *société de financement de l'habitat's* quarterly programme of issues benefiting from the *Privilège* and (y) any issue of resources benefiting from the *Privilège* and whose amount is greater than Euro 500 million;
 - (iii) to ensure that the Home Loans (*prêts à l'habitat*) granted or financed by the *société de financement de l'habitat* comply with the purpose of Article L.515-34 and with the requirements set out in Articles L.515-35 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*);
 - (iv) to control, when the Home Loans (*prêts à l'habitat*) granted or financed by the *société de financement de l'habitat* are subject to a guarantee (*cautionnement*) from another credit institution or an insurance company included in the consolidation scope, as defined by Article L.233-16 of the French Commercial Code (*Code de commerce*) as applicable to the *société de financement de l'habitat*, the risks assessment methods established by such credit institution or insurance company are adequate, in accordance with Article R.515-17 of the French Monetary and Financial Code (*Code monétaire et financier*); and;
 - (v) to review, pursuant to Article 12 of Regulation 99-10 dated 9 July 1999 on *sociétés de crédit foncier* and *sociétés de financement de l'habitat*, the level of rate and maturity matching between the assets and the liabilities. In case the specific controller believes that the level of rate and maturity matching would create excessive risks for the creditors benefiting from the *Privilège*, the specific controller informs the officers of the relevant *société de financement de l'habitat* and the *Autorité de Contrôle Prudentiel*.

The specific controller has access to information that allows confirmation of each issue's compliance with the cover ratio. This cover ratio is published twice a year and checked on a quarterly basis by the specific controller.

(See "Overview of the legislation and regulations relating to *sociétés de financement de l'habitat*")

Asset Cover Test:

In addition to the statutory overcollateralization which the Issuer is required to comply with as a *société de financement de l'habitat*, under the Credit Facility and Collateral Framework Agreement, the Management and Recovery Agent shall carry out a test on each Asset Cover Test Date to ensure that the amount of Collateral Security required pursuant to the Credit Facility and Collateral Framework Agreement is in place (the "**Asset Cover Test**").

"**Asset Cover Test Date**" means, prior to and excluding, the date of occurrence of a Group Event of Default, (i) each Utilisation Date and (ii) the 25th day of each calendar month.

"**Utilisation**" means an utilisation under the Credit Facility.

"**Utilisation Date**" means the date of an Utilisation, being the date on which the relevant Loan is to be made.

As of the date of this Base Prospectus, the formulae of the Asset Cover Test set

out in the Credit Facility and Collateral Framework Agreement is such that (i) the Lender comply with the statutory cover ratio (as described in the paragraph "Statutory cover ratio" above) and (ii) the Programme be rated Aaa by Moody's Investors Service and AAA by Standard & Poor's Credit Market Services Europe Limited.

If on any Asset Cover Test Date, the Asset Cover Test is not complied with, this event shall constitute a "**Non-Compliance with the Asset Cover Test**". A Non-Compliance with the Asset Cover Test will not constitute a Group Event of Default.

If a Non-Compliance with the Asset Cover Test has occurred and is not remedied prior to the next following Asset Cover Test Date, a "**Breach of Asset Cover Test**" shall occur.

A Breach of Asset Cover Test will result in a Group Event of Default within the meaning of the relevant terms of the Credit Facility and Collateral Framework Agreement.

(See "Cover ratios").

IV. GENERAL INFORMATION

General Information: This Base Prospectus, any supplements thereto (if any) and, so long as Notes are admitted to trading on any Regulated Market in accordance with the Prospectus Directive, the Final Terms relating to such Notes will be published on the websites of BPCE (www.bpce.fr) and of the AMF (www.amf-france.org).

For so long as Notes may be issued pursuant to this Base Prospectus, copies of this Base Prospectus and various other documents are available free of charge during usual business hours from the registered office of the Issuer and at the specified office of the Paying Agent(s) and the Australian Registrar.

RISK FACTORS

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

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme. However, the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Investors must be aware that other risks and uncertainties which, on the date of this Base Prospectus, are not known by the Issuer, or are considered non-relevant, may have a significant impact on the Issuer, its activity, its financial condition or the Notes. 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 make their own opinion about risk factors prior to making any investment decision. Investors should in particular conduct their own analysis and evaluation of the risks relating to the Issuer, its financial condition and the Notes and consult their own financial or legal advisers about risks associated with investment in a particular Series of Notes and the suitability of investing in the Notes in light of their particular circumstances.

The Issuer considers that the Notes shall only be purchased by investors which are (or are advised by) financial institutions or other professional investors who have sufficient knowledge and experience necessary to appropriately evaluate the risks associated with the Notes.

Words and expressions defined elsewhere in this Base Prospectus shall have the same meaning when used below.

1. Risks related to the Issuer

Sole liability of the Issuer under the Notes

The Issuer is the only entity which has obligations to pay principal and interest in respect of the Notes. The Notes will not be obligations or responsibilities of any other entity, including (but not limited to) BPCE (in any capacity but in particular in its capacity as Borrower, Administrative Agent, Management and Recovery Agent), the Arranger, the Borrowers, the Guarantors, the Dealers, the Representative, the Paying Agents, any participant in the Hedging Strategy (as applicable) or any company in the same group of companies as any of them, or the shareholders or directors or agents of any company in the same group of companies as any of them.

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

Reliance of the Issuer on third parties

The Issuer has entered into agreements with a number of third parties, which have agreed to perform services for the Issuer. In particular, but without limitation, the Issuer has appointed BPCE:

- as Administrative Agent to provide the Issuer with certain services in connection with (i) the administrative, logistic, tax, accounting and regulatory treatment, the internal control and the legal assistance of the Issuer and (ii) the exercise of certain of its rights and the performance of certain of its obligations under the Programme Documents (such as the preparation and sending, or the receipt, of all necessary documents and notifications, subject to the specific tasks ascribed to the Management and Recovery Agent under the Management and Recovery Agreement and/or the other Programme Documents); and
- as Management and Recovery Agent, as provided for by Article L.515-22 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*), in order to: (i) manage and recover (*gérer et recouvrer*) *inter alia* the Borrower Loans; (ii) manage the *Obligations de Financement de l'Habitat* and other resources of the Issuer ; (iii) open the bank accounts of the Issuer ; (iv) manage and invest the Issuer's available cash ; and (v) provide calculation services to the Issuer.

The Issuer has also appointed the Guarantors in order to service the Collateral Security Assets under the Credit Facility and Collateral Framework Agreement.

In the event that the Administrative Agent, the Management and Recovery Agent, the Guarantors or any other relevant party providing services to the Issuer under the Programme Documents fails to perform its obligations under the relevant agreement(s) to which it is a party, the ability of the Issuer to make payments under the Notes may be affected.

For instance, if the Guarantors have failed to adequately service the Collateral Security Assets and/or the Collateral Security, this may lead to an undermined value of the Collateral Security or any part thereof, and in turn, the ability of the Issuer to make payments under the Notes may be affected. Under the Hedging Strategy, the Issuer is also reliant on the Borrowers (only until a Group Event of Default) and/or any relevant Eligible Hedging Provider(s) to provide it with the funds matching its obligations under the Notes (see "The Hedging Strategy").

However, the Programme Documents provide for the ability of the Issuer under certain circumstances to terminate the appointment of any relevant third party which would be defaulting in performing their obligations under the relevant Programme Documents.

Modification, alteration or amendment without Noteholders prior consent

The Issuer may concur with any person in making any modifications, alterations or supplements to any Programme Document to which it is a party. All Programme Documents other than the Terms and Conditions of the French law Notes may be amended, modified, altered or supplemented without the prior consent of the Noteholders. The Terms and Conditions of the French law Notes may be amended, modified, altered or supplemented without the prior consent of the Noteholders, except if required by French laws and regulations, in which case such consent shall be sought in accordance with the Terms and Conditions of the French law Notes and such laws and regulations.

For the purposes of the paragraph above, the term "**Programme Document(s)**" shall exclude the terms and conditions of any German law Notes and of any Australian law Notes. The terms and conditions of any German law Notes or any Australian law Notes shall be amended, modified, altered or supplemented only in accordance with their respective terms and conditions and applicable final terms and in compliance with applicable laws and regulations.

Other activities

The Issuer may, without the prior consent of the Noteholders, chose to enter into transactions other than those provided for in the Programme Documents and resort to resources (whether or not benefiting from the statutory *Privilège* set out under Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*)) other than the Notes, which could adversely affect the financial position of the Issuer, provided that, as a *société de financement de l'habitat*, the types of activities which the Issuer may undertake are limited by law and that, under the Credit Facility and Collateral Framework Agreement, the Issuer has undertaken vis-à-vis the Obligors that the entering into such other transactions and issuance of such other resources will be subject to a prior Rating Confirmation (as defined above in "General Description of the Programme").

Notwithstanding the above, the Issuer shall remain free to issue and self-subscribe Notes at any time, in accordance with and subject to the provisions of Article L.515-32-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and applicable laws and regulations. If any such Notes are subsequently cancelled by the Lender pursuant to the provisions of Article L.515-32-1 of the French Monetary and Financial Code (*Code monétaire et financier*), the Management and Recovery Agent has agreed to inform the Rating Agencies of such cancellation.

Substitution risk

In the event of a downgrading of the short-term and/or long-term debt of one (1) or more parties to the Programme Documents (such as the Eligible Hedging Providers, the Management and Recovery Agent, or the Administrative Agent) or under certain circumstances described in the Programme Documents, leading to the substitution of one (1) or more of these parties pursuant to the terms of the Programme Documents, no assurance can be given that a substitute entity will be found.

In particular, if an event leading to the termination of the appointment of BPCE as Management and Recovery Agent occurs pursuant to the terms of the Management and Recovery Agreement, then the Issuer will be required to appoint a substitute Management and Recovery Agent in its place. There can be no assurance that such substitute Management and Recovery Agent with sufficient experience would be found who would be willing and able to service the same on the terms of the Management and Recovery Agreement. In particular, upon the occurrence of any Group Event of Default and the subsequent enforcement of the Collateral Security and the transfer to the Issuer of the Collateral Security Assets, and if BPCE is no longer in a position to act as Management and Recovery Agent, there can be no assurance that a substitute Management and Recovery Agent with sufficient experience of servicing such transferred Collateral Security Assets would be found who would be

willing and able to service the same on the terms of the Management and Recovery Agreement. The ability of a substitute Management and Recovery Agent to perform fully the required services would depend, amongst other things, on the information, software and records available at the time of the appointment. Any delay or inability to appoint a substitute Management and Recovery Agent may affect the realisable value of the Collateral Security Assets or any part thereof, and/or the ability of the Issuer to make payments under the Notes. No Management and Recovery Agent has (nor will have, as applicable) any obligation itself to advance payments that the Borrowers and/or Guarantors fails to make in a timely manner. Neither the Representative nor any other party (save for BPCE itself) is obliged in any circumstances to act as a Management and Recovery Agent or to monitor the performance by any Management and Recovery Agent of its obligations.

Certain conflicts of interest

Conflicts of interest may arise during the life of the Programme as a result of various factors involving certain parties to the Programme Documents. For example, such potential conflicts may arise because BPCE acts in several capacities under the Programme Documents, it being provided that its rights and obligations under the Programme Documents are not contractually conflicting and are independent from one another.

Also during the course of their business activities, the parties to the Programme Documents 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 cases, the interest of any of those parties or their affiliates or the interest of other parties for whom they perform servicing functions may differ from, and compete with, the interest of the Issuer or of the holders of the Notes.

Insolvency and examinership laws in France

The Issuer, as a *société anonyme* incorporated in France, is subject to French laws and proceedings affecting creditors, including Article 1244-1 of the French Civil Code (*Code civil*), conciliation proceedings (*procédure de conciliation*), safeguard proceedings (*procédure de sauvegarde*) and judicial reorganisation or liquidation proceedings (*procédures de redressement ou de liquidation judiciaires*). In general, French reorganisation or liquidation legislation favours the continuation of a business and protection of employment over the payment of creditors.

However, the Issuer is a *société de financement de l'habitat* and as such benefits from specific provisions deviating from standard French insolvency law provisions, as summarised in "Overview of the legislation and regulations relating to sociétés de financement de l'habitat".

The French Monetary and Financial Code (*Code monétaire et financier*) contains specific provisions applicable in case of the opening of an insolvency proceeding of a credit institution (*établissement de crédit*). In particular, Article L.613-25 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*) specify the conditions of opening of an insolvency proceeding against a credit institution (*établissement de crédit*) (prior information and opinion of the French banking authority (*Autorité de contrôle prudentiel*), specific concept of suspension of payment (*cessation des paiements*), etc) and some specific rules of liquidation of a credit institution (*établissement de crédit*).

All such provisions apply to the Issuer but also to each party under the Programme that is regulated as a credit institution (*établissement de crédit*).

Substitution Assets

Any available funds standing to the credit of the accounts of the Issuer (prior to their allocation and distribution) shall be invested by the Management and Recovery Agent in Substitution Assets. The value of the Substitution Assets may fluctuate depending on the financial markets and the Issuer may be exposed to a credit risk in relation to the issuers of such Substitution Assets. None of the Arranger, the Issuer, the Administrative Agent, the Management and Recovery Agent, or any other party to the Programme Documents guarantees the market value of the Substitution Assets. None of them shall be liable if the market value of any of the Substitution Assets fluctuates and decreases.

However, any Substitution Assets shall comply with the criteria set out in Articles L.515-17 and R.515-7 of the French Monetary and Financial Code (*Code monétaire et financier*).

U.S. Foreign Account Tax Compliance Withholding

The Issuer and other financial institutions through which payments on the Notes are made may be required to withhold U.S. tax at a rate of thirty per cent. (30%) on all, or a portion of, payments made after 31 December 2016 in respect of any Notes issued or materially modified after 31 December 2012 (and any Notes which are treated as equity for U.S. federal income tax purposes, whenever issued) pursuant to the U.S. Foreign Account Tax Compliance Act ("**FATCA**"). This withholding tax may apply to such payments if (i) the Issuer is a foreign financial institution (a ("**FFI**") (as defined in FATCA) and if it agrees to provide certain information

concerning its account holders to the U.S. Internal Revenue Service (making the Issuer a "**Participating FFI**"), (ii) the Issuer has a positive "passthu payment percentage" (as defined in FATCA) and (iii) either a Noteholder does not provide information sufficient for the relevant Participating FFI (i.e. the Issuer or any other financial institution through which payments on the Notes are made and which are Participating FFIs) to determine whether the holder is subject to withholding under FATCA, or any FFI that is an investor, or through which payment on the Notes is made, is not a Participating FFI.

However, the application of FATCA to the Notes, and to any interest, principal or other amounts paid with respect to the Notes, is presently unclear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, none of the Issuer, any paying agent or any other person would, pursuant to the applicable terms and conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may receive less interest or principal than otherwise expected. Noteholders should consult their own tax advisers concerning how these rules may apply to payments they receive under the Notes.

The attention of investors is drawn to the fact that FATCA is particularly complex and its application to the Issuer is uncertain at this time. Each Noteholder should therefore consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how this legislation might affect each Noteholder in light of its particular circumstances.

2. Risks related to the Borrowers

Borrowers' ability to pay under the Borrower Loans

Neither the Issuer nor any other party to the Programme Documents (without prejudice to the Collateral Security granted by the Guarantors) does guarantee or warrant full and timely payment by any Borrower of any sums of principal or interest payable under the Borrower Loan.

In addition, should any Borrower be subjected to any applicable proceedings referred to in Book VI of the French Commercial Code (*Code de commerce*) (pertaining to insolvency proceedings as a matter of French law), this would impair the ability of the Issuer to claim against such Borrower for obtaining timely payment of amounts of principal and interest due and payable under the Borrower Loan and the Issuer will not be entitled to accelerate the payment of such amounts.

However, pursuant to Article L.211-38-I of the French Monetary and Financial Code (*Code monétaire et financier*), the Collateral Security shall be enforceable, even when the relevant Guarantor is the subject of any such proceedings.

Accession of Additional Borrowers

New entities may accede to the Programme as Borrowers and Guarantors through the execution of an accession letter for this purpose, and hence generally increase the risks of the holders of the Notes under the Programme.

However this would only be permitted if such entities are members of the Group and the Network Guarantee System, and if the conditions relating to Additional Borrowers and Additional Guarantors are met in accordance with the Credit Facility and Collateral Framework Agreement.

3. Risks related to the Collateral Security

No interpretation by French courts of rules applicable to Collateral Security

The Pledges granted by the Guarantors over Eligible Assets in favour of the Issuer to constitute the Collateral Security will be granted, and, as the case may be, enforced, in accordance with the provisions of Articles L.211-38 *et seq.* 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 "**Collateral Directive**").

Holders of the Notes should note that French courts have not yet had the opportunity to interpret Articles L.211-38 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*).

Method of establishment and enforceability of the Collateral Security – Notion of control and identification

The Collateral Security shall not entail any transfer of title with respect to the relevant assets until enforcement. The Collateral Security shall be created and perfected in accordance with Article L.211-38 of the French Monetary and Financial Code (*Code monétaire et financier*). Pursuant to Article L.211-38 of the French Monetary and Financial Code (*Code monétaire et financier*): "*the establishment of such guarantees and their enforceability are not subject to any formality*".

However, said Article L.211-38 further states that such establishment and enforceability "*derive from the transfer of the relevant property and rights, the dispossession of the grantor or their control by the beneficiary or a person acting on his behalf*". In the case of a pledge without dispossession, the notion of "control" should be used to determine that the pledge has been established.

That notion is a matter of fact and there are no guidelines in the texts or in the case law as to how to characterise and measure "control" in the sense of that Article L.211-38 of the French Monetary and Financial Code (*Code monétaire et financier*). However, pursuant to the Credit Facility and Collateral Framework Agreement, the Issuer will have specific rights in relation to the Collateral, which are aimed at organizing a certain level of control over the Collateral Security Assets:

- (i) the Credit Facility and Collateral Framework Agreement will provide that Servicing Procedures shall constitute servicing instructions of the Issuer to the Pledgor and that no change can be made to the Servicing Procedures without the Issuer prior consent in a way that would prejudice the rights of the Issuer under the Collateral Security;
- (ii) the Guarantors will undertake in particular not to create or permit the creation or existence of any encumbrance or security over, nor to sell, transfer or otherwise dispose of any of the assets granted as Collateral Security; and
- (iii) for the purpose of satisfying itself as to whether the Collateral Security Assets remain Eligible Assets or to control the conformity of the servicing of the Collateral Security Assets with the Servicing Procedures or of the information contained in the Asset Reports, the Issuer (or any agent acting on its behalf) shall be entitled to (i) access at all times the premises where the Asset Records are located and (ii) inspect, audit and copies such Asset Records.

In addition, Article L.211-38 of the French Monetary and Financial Code (*Code monétaire et financier*) requires that: "*the identification of the relevant property and rights, transfer thereof, and dispossession of the grantor or control by the beneficiary must be attestable in writing*". For the purpose of complying with that requirement, the Obligors' Agent will have to provide a list of the Eligible Assets pledged as Collateral Security, to the Lender, each time any such Eligible Asset is being included in the Collateral Security.

Impact of the hardening period on the Collateral Security

Article L.211-39 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 Article L.211-38 of the French Monetary and Financial Code (*Code monétaire et financier*).

Although an extensive interpretation of that provision may 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*)) shall be entirely disappplied in respect of guarantees governed by Article L.211-38 of the French Monetary and Financial Code (*Code monétaire et financier*), it cannot be asserted with complete certainty. The hardening period (*période suspecte*) is a period of time the duration of which is determined by the bankruptcy judge upon the judgment recognising that the cessation of payments (*cessation des paiements*) of the insolvent company has occurred. The hardening period commences on the date of such judgment and extends for up to eighteen (18) months previous to the date of such judgment.

As mentioned above, Articles L.211-38 to L.211-39 of the French Monetary and Financial Code (*Code monétaire et financier*) derive from the Collateral Directive, which states in its Article 8, §1 that:

"Member States shall ensure that a financial collateral arrangement, as well as the provision of financial collateral under such arrangement, may not be declared invalid or void or be reversed on the sole basis that the financial collateral arrangement has come into existence, or the financial collateral has been provided [...] in a prescribed period prior to, and defined by reference to, the commencement of such proceedings or measures or by reference to the making of any order or decree or the taking of any other action or occurrence of any other event in the course of such proceedings or measures".

and in its Article 8, §3 that:

"where a financial collateral arrangement contains (a) an obligation to provide financial collateral or additional financial collateral in order to take account of changes in the value of the financial collateral or in the amount of the relevant financial obligations, or (b) a right to withdraw financial collateral on providing, by way of substitution or exchange, financial collateral of substantially the same value, Member States shall ensure that the provision of financial collateral, additional financial collateral or substitute or replacement financial collateral under such an obligation or right shall not be treated as invalid or reversed or declared void on the

sole basis that [...] the relevant financial obligations were incurred prior to the date of the provision of the financial collateral, additional financial collateral or substitute or replacement financial collateral".

Considering that the Member State have the duty to implement the provision of the Collateral Directive without diminishing their import, it is reasonable to consider that Article L.211-39 of the French Monetary and Financial Code (*Code monétaire et financier*) shall exclude application of Articles 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 are governed by Articles L.211-38 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*), would not be avoided on the basis of said Article L.632-1-6° of French Commercial Code (*Code de commerce*).

However, Article 8 of the Collateral Directive also states that "*this Directive leaves unaffected the general rules of national insolvency law in relation to the voidance of transactions entered into during the prescribed period [...]*" (namely, the hardening period). In addition, paragraph n°16 of the preamble of the Collateral Directive makes it clear that the Collateral Directive "*does not prejudice the possibility of questioning under national law the financial collateral arrangement and the provision of financial collateral as part of the initial provision, top-up or substitution of financial collateral, for example where this has been intentionally done to the detriment of the other creditors (this covers inter alia actions based on fraud or similar avoidance rules which may apply in a prescribed period)*".

Therefore, it cannot be excluded that Article L.211-39 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 Lender was aware, at the time where the Collateral Security were granted (or the subject of an addition or a substitution), that the relevant Guarantor was unable to pay its debt due with its available funds (*en état de cessation des paiements*).

To mitigate such uncertainty, each Guarantor will be required to make a representation that no Group Event of Default has occurred, which implies, as Group Event of Default includes the occurrence of an Insolvency Event that it is not subject to an Insolvency Event (which defined term includes *état de cessation des paiements*), from time to time, pursuant to the Credit Facility and Collateral Framework Agreement.

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 granted 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 will be null and void or reduced by a judge.

No prior notification to debtors under the Home Loans granted as Collateral Security

The Credit Facility and Collateral Framework Agreement will provide that the relevant Home Loans and Home Loan Security will be granted as collateral security without notification or information of the underlying borrowers under such Home Loans. Such borrowers will only be notified if and when the relevant collateral security is enforced following a Group Event of Default. Notification of such borrowers will only be effected once following such Group Event of Default, the relevant collateral security has been enforced. As long as no such notification has taken place, any payments made by any borrower under the relevant Home Loans will continue to be validly made by such borrowers to the relevant Guarantor, even though title to such Home Loans would have been validly transferred to the Issuer upon enforcement of the relevant collateral security.

Each borrower under the Home Loans may further raise defences (which may include, as applicable, any set-off right) against the Issuer arising from such borrower's relationship with the Guarantor to the extent that such defences (i) are existing prior to the notification of the transfer of the relevant Home Loan Receivable or (ii) arise out of mutual claims (*compensation de créances connexes*) between the borrower and the Guarantor which are closely connected with that Home Loan Receivable (irrespective of whether such notification has been made before or after such claims have arisen).

There is no guarantee that the notification to the borrowers under the relevant Home Loans will be made at the times required and there can be no guarantee or assurance as to the ability of the Issuer to obtain effective direct payment from the borrowers under the relevant Home Loans in a sufficient timely manner, which may affect payments under the Notes. In this situation, a shortfall in distributions of interest to Noteholders may result.

Until notification to the borrowers under the Home Loans has been made and provided that, at such time, an Insolvency Event has occurred in respect of the Guarantors, French insolvency law will prevent the Issuer from

recovering from the Guarantors any collections received by the Guarantors under the relevant Home Loans which are commingled with other funds of the Guarantors.

However, this commingling risk is mitigated by the obligation of each Borrower to grant cash as collateral security to cover such risk upon downgrading of the BPCE credit rating below A (long-term) (S&P) or A-2 (long-term) or P-1 (short-term) (Moody's) (or any other credit rating trigger which may be agreed with the Rating Agencies after the date hereof) (see "The Collateral Security - Collection Loss Trigger Event").

Maintenance of value of the Collateral Security prior to or following enforcement thereof

If the value of the Home Loans and related Home Loan Security granted as Collateral Security in favour of the Issuer pursuant to the Credit Facility and Collateral Framework Agreement has not been maintained in accordance with the terms of the Asset Cover Test or the other provisions of the Programme Documents, this may affect the value of the Collateral Security or any part thereof (both before and after the occurrence of a Group Event of Default) or the price or value of such Home Loans and related Home Loan Security upon the sale or refinancing thereof by the Issuer.

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 risks and government policies.

A Non-compliance with the Asset Cover Test on any Asset Cover Test Date will not result in a Group Event of Default, unless it remains unremedied until the next Asset Cover Test Date, in which case it will constitute a Breach of Asset Cover Test resulting in a Group Event of Default.

Sale or refinancing of Home Loans and related Home Loan Security by the Issuer following enforcement of the Collateral Security

After title to Home Loans and related Home Loan Security has been transferred to the Issuer upon enforcement of the Collateral Security following the occurrence of a Group Enforcement Notice (the "**Transferred Assets**"), the Management and Recovery Agent (or the substitute Management and Recovery Agent) acting on behalf of the Issuer has undertaken to sell or refinance the Transferred Assets and the Substitution Assets (if any) in order for the Issuer to be able to make payments when due under the relevant Series of Notes.

The Management and Recovery Agent (or the substitute Management and Recovery Agent) acting on behalf of the Issuer will be obliged to sell or refinance Home Loans, related Home Loan Security and Substitution Assets in accordance with the Management and Recovery Agreement (see "The Issuer - The Management and Recovery Agreement").

There is no guarantee that a buyer will be found to acquire Home Loans, related Home Loan Security or Substitution Assets at the times required and there can be no guarantee or assurance as to the price which may be able to be obtained, which may affect the ability of the Issuer to make payments when due under the Notes.

In addition, in respect of any sale or refinancing of Home Loans, related Home Loan Security and Substitution Assets to third parties, the Issuer will not be permitted to give warranties or indemnities in respect of those assets. There is no assurance that representations or warranties previously given by the Guarantors in respect of such assets pursuant to the terms of the Credit Facility and Collateral Framework Agreement may benefit to 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 Notes.

Changes in Eligible Assets granted by the Guarantors as Collateral Security

The Guarantors may effect a substitution in respect of, or as the need may be, increase the amount of Eligible Assets granted by it as Collateral Security under the Collateral Security, in accordance with Article L.211-38 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*) and the provisions of the Credit Facility and Collateral Framework Agreement. Consequently, Noteholders should be aware that there is no guarantee that any Eligible Assets so added as Collateral Security will perform in a similar manner to those Eligible Assets granted as Collateral Security, it being specified that Eligible Assets included in the Collateral Security shall comply with the eligibility criteria set out in the Credit Facility and Collateral Framework Agreement.

4. Risk related to the Home Loans and related Home Loan Security

Debtors' ability to pay under the Home Loans

The borrowers under the Home Loans are individuals having borrowed under the Home Loans in order to finance residential real estate property.

If, following enforcement of the Collateral Security, the Issuer does not receive the full amount due from the borrowers in respect of such Home Loans, this may affect the ability of the Issuer to make payments under the Notes.

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

None of the Borrower, the Guarantors, the Issuer or any other party to the Programme Documents does guarantee or warrant full and timely payment by the borrowers under the Home Loans of any sums payable under such Home Loans.

The ability of each borrower under the Home Loans to make timely payment of amounts due under such Home Loans will mainly depend on its assets and its liabilities as well as its ability to generate sufficient income to make payments under the relevant Home Loans. Its ability to generate income may be adversely affected by a large number of factors, some of which (i) relate specifically to the borrower itself (including but not limited to their 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 borrowers under the Home Loans may benefit from the favourable legal and statutory provisions of the French Consumer Code (*Code de la consommation*), pursuant to which any individual may, under certain circumstances, and subject to certain conditions, request and obtain from the competent court a grace period, a reduction of the amount of all and any of its indebtedness and any interest relating thereto and, as the case may be, (pursuant to (i) law no. 98-657 dated 29 July 1998, as amended, and (ii) law no. 2003-710 dated 1st August 2003) a full or partial extinguishment of its indebtedness against a credit institution.

No independent investigation - representations and warranties

None of the Issuer, the Arranger, the Administrative Agent, the Management and Recovery Agent or any other party to any Programme Document has undertaken or will undertake any investigations, searches or other due diligence regarding the Home Loans, the related Home Loan Security or as to the status and/or the creditworthiness of the borrowers under the Home Loans. Each of them has relied solely on the representations and warranties given by the Guarantors under the Credit Facility and Collateral Framework Agreement.

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

Pursuant to Article L.515-38 of the French Monetary and Financial Code (*Code monétaire et financier*), *sociétés de financement de l'habitat* must appoint a specific controller (*contrôleur spécifique*) with the approval of the French banking authority (*Autorité de contrôle prudentiel*) whose tasks are:

- (i) to ensure that the *société de financement de l'habitat* complies with Articles L.515-34 to L.515-36 of the French Monetary and Financial Code (*Code monétaire et financier*);
- (ii) to certify that the statutory cover ratio is satisfied in connection with (i) the *société de financement de l'habitat*'s quarterly programme of issues benefiting from the *Privilège* and (ii) any issue of resources benefiting from the *Privilège* and whose amount is greater than Euro 500 million;
- (iii) to ensure that the Home Loans (*prêts à l'habitat*) granted or financed by the *société de financement de l'habitat* comply with the purpose of Article L.515-34 and with the requirements set out in Articles L.515-35 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*);
- (iv) to control, when the Home Loans (*prêts à l'habitat*) granted or financed by the *société de financement de l'habitat* are subject to a guarantee (*cautionnement*) from another credit institution or an insurance company included in the consolidation scope, as defined by Article L.233-16 of the French Commercial Code (*Code de commerce*) as applicable to the *société de financement de l'habitat*, the risks assessment methods established by such credit institution or insurance company are adequate, in accordance with Article R.515-17 of the French Monetary and Financial Code (*Code monétaire et financier*); and
- (v) to review, pursuant to Article 12 of Regulation 99-10 dated 9 July 1999 on *sociétés de crédit foncier* and *sociétés de financement de l'habitat*, the level of rate and maturity matching between the assets and the liabilities. In case the specific controller believes that the level of rate and maturity matching would

create excessive risks for the creditors benefiting from the *Privilège*, the specific controller informs the officers of the relevant *société de financement de l'habitat* and the *Autorité de Contrôle Prudential*.

The specific controller (*contrôleur spécifique*) has access to information that allows confirmation of each issue's compliance with the statutory cover ratio. This statutory cover ratio is published twice a year and checked on a quarterly basis by the specific controller (*contrôleur spécifique*).

Limited description of the Home Loans

The holders of the Notes will only receive on a periodical and pool basis not reflecting the changes which occurred since the last period of time, detailed statistics or information in relation to the Home Loans or to the Collateral Security Assets, because it is expected that the constitution of the security over the Collateral Security Assets may constantly change due to, for instance, the Guarantors granting security over additional and/or new Collateral Security Assets or new Guarantors acceding to the Programme. However, each Home Loan granted as Collateral Security will be required to meet the applicable eligibility criteria.

Prepayment

The rate of prepayment of Homes Loans is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, changes in tax laws (including but not limited to amendments to mortgage interest tax deductibility), local and regional economic conditions and changes in borrower's behaviour (including but not limited to home-owner mobility). No guarantee can be given as to the level of prepayment that the Home Loans may experience, and variation in the rate of prepayments of principal on the Home Loans may affect the ability of the Issuer to realise sufficient funds to make payments under the Notes upon the service of a Group Enforcement Notice and then transfer of title of the Home Loans and Home Loan Security in favour of the Issuer.

Changes to the lending criteria of the Guarantors

Each of the Home Loans originated by the Guarantors will have been originated in accordance with its lending criteria at the time of origination. It is expected that each Guarantor's lending criteria will generally consider type of financed property, debt-to-income ratio, term of loan, age of applicant, loan-to-value ratio, status of applicants and 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 lending criteria and preconditions as applied by the originator of the Home Loan pursuant to its customary lending procedures were satisfied. Each of the Guarantors retains the right to revise its lending criteria from time to time. If the lending criteria change 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 Collateral Security Assets or part thereof, and the ability of the Issuer to make payments under the Notes upon the service of a Group Enforcement Notice and then transfer of title to the Home Loans and Home Loan Security in favour of the Issuer.

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

The French legal procedures to be followed in relation to the enforcement of French law governed Mortgages and related expenses may affect the Issuer's ability to liquidate the properties secured under such Mortgages efficiently and in a timely manner. An outline of these procedures is set out below (Specific rules are provided for lender's privileges and mortgages to be registered in the departments of Haut-Rhin, Bas-Rhin and Moselle. However, these specific rules do not substantially change the outline of these procedures set out below.)

Foreclosure on property situated in France by secured creditors (*saisie immobilière*) may require the sale of the property at a public auction (*vente aux enchères*) if the sale cannot be made voluntarily by the borrower (*conversion en vente volontaire* or *à l'amiable*). The foreclosure procedure may take up to one (1) year and a half in normal circumstances. The beneficiary of a lender's privilege or a mortgage will thus rank in respect of the sale proceeds in the order of priority of registration of the privileges and mortgages (*droits de préférence*) encumbering such seized property (Article 2458 of the French Civil Code (*Code civil*)). The first step in the foreclosure procedure consists of delivering a foreclosure notice to the borrower by a bailiff or *huissier* (a process server or *commandement de saisie immobilière*). This notice should be filed at the French Land and Charges Registry having jurisdiction in the district where the relevant real property is located. The next step is to instruct a local lawyer (*avocat*) to prepare the terms of the sale of the property at auction, including the reserve price of the relevant real property (such instruction is not mandatory in the departments of Haut-Rhin, Bas-Rhin and Moselle). Finally, a number of legal notices are required to be given prior to the sale. The borrower 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 a reserve price specified in the terms of the sale. Rules applicable to the *saisie immobilière* procedure have been modified by an act (*ordonnance n° 2006-461 réformant la saisie immobilière*) dated 21 April 2006. This new legislation

(Article 2190 *et seq.* of the French Civil Code (*Code civil*) has come into force on 1 January 2007. The purpose of the legislation is to simplify the foreclosure process by encouraging voluntary sales (*ventes à l'amiable*) and to reduce the duration and complexity of the process.

In accordance with Article 2461 of the French Civil Code (*Code civil*), secured creditors will continue to benefit from the lender's privilege or mortgage, even if the property is transferred, by the borrower to a third party without the Lenders' consent. This right is known as *droit de suite*. If the secured creditor wishes to exercise this right, an order to pay is required to be served on the borrower by a bailiff and notice is required to be served on the third party to whom the relevant secured property was transferred (*tiers détenteur de l'immeuble hypothéqué*) with a view either to pay the debt secured over the property or to surrender such property at an auction.

The exercise of such *droit de suite* is often paralysed due to an "advanced clearing" of the privileges and mortgages granted over the relevant property (*purge des privilèges et hypothèques*). If the borrower and all secured creditors agree, in accordance with Article 2475 of the French Civil Code (*Code civil*), for the sale proceeds to be allocated (*affecté*) to them, the secured creditors exercise their preferential rights (*droits de préférence*) over the sale proceeds, the payment of which will discharge all privileges and mortgages granted over the property (*purge amiable*). And 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*). Secured creditors may refuse this offer if they consider that the sale price has been underestimated by the borrower and the third party. In this case, an auction will be ordered with a minimum bid which is the price offered by the relevant third party being made 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 Notes, may be adversely affected by the legal procedures described above.

Enforcement of Home Loan Guarantees

If following (i) enforcement of the Collateral Security, (ii) transfer of title to the Home Loans and Home Loan Security in favour of the Issuer and then notification of the borrowers under such Home Loans and (iii) enforcement of its rights by the Issuer under the relevant Home Loan Guarantees against the Home Loans Guarantors thereunder, such Home Loans Guarantors do not pay in whole or in part any amounts due under the relevant Home Loan Guarantees for whatever reason or do not pay such amounts in a timely manner, this may affect the ability of the Issuer to make payments under the Notes.

Correlation between the credit strength of the Borrowers and the credit strength of certain Home Loan Guarantors.

Certain Home Loan Guarantors belong to the Network Guarantee System. Accordingly, the quality of the Home Loan Guarantees granted by those Home Loan Guarantors may be gradually adversely affected as the credit quality of the Network Guarantee System is reduced.

However, one of the task of the specific controller (*contrôleur spécifique*) is to control, when the Home Loans (*prêts à l'habitat*) granted or financed by the *société de financement de l'habitat* are subject to a guarantee (*cautionnement*) from another credit institution or an insurance company included in the consolidation scope, as defined by Article L.233-16 of the French Commercial Code (*Code de commerce*) as applicable to the *société de financement de l'habitat*, the risks assessment methods established by such credit institution or insurance company are adequate, in accordance with Article R.515-17 of the French Monetary and Financial Code (*Code monétaire et financier*).

5. Risks relating to swaps and options derivatives

Before the occurrence of a Group Event of Default

Interest risks

Each Borrower Loan granted by the Issuer for the benefit of the Borrowers under the Credit Facility and Collateral Framework Agreement shall be made available according to the same interest conditions as those applicable to the Notes funding such Borrower Loan. As a consequence, as long as a Group Event of Default has not occurred, the Issuer shall not be exposed to any interest risk regarding the Borrower Loan and the Notes.

Currency risks

The Borrower Loan and the Notes funding such Borrower Loan may be denominated in different currencies. In order to hedge the risk resulting from that currency mismatch, it is a condition precedent to the granting of the relevant Borrower Loans that the Issuer shall have entered into the necessary Pre-Enforcement Currency Hedging Transaction(s) with Eligible Hedging Provider(s). Pursuant to the Credit Facility and Collateral

Framework Agreement, BPCE SFH has undertaken in favour of the Borrowers to use commercially reasonable efforts for that purpose, provided that if BPCE SFH does not find any such Eligible Hedging Provider agreeing to enter into such Pre-Enforcement Currency Hedging Transaction(s), the corresponding Notes shall not be issued and the relevant Borrower Loan shall not be made available by BPCE SFH to the relevant Borrower

After the occurrence of a Group Event of Default

There is no assurance that the Home Loans being part of the Collateral Security bear interest at the same conditions as those of the Notes and are denominated in the same currency as the Notes. Upon the occurrence of a Group Event of Default and the enforcement of the Collateral Security, Home Loans and related Homes Loans Security will be transferred to the Issuer. In this case, in order to pre-empt and hedge the potential mismatch of the interest rates applicable to the Notes and to the Home Loans and the potential mismatch of currencies, the Issuer has undertaken, upon the occurrence of the earlier between (i) a Hedging Rating Trigger Event or (ii) a Group Event of Default, to enter into the necessary Issuer Hedging Transactions with any relevant Eligible Hedging Provider and, upon the occurrence of a Hedging Rating Trigger Event and as long as no Group Event of Default has occurred, to enter into the corresponding Borrower Hedging Transaction with BPCE, pursuant to Issuer Hedging Agreements and Borrower Hedging Agreements in the forms attached as annex to the Hedging Letter. However, no assurance can be given that the hedging documentation agreed under the Hedging Letter will be concluded, and in particular, that all relevant Eligible Hedging Provider(s) will be found and will accept to enter into that hedging documentation as agreed under the Hedging Letter.

Upon the occurrence of a Hedging Trigger Event, a failure (i) by BPCE SFH to find an Eligible Hedging Provider agreeing to enter into any Issuer Hedging Transaction within thirty (30) Business Days from the occurrence date of such Hedging Trigger Event or (ii) by BPCE to enter into any Borrower Hedging Transaction with the Issuer within thirty (30) Business Days from the occurrence date of such Hedging Trigger Event, in each case in the form attached as annex thereto, shall constitute a Group Event of Default.

Performance and termination of the hedging documentation

The Issuer will be dependent upon the performance by the Eligible Hedging Providers of their payment obligations under the relevant Pre-Enforcement Currency Hedging Transaction(s) and Issuer Hedging Agreement and by BPCE under the relevant Borrower Hedging Agreement to perform its own payment obligations under the Notes. In addition, in certain circumstances, the hedging documentation contemplated under the Hedging Strategy may be terminated and as a result the Issuer may be unhedged if replacement interest rate and/or currency derivative transactions are not entered into.

For more details on the Hedging Strategy, please see "The Hedging Strategy".

6. Risks related to Notes generally

The Notes may not be a suitable investment for all investors

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus, any applicable supplement to this Base Prospectus or the relevant Final Terms;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial condition, an investment in the relevant Notes and the impact the relevant Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets;
- (v) 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
- (vi) ensure that, in terms of any legislation or regulatory regime applicable to such investor, it complies with existing restrictions (if any) on its ability to invest in Notes generally and in any particular type of Notes.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either

alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Modification of the Terms and Conditions of the French law Notes

The holders of French law Notes 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 10, and a General Meeting can be held. The Terms and Conditions of the French law Notes permit in certain cases defined majorities to bind all holders of French law Notes including holders of French law Notes who did not attend and vote at the relevant General Meeting and holders of French law Notes who voted in a manner contrary to the majority. The General Meeting may deliberate on any proposal relating to the modification of the Terms and Conditions of the French law Notes including any proposal, whether for arbitration or settlement, relating to rights in controversy or which was the subject of judicial decisions, as more fully described in Condition 10.

Similarly, any modification of the Terms and Conditions of the German law Notes and/or Australian law Notes may be made pursuant to specific provisions with respect thereto.

Change of law

The Terms and Conditions of the French law Notes are based on French law, the Terms and Conditions of the German law Notes are based on German law and the Terms and Conditions of the Australian law Notes are based on the law of New South Wales, Australia, in each case in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to French law, German law or the law of New South Wales, Australia (as applicable) or administrative practice after the date of this Base Prospectus.

Taxation

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

Withholding taxes - No gross-up obligation

If French law should require that any payments in respect of any Note be subject to deduction or withholding in respect of any taxes or duties whatsoever, the Issuer will not pay any additional amounts. Therefore, the corresponding risk shall be borne by the Noteholders or, if applicable, the Receiptholders and the Couponholders. In addition, if French law should require that payments of principal or interest in respect of any Note be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, such Notes may not be redeemed early.

7. Risks related to the structure of a particular issue of Notes

Notes issued under the Programme will either be fungible with an existing Series (other than the German law Notes which will be issued in registered form) or have different terms to an existing Series (in which case they will constitute a new Series). All Notes issued from time to time will rank *pari passu* with each other.

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

Notes subject to optional redemption by the Issuer

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

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed Rate Notes

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

While the nominal interest rate of a fixed interest rate note is determined during the term of such note or within a given period of time, the market interest rate (the "**Market Interest Rate**") typically varies on a daily basis. As the Market Interest Rate changes, the price of the note varies in the opposite direction. If the Market Interest Rate increases, the price of the note typically decreases, until the yield of the note equals approximately the Market Interest Rate. If the Market Interest Rate decreases, the price of a fixed-rate note typically increases, until the yield of the bond equals approximately the Market Interest Rate.

Noteholders should be aware that movements of the Market Interest Rate can adversely affect the price of the Notes and can lead to losses for Noteholders if they sell Notes during the period in which the Market Interest Rate exceeds the fixed rate of the Notes.

Floating Rate Notes

Investment in Notes which bear interest at a floating rate comprises (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three (3) months or six (6) months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Notes may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate.

Fixed/Floating Rate Notes

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

Zero Coupon Notes

Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of ordinary Notes because the discounted issue prices are substantially below par. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and credit rating. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk.

Notes issued at a substantial discount or premium

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

Ratings of the Notes and Rating Confirmation

The ratings assigned to the Notes by the Rating Agencies are based on the Collateral Security, the Home Loans and Home Loan Security and the other relevant structural and credit enhancement features provided for under the Programme Documents, including, among other things, the short-term and/or long-term unsecured, unguaranteed and unsubordinated debt ratings of the parties to the Programme Documents, and reflect only the views of the Rating Agencies. The ratings address the likelihood of full and timely receipt by any of the relevant Noteholders of interest on the Notes and the likelihood of receipt by any relevant Noteholder of principal of the Notes by the relevant Final Maturity Date. There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Rating Agencies as a result of changes in or unavailability of information or if, in the judgment of the Rating Agencies, circumstances so warrant. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact both the value of the Notes 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. 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 Notes and any decision as to whether or not to confirm, downgrade, withdraw or qualify the ratings of all classes or any class of Notes 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.

Where, after the date of this Base Prospectus, a particular matter such as that referred to in the preceding paragraph or any other matter involves the Rating Agencies being requested a prior Rating Confirmation, the Rating Agencies, at their sole discretion, may or may not give such affirmation. It should be noted that, depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that the Rating Agencies cannot provide the relevant affirmation in the time available or at all and they will not be held responsible for the consequences thereof. Any affirmation received from the Rating Agencies, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time and in the context of cumulative changes to the transaction of which the Notes form part since the date of this Base Prospectus. Furthermore, in the event that a Rating Agency gives a Rating Confirmation, this will be on the basis of full and timely receipt by the relevant Noteholders of interest on the Notes and the likelihood of receipt of principal of the Notes by the relevant Final Maturity Date. There is no assurance that after any such affirmation, the then current ratings of the Notes will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by one (1) or more of the Rating Agencies for any of the reasons specified above in relation to the original ratings of the Notes. As such an affirmation of the ratings of the Notes by a Rating Agency is not a representation or warranty that, as a result of a particular matter, the interest and principal due under the Notes will be paid or repaid in full and when due.

The ratings may not reflect the potential impact of all risks discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the relevant rating agency at any time.

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

Implementation of Basel II Risk-Weighted Asset Framework

In June 1999, the Basel Committee on Banking Supervision (the "**Basel Committee**") issued proposals for the reform of the 1988 Basel Capital Accord and proposed a new capital adequacy framework which would place enhanced emphasis on risk sensitivity and market discipline. On 26 June 2004, the Basel Committee published a new Capital Accord under the title "Basel II International Convergence of Capital Measurement and Capital Standards: a Revised Framework" ("**Basel II**"), an updated version of which was published in November 2005. Basel II has been implemented into the EU legislation through the directives No. 2006/48 and No. 2006/49 both dated 14 June 2006, as amended (the "**Capital Requirements Directives**"). In France, the provisions of the Capital Requirements Directives providing for a new solvency ratio have been implemented through the *arrêtés* dated 20 February 2007 and the *ordonnance* dated 19 April 2007.

In December 2010, the Basel Committee has proposed significant changes to Basel II (such changes being commonly referred to as "**Basel III**"), including notably new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. In July 2011, the European Commission brought forward corresponding proposals implementing and completing Basel III which, if adopted, shall amend the Capital Requirements Directives (the "**CRD IV**"). Those proposals provide for the entry into force of the new legislation in 2013 with full implementation by January 2019.

The implementation into French law of the Capital Requirements Directives has brought about many substantial changes to the current system of capital requirements, prudential oversight and risk-management systems, including those of the Issuer. This implementation could affect the risk weighting of the Notes in respect of certain investors should those investors be subject to the new guidelines resulting from the implementation of the Capital Requirements Directives. Accordingly, recipients of this Base Prospectus should consult their own advisers as to the consequences and effects that the implementation of the Capital Requirements Directives and any amendments with respect thereto (including Basel III) could have on them.

Forecasts and estimates

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

EU Savings Directive

The EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the "**Savings Directive**") requires each Member State as from 1 July 2005 to provide to the tax authorities of another Member State details of payments of interest and other similar income within the meaning of the Savings Directive made by a paying agent within its jurisdiction to (or under circumstances to the benefit of) an individual resident in that other Member State. However, for a transitional period, certain Member States (Luxembourg and Austria) must apply a withholding on any payment of interest within the meaning of the Savings Directive, unless the beneficiary of interest payments elects for the exchange of information (the end of this transition period depending on the conclusion of some other agreements relating to the exchange of information with some other countries). Several countries and territories not members of the European Union, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland applies, unless the beneficiary of interest payments elects for the exchange of information). The current rate of this withholding tax is 35%.

The European Commission proposed some amendments to the Savings Directive which could, if they were adopted, amend or expand the scope of some requirements described above.

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

8. Risks related to the market generally

An active trading market for the Notes may not develop

Notes may have no established trading market when issued, and one may never develop. German law Notes and Australian law Notes will not be admitted to trading on any stock exchange or any other market and a secondary market will probably not develop through other means. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes 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 Notes 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 Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have an adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

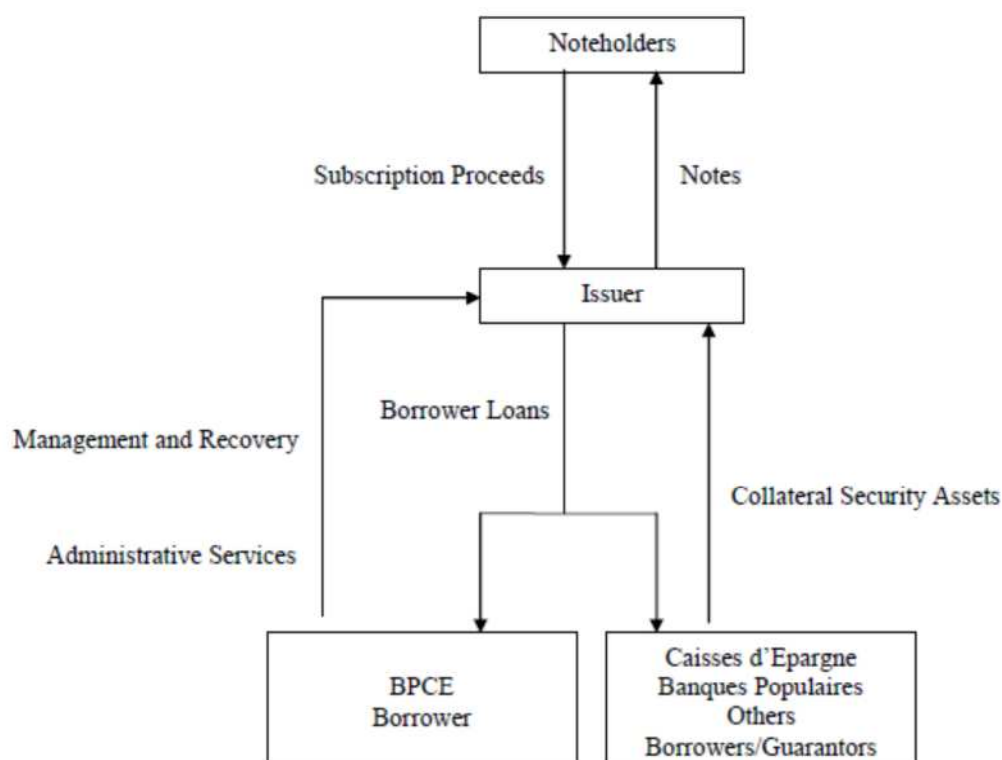
Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Legal investment considerations may restrict certain investments

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

STRUCTURE DIAGRAM - PRINCIPAL PROGRAMME PARTIES

1. Structure Diagram



2. Principal Programme Parties

The following list does not purport to be complete and is qualified in all respects by the remainder of the Base Prospectus.

Arranger:	Natixis
Issuer:	BPCE SFH
Administrative Agent:	BPCE
Management and Recovery Agent:	BPCE
Permanent Dealers:	Natixis and BPCE
Principal Paying Agent and Fiscal Agent:	BNP Paribas Securities Services
Australian Registrar:	BTA Institutional Services Australia Limited
Borrowers:	BPCE and the Original Borrower and any Additional Borrower accessing to the Credit Facility and Collateral Security Agreement
Guarantors:	The Original Guarantor and any Additional Guarantor accessing to the Credit Facility and Collateral Security Agreement
Obligors:	The Borrowers and the Guarantors
Obligors' Agent	BPCE
Statutory Auditors:	KPMG Audit and PricewaterhouseCoopers Audit
Specific controller:	Cailliau Dedouit et Associés
Rating Agencies:	Moody's and S&P

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus shall be read and construed in conjunction with the following documents which have been previously or simultaneously filed with the *Autorité des marchés financiers* (the "AMF") and which are incorporated in, and shall be deemed to form part of, this Base Prospectus:

- the French language financial statements of BPCE SFH for the fiscal year ended 31 December 2012 (*Comptes individuels annuels*) (the "**2012 Financial Statements**Erreur ! Signet non défini.");
- the French language statutory auditors' report related to the 2012 Financial Statements (the "**2012 Auditors' Report**");
- the French language financial statements of BPCE SFH for the fiscal year ended 31 December 2011 (*Comptes individuels annuels*) (the "**2011 Financial Statements**");
- the French language statutory auditor's report related to the 2011 Financial Statements (*Rapport du commissaire aux comptes sur les comptes annuels*) (the "**2011 Auditor's Report**");
- the "Terms and Conditions of the French law Notes" section contained on pages 95 to 121 of the base prospectus dated 19 April 2011 which received visa No. 11-125 from the AMF on 19 April 2011; and
- the "Terms and Conditions of the French law Notes" section contained on pages 36 to 56 of the base prospectus dated 19 April 2012 which received visa No. 12-172 from the AMF on 19 April 2012.

All documents incorporated by reference in this Base Prospectus may be obtained, without charge upon request, at the principal office of the Issuer and the Paying Agent set out at the end of this Base Prospectus during normal business hours so long as any of the Notes are outstanding. Such documents will be published on the website of BPCE (www.bpce.fr).

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 incorporated by reference is given for information purposes only.

Cross reference list

INFORMATION INCORPORATED BY REFERENCE (Annex VII of the European Regulation 809/2004/EC)	REFERENCE
8. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
<u>8.2 Historical financial information</u>	
	2012 Financial Statements
- Balance sheet	Pages 2 to 3
- Profit and loss Account	Page 4
- Notes	Pages 5 to 21
	2012 Auditors' Report
- Auditor's report relating to the 2012 Financial Statements	Pages 1 to 4
	2011 Financial Statements
- Balance sheet	Pages 2 and 3
- Profit and loss Account	Page 4
- Notes	Pages 5 to 19
	2011 Auditor's Report
- Auditor's report relating to the 2011 Financial Statements	Pages 1 to 3

SUPPLEMENT TO THE BASE PROSPECTUS

In connection with French law Notes admitted to trading on a Regulated Market, 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 of the French law Notes or generally any significant new factor, material mistake or inaccuracy relating to information, included or incorporated by reference in this Base Prospectus which is capable of affecting the assessment of any French law Notes, 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 French law Notes, the Issuer shall prepare a supplement to the Base Prospectus in accordance with Article 16 of the Prospectus Directive and Article 212-25 of the *Règlement Général* of the AMF or publish a replacement base prospectus for use in connection with any subsequent offering of the French law Notes, 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.

TERMS AND CONDITIONS OF THE FRENCH LAW NOTES

The following is the text of the terms and conditions that, as completed in accordance with the provisions of the relevant Final Terms (as defined below), shall be applicable to French law Notes (the "**Terms and Conditions**"). In this section, unless otherwise specified, the term "Notes" shall apply to French law Notes only. The terms and conditions applicable to German law Notes are contained in the Paying Agency Agreement (as defined below). The terms and conditions applicable to Australian law Notes are contained in the Australian law Note Deed Poll.

In the case of Dematerialised Notes (as defined below), the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed by the relevant Final Terms.

In the case of Materialised Notes (as defined below), 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 Definitive Materialised Notes.

All capitalised terms that are not defined in these Terms and Conditions will have the meanings given to them in the relevant Final Terms. References in the Terms and Conditions to "Notes" are to the Notes of one (1) Series (as defined below) only, not to all Notes that may be issued under the Programme.

The Notes will be issued by BPCE SFH (the "**Issuer**") in Series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical save as to the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") having the same or different issue dates and on terms identical to the terms of other Tranches of the same Series, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche. Notes will be issued under the Terms and Conditions of this Base Prospectus as completed, in accordance with the Regulation (EC) No. 809/2004 of the Commission of 29 April 2004 (as amended, including by the delegated regulation (EU) No. 486/2012 of the Commission of 30 March 2012), by the relevant final terms relating to the specific terms of each Tranche (the "**Final Terms**"), including, without limitation, the aggregate nominal amount, issue price, redemption price, and interest, if any, payable under the Notes.

The Notes will be issued with the benefit of an amended and restated paying agency agreement dated on or before the date hereof (the "**Paying Agency Agreement**") entered into between the Issuer, BNP Paribas Securities Services as fiscal agent (the "**Fiscal Agent**"), principal paying agent (the "**Principal Paying Agent**") and note calculation agent (the "**Note Calculation Agent**"). In addition to the Principal Paying Agent, additional paying agents may be appointed from time to time. The Principal Paying Agent and any paying agent so appointed shall be together referred to as the "**Paying Agents**" (which expression shall include the Fiscal Agent). The holders of the interest coupons (the "**Coupons**") relating to interest bearing Materialised Notes and, where applicable in the case of such Notes, talons (the "**Talons**") for further Coupons and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Materialised Notes of which the principal is redeemable in instalments are respectively referred to below as the "**Couponholders**" and the "**Receiptholders**".

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

1. Definitions

"**Borrower Loan**" means the Borrowers' indebtedness outstanding from time to time under the Credit Facility.

"**BPCE**" means BPCE, a French *société anonyme*, duly licensed as a French credit institution (*établissement de crédit*), registered in the *Registre du Commerce et des Sociétés* of Paris under number 493 455 042 and having its registered office at 50, avenue Pierre Mendès France – 75201 Paris Cedex 13 – France.

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

"**Group**" means the group constituted by the members of the Networks and the companies affiliated thereto in accordance with the conditions of Article L.511-31 of the French Monetary and Financial Code (*Code monétaire et financier*), as provided for in Article L.512-106 of the French Monetary and Financial Code (*Code monétaire et financier*) and being member of the Network Guarantee System.

"**Network Guarantee System**" means the system set up by BPCE between members of the Group in accordance with Article L.512-107 of the French Monetary and Financial Code (*Code monétaire et financier*), in order to guarantee the liquidity and the solvency of the Group and of each Network.

"**Networks**" means the Banques Populaires network, as defined in Article L.512-11 of the French Monetary and Financial Code (*Code monétaire et financier*) and the Caisses d'Épargnes network, as defined in Article L.512-86 of the French Monetary and Financial Code (*Code monétaire et financier*).

"**Noteholder**" or, as the case may be, "**holder of any Note**" means (a) in the case of Dematerialised Notes, 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 Notes and (b) in the case of Definitive Materialised Notes, the bearer of any Definitive Materialised Notes and the Coupons, Receipts or Talons relating to it.

"**outstanding**" means, in relation to Notes of any Series, all Notes (including German law Notes and Australian law Notes) issued other than (a) those that have been redeemed in accordance with these Terms and Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid as provided in, as applicable, Condition 7 of the Terms and Conditions, condition 7 of the terms and conditions of the German law Notes, or condition 7 of the terms and conditions of the Australian law Notes, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in these Terms and Conditions, (e) in the case of Definitive Materialised Notes (i) those mutilated or defaced Definitive Materialised Notes that have been surrendered in exchange for replacement Definitive Materialised Notes, (ii) (for the purpose only of determining how many such Definitive Materialised Notes are outstanding and without prejudice to their status for any other purpose) those Definitive Materialised Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Definitive Materialised Notes 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 Notes, pursuant to its provisions.

"**Regulated Market**" means a regulated market situated in a Member State of the European Economic Area as defined in Directive 2004/39/EC of the European Parliament and of the Council.

2. Form, Denomination and Title

(a) Form

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

- (i) Title to Dematerialised Notes will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 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 Notes.

Dematerialised Notes are 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 Noteholder or in fully registered form (*au nominatif pur*) inscribed in an account maintained by the Issuer or a registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the "**Registration Agent**").

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

- (ii) Materialised Notes are issued in bearer form only. Materialised Notes in definitive form ("**Definitive Materialised Notes**") are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Final Maturity Date), Coupons and Talons in these Terms and Conditions are not applicable. Instalment Notes are issued with one (1) or more Receipts attached.

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

The Notes may be "Fixed Rate Notes", "Floating Notes", "Zero Coupon Notes" or a combination of any of the foregoing, depending on the Interest Basis and the redemption method specified in the relevant Final Terms.

(b) Denomination

Notes shall be issued in the specified denomination(s) set out in the relevant Final Terms (the "**Specified Denomination(s)**"), save that the minimum denomination of all Notes admitted to trading on a Regulated Market in circumstances which require the publication of a prospectus under the prospectus directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003, as amended (the "**Prospectus Directive**"), will be of €100,000 (or its equivalent in any other currency) or such higher amount as may be allowed or required from time to time by the relevant monetary authority or any laws or regulations applicable to the relevant Specified Currency.

Dematerialised Notes shall be issued in one (1) Specified Denomination only.

(c) Title

- (i) Title to Dematerialised Notes in bearer form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes 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 Notes, including, where appropriate, Receipt(s), Coupons and/or a Talon attached, shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note (as defined below), Coupon, Receipt 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, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

3. Conversions and Exchanges of Notes

(a) Dematerialised Notes

- (i) Dematerialised Notes issued in bearer form (*au porteur*) may not be converted for Dematerialised Notes in registered form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
- (ii) Dematerialised Notes issued in registered form (*au nominatif*) may not be converted for Dematerialised Notes in bearer form (*au porteur*).
- (iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the holder of such Notes, be converted into Notes 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 Notes

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

4. Status - *Privilège*

(a) Status

The Notes (including the German law Notes and Australian law Notes) and, where applicable, any related Receipts and Coupons will constitute direct, unconditional and, pursuant to the provisions of Condition 4(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 or future notes (including the French law Notes, German law Notes and Australian law Notes of all other Series) and other resources raised by the Issuer benefiting from the *Privilège* created by Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*) as described in Condition 4(b).

(b) *Privilège*

- (i) The principal and interest of the Notes benefit from the *privilège* (priority right of payment) created by Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*) (the "**Privilège**") and the Noteholders shall benefit from all rights set out in Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*).
- (ii) Accordingly, notwithstanding any legal provisions to the contrary (including Book VI (*Livre VI*) of the French Commercial Code (*Code de commerce*)), pursuant to Articles L.515-19 and L.515-36-1 of the French Monetary and Financial Code (*Code monétaire et financier*):
 1. all amounts payable to the Issuer in respect of loans, or assimilated receivables, exposures and securities referred to in Articles L.515-14 to L.515-17 and L.515-35 of the French Monetary and Financial Code (*Code monétaire et financier*) and forward financial instruments referred to in Article L.515-18 of the French Monetary and Financial Code (*Code monétaire et financier*) (as the case may be, after any applicable netting), together with the claims in respect of deposits made by the Issuer with credit institutions, are allocated in priority to the payment of any sums due in respect of the *obligations de financement de l'habitat* issued by the Issuer and any other resources raised by the Issuer and benefiting from the *Privilège*;

it should be noted that not only Notes benefit from the *Privilège*. Other resources (such as loans) and derivative transactions for hedging Notes and/or assets of the Issuer may also benefit from the *Privilège*;
 2. when a *société de financement de l'habitat* such as the Issuer is subject to safeguard, judicial or liquidation proceedings (*procédure de sauvegarde, de redressement ou de liquidation judiciaires*) or to conciliation proceedings with its creditors (*procédure de conciliation*), the amounts arisen regularly (*nées régulièrement*) from the operations referred to in Article L.515-36-I of the French Monetary and Financial Code (*Code monétaire et financier*) shall 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;
 3. until all creditors benefiting from the *Privilège* have been fully paid, no other creditor of a *société de financement de l'habitat* such as the Issuer may exercise any right over the assets and rights of such *société de financement de l'habitat*; and
 4. the judicial liquidation of a *société de financement de l'habitat* such as the Issuer will not result in the acceleration of payment of *obligations de financement de l'habitat* such as the Notes and other debts benefiting from the *Privilège*.

5. Interest and other Calculations

(a) Definitions

In these Terms and 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.

"**Business Day**" means:

- (i) in the case of payments to be made in Euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer payment system (known as TARGET 2) or any successor thereto (the "**TARGET System**") is operating (a "**TARGET Business Day**"), and/or

- (ii) in the case of payments to be made in a Specified Currency other than Euro, a day (other than a Saturday or a 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 payments to be made in 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 Note 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) (the number of days to be calculated on the basis of a year of three hundred and sixty (360) days with twelve (12) thirty (30)-day months (unless (a) the last day of the Calculation Period is the thirty-first (31st) day of a

month but the first day of the Calculation Period is a day other than the thirtieth (30th) or thirty-first (31st) day of a month, in which case the month that includes that last day shall not be considered to be shortened to a thirty (30)-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a thirty (30)-day month).

- (vii) if "**30/360-FBF**" or "**Actual 30A/360 (American Bond Basis)**" 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 $dd1 \neq (30,31)$

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) (the number of days to be calculated on the basis of a year of three hundred and sixty (360) days with twelve (12) thirty (30)-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Final Maturity Date, the Final Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a thirty (30)-day month).

- (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 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 European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.

"**FBF**" means the *Fédération Bancaire Française*.

"**FBF Definitions**" means the definitions set out in the 2007 FBF Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules published by the FBF, as amended from time to time (together the "**FBF Master Agreement**").

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

"**Interest Amount**" means the amount of interest payable, and in the case of Fixed Rate Notes, 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 unless otherwise specified in the relevant Final Terms.

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc, as amended from time to time.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of the Notes 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 Note Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR or EONIA is the relevant Benchmark, shall be the Euro-zone, and if LIBOR is the relevant Benchmark, shall be London).

"**Relevant Date**" means, in respect of any Note, Receipt 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 Notes if earlier) the date seven (7) days after that on which notice is duly given to the holders of such Materialised Notes that, upon further presentation of the Materialised Note or Coupon being made in accordance with these Terms and Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

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

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

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of

deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose "local time" means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, 11:00 a.m. (Brussels time).

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

"**Specified Currency**" means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes 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 5(c)(ii).

(b) Interest on Fixed Rate Notes

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

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

(c) Interest on Floating Rate Notes

(i) *Interest Payment Dates:* Each Floating Rate Note 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. Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Terms and 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 Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the provisions below relating to either ISDA Determination, FBF Determination or Screen Rate Determination, depending upon which is specified in the relevant Final Terms.

(A) ISDA Determination for Floating Rate Notes:

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period

shall be determined by the Note Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Note Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the relevant Final Terms; and
- (b) the Designated Maturity is a period specified in the relevant Final Terms; and
- (c) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A),

"Floating Rate" and "Floating Rate Option", "Designated Maturity", "Reset Date" and "Swap Transaction", have the meanings given to those terms in the ISDA Definitions;

"**Note Calculation Agent**" shall correspond to the term "**Calculation Agent**", with the meaning given to such term in the ISDA Definitions.

(B) FBF Determination for Floating Rate Notes:

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 Calculation Agent as a rate equal to the relevant FBF Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "**FBF Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Transaction under the terms of an agreement incorporating the FBF Definitions and under which:

- (a) the Floating Rate is as specified in the relevant Final Terms; and
- (b) the relevant Floating Rate Determination Date (*Date de Détermination du Taux Variable*) is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms

For the purposes of this sub-paragraph (B), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Determination Date** (*Date de Détermination du Taux Variable*)" and "**Transaction**" have the meanings given to those terms in the FBF Definitions, provided that "**Euribor**" means the rate calculated for deposits in Euro which appears on Reuters page EURIBOR01, as more fully described in the relevant Final Terms.

(C) Screen Rate Determination for Floating Rate Notes:

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 Note 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:

- (a) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
 - 1. the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one (1) entity); or
 - 2. 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
- (b) 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 Note Calculation Agent, plus or minus the Margin (if any), as indicated in the relevant Final Terms, and

- (c) if paragraph (2) above applies and the Note 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 Note 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 Note 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 Note 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 Note 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).

(d) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Final Maturity Date pursuant to an Issuer's Option or, if so specified in the relevant Final Terms, pursuant to Condition 6(e) or otherwise and is not paid when due, the amount due and payable prior to the Final Maturity Date shall be the Early Redemption Amount. As from the Final Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate *per annum* (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(e)(i)).

(e) Accrual of Interest

Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date.

(f) Margin, Rate Multiplier, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding

- (i) If any Margin or Rate Multiplier 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 or by multiplying the Rate of Interest by the Rate Multiplier, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Terms and Conditions (unless otherwise specified), (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) decimals (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.

(g) Calculations

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount is specified in respect of such period, in which case the amount of interest payable in respect of such Note 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 amounts of interest payable in respect of each of those Interest Accrual Periods.

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

The Note Calculation Agent shall, as soon as practicable on such date as the Note 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 Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment 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, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Note Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed 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 5(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 Note Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(i) Note 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 Note Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note 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) Note Calculation Agent is appointed in respect of the Notes, references in these Terms and Conditions to the Note Calculation Agent shall be construed as each Note Calculation Agent performing its respective duties under the Terms and Conditions. If the Note Calculation Agent is unable or unwilling to act as such or if the Note Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment 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 Note 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 Note Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

6. Redemption, Purchase and Options

(a) Final Redemption

Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Noteholders' option in accordance with Condition 6(c) or 6(d), each Note shall be finally redeemed on the Final Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within Condition 6(b) below, its final Instalment Amount.

(b) Redemption by Instalments

Unless previously redeemed, purchased and cancelled as provided in this Condition 6, or the relevant Instalment Date (being one (1) of the dates so specified in the relevant Final Terms) is extended pursuant to any Issuer's or Noteholders' option in accordance with Conditions 6(c) or 6(d), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused (i) in the case of Dematerialised Notes, on the due date for such payment or (ii) in the case of Materialised Notes, on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(c) Redemption at the Option of the Issuer, Exercise of Issuer's Options and Partial Redemption

If a Call Option is specified in the relevant Final Terms, the Issuer may, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than fifteen (15) nor more than thirty (30) days' irrevocable prior notice in accordance with Condition 13 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem, or exercise any other option in relation to all or, if so provided, some, of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes 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 Notes 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 Notes in respect of which any such notice is given shall be redeemed, or the Issuer's Option shall be exercised, on the date specified in such notice in accordance with this Condition.

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

So long as the Notes are traded on a Regulated Market and the rules of, or applicable to, such Regulated Market so require, the Issuer shall, each time there has been a partial redemption of the Notes, cause to be published (i) as long as the Notes are admitted to trading on Euronext Paris and the rules applicable to such Regulated Market so permit, on the website of the AMF (www.amf-france.org) or (ii) in a leading financial newspaper of general circulation in the city where the Regulated Market on which such Notes are admitted to trading is located, which in the case of Euronext Paris is expected to be *Les Echos*, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes a list of any Materialised Notes, drawn for redemption but not surrendered.

(d) Redemption at the Option of Noteholders and Exercise of Noteholders' Options

If a Put Option is specified in the relevant Final Terms, the Issuer shall, at the option of the Noteholder, upon the Noteholder giving not less than fifteen (15) nor more than thirty (30) days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Note 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 (which must be exercised on an Option Exercise Date) the Noteholder 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 or the

Registration Agent, as the case may be, within the notice period. In the case of Materialised Notes, the Exercise Notice shall have attached to it the relevant Notes (together with all unmatured Receipts and Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes 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 Note so deposited or transferred, may be withdrawn without the prior consent of the Issuer.

(e) Early Redemption

(i) Zero Coupon Notes

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to Condition 6(g) shall be the Amortised Nominal Amount (calculated as provided below) of such Note.

(B) Subject to the provisions of sub-paragraph (C) below, the amortised nominal amount of any such Note (the "**Amortised Nominal Amount**") shall be the scheduled Final Redemption Amount of such Note on the Final Maturity Date discounted at a rate *per annum* (expressed as a percentage) equal to the amortisation yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the Notes if they were discounted back to their issue price on the issue date) (the "**Amortisation Yield**") compounded annually.

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

Where such calculation is to be made for a period of less than one (1) year, it shall be made on the basis of the Day Count Fraction as provided in the relevant Final Terms.

(ii) Other Notes

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(g) shall be the Final Redemption Amount. The Issuer shall pay, together with such Final Redemption Amount, the interest accrued to the date fixed for redemption.

(f) No redemption for taxation reasons

If French law should require that payments of principal or interest in respect of any Note be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, such Notes shall not be redeemed early.

(g) Redemption due to illegality

The Notes of all Series shall be redeemed at the option of the Issuer, subject to compliance by the Issuer of all 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) days' irrevocable notice in accordance with Condition 13 to the Noteholders, 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 Notes of any Series, become unlawful for the Issuer to make, fund or allow to remain outstanding any Borrower Loan made by it to the Borrowers or to comply with any other of its obligations under the Notes of all 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) representatives 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 Noteholders, Receiptholders and Couponholders.

Notes redeemed pursuant to this Condition 6(g) will be redeemed at their Early Redemption Amount referred to in Condition 6(e) together (if appropriate) with interest accrued to the date fixed for redemption, if any.

(h) Purchases

The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Receipts and 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. The relevant Final Terms will specify whether Notes so purchased by the Issuer shall be held and resold in accordance with Articles L.213-1 A and D.213-1 A of the French Monetary and Financial Code (*Code monétaire et financier*) for the purpose of enhancing the liquidity of the Notes or shall be cancelled in accordance with Condition 6(i) below.

(i) Cancellation

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

7. Payments and Talons

(a) Dematerialised Notes

Payments of principal and interest in respect of Dematerialised Notes shall (i) in the case of Dematerialised Notes 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 Noteholders and, (ii) in the case of Dematerialised Notes in fully registered form, to an account denominated in the relevant currency with a Bank designated by the relevant Noteholder. 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 Notes

(i) Method of payment

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

(ii) *Presentation and surrender of Definitive Materialised Notes, Receipts and Coupons*

Payments of principal in respect of Definitive Materialised Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of partial payment of any sum due, annotation) of such Notes, and payments of interest in respect of Definitive Materialised Notes 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 of America (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)).

Payments of instalments of principal (if any) in respect of Definitive Materialised Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, annotation) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, annotation) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Materialised Note to which it appertains. Receipts presented without the Definitive Materialised Note to which they appertain do not constitute valid obligations of the Issuer.

Upon the date upon which any Definitive Materialised Note becomes due and payable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment will be made in respect thereof.

Fixed Rate Notes 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 9) 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 Note in definitive form becoming due and repayable prior to its Final Maturity Date, 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 Note 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 Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note 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 Note.

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

Notwithstanding the foregoing, if any Materialised Notes 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 of America with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes 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 any applicable fiscal or other laws, regulations and directives in any jurisdiction (whether by operation of law or agreement of the Issuer or its Agents) and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements.

No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) Appointment of Agents

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

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

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

(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 Note, 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 9).

(g) Business Days for Payment

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, 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 7, "**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.

8. Taxation

(a) Tax exemption

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes 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) No Additional Amounts

If French law should require that payments of principal or interest in respect of any Note, or any Receipt or Coupon relating thereto, be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will not be required to pay any additional amounts.

(c) Supply of Information

Each Noteholder shall be responsible for supplying to the relevant paying agent within the meaning of the European Council Directive 2003/48/EC, in a timely manner, any information as may be required in order to comply with the identification and reporting obligations imposed on it by the European Council Directive 2003/48/EC or any other European Directive implementing the conclusions of the ECOFIN Council Meeting dated 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive.

9. Prescription

Claims against the Issuer for payment in respect of any amount due under the Notes, Receipts 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.

10. Representation of Noteholders

Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* (in each case, the "**Masse**").

Except if the Final Terms specify that the *Masse* will be governed by the provisions of the French Commercial Code (*Code de commerce*) applicable to the *Masse*, the *Masse* will be governed, in accordance with Article L.228-90 of the French Commercial Code (*Code de commerce*), by the provisions of the French Commercial Code (*Code de commerce*), with the exception of Articles L.228-48, L.228-59, L.228-71, L.228-80, R.228-63, R.228-67, R.228-69 and R.228-83 and subject to the following provisions:

(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 a general meeting of the Noteholders (the "**General Meeting**").

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

(b) Representative

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

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

The Representative appointed in respect of the first Tranche of the first Series of Notes was:

Sylvain Thomazo
20, rue Victor Bart
78000 Versailles
France

The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single *Masse* of all Tranches in such Series. Except otherwise specified in the relevant Final Terms, the Representative appointed in respect of the first Tranche of the first Series of Notes will be the Representative in respect of each Series of Notes.

The alternative representative shall be:

Sandrine d'Haussy
69, Avenue Gambetta
94100 Saint Maur Des Fosses
France

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

The Issuer shall pay to the Representative an amount of Euro 2,500 per year so long as any of the Notes is outstanding. The alternative representative will only become entitled to the annual remuneration of Euro 2,500 if it exercises the duties of Representative on a permanent basis; such remuneration will accrue from the day on which it assumes such duties.

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

(c) Powers of Representative

The Representative shall (in the absence of any decision to the contrary of the General Meeting), and except as provided by paragraph 1 of Article L.515-31 of the French Monetary and Financial Code (*Code monétaire et financier*), have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders 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 liquidation (*liquidation judiciaire*) proceedings be commenced against the Issuer, the Specific Controller would file the proof of debt of all creditors (including the Noteholders) of the Issuer benefiting from the *Privilège* pursuant to paragraph 1 of Article L.515-31 of the French Monetary and Financial Code (*Code monétaire et financier*).

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

(d) General Meeting

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

Notice of the date, hour, place and agenda of any General Meeting will be published as provided under Condition 13.

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

In accordance with Article R.228-71 of the French Commercial Code (*Code de commerce*), the rights of each holder of a Note to participate in a General Meeting must be evidenced by entries in the books of the relevant Account Holder of the name of such holder of a Note on the third (3rd) business day in Paris preceding the date set for the relevant General Meeting at midnight (0.00), Paris time.

(e) Powers of the General Meetings

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

The General Meeting may further deliberate on any proposal relating to the modification of the Terms and Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) of the Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert the Notes into shares.

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

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 13.

(f) Information to Noteholders

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

(g) Expenses

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

(h) Single Masse

The Noteholders of the same Series, and the Noteholders of any other Series which have been assimilated (*assimilées*) with the Notes of such first mentioned Series in accordance with Condition 12, shall, for the defence of their respective common interests, be grouped in a single *Masse*. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single *Masse* of all Tranches in such Series.

11. Replacement of Definitive Materialised Notes, Receipts, Coupons and Talons

If, in the case of any Materialised Note, a Definitive Materialised Note, Receipt, 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 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 Noteholders, 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 Note, Receipt, 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 Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. Further Issues

The Issuer may from time to time without the consent of the Noteholders, Receiptholders or Couponholders create and issue further Notes to be assimilated (*assimilées*) with the Notes provided such Notes and the further Notes carry rights identical in all respects (or identical in all respects save as to the principal amount thereof and the first payment of interest specified in the relevant Final Terms)

and that the terms of such Notes provide for such assimilation, and references in these Terms and Conditions to "Notes" shall be construed accordingly.

13. Notices

- (a) Notices to the holders of Dematerialised Notes 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 (ii) at the option of the Issuer, they are published (A) so long as such Notes are admitted to trading on Euronext Paris, in a leading daily financial newspaper of general circulation in France (which is expected to be *Les Echos*) or (B) in a leading daily financial newspaper of general circulation in Europe (which is expected to be the *Financial Times*) or (C) in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF and so long as such Notes are admitted to trading on any Regulated Market, in a leading daily financial newspaper with general circulation in the city/ies where the Regulated Market(s) on which such Notes are admitted to trading, if the rules applicable to such Regulated Market(s) so require.
- (b) Notices to the holders of Materialised Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if, at the option of the Issuer, they are published (i) so long as such Notes are admitted to trading on Euronext Paris, in a leading daily financial newspaper of general circulation in France (which is expected to be *Les Echos*), or (ii) in a daily leading financial newspaper of general circulation in Europe (which is expected to be the *Financial Times*) or (iii) in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF and so long as such Notes are admitted to trading on any Regulated Market, in a leading daily financial newspaper with general circulation in the city/ies where the Regulated Market(s), on which such Notes is/are admitted to trading is located, if the rules applicable to such Regulated Market(s) so require.
- (c) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language financial newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Notes in accordance with this Condition.
- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Terms and Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as required by Conditions 13(a), (b), (c), above; except that so long as such Notes are admitted to trading on any Regulated Market(s) and the rules applicable to such Regulated Market(s) so require, notices shall also be published in a leading daily financial newspaper with general circulation in the city/ies where the Regulated Market(s) on which such Notes is/are admitted to trading are/is situated.

14. Governing Law and Jurisdiction

(a) Governing Law

The Notes, Receipts, 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 Notes, Receipts, Coupons or Talons may be brought before any competent court in Paris.

USE OF PROCEEDS

For the avoidance of doubt, it is specified that, in the following section, the expression "Notes" will include the French law Notes, the German law Notes and the Australian law Notes.

The net proceeds of the issue of Notes will be used to fund Borrower Loans under the Credit Facility to be made available by the Issuer to the Borrowers and, as the case may be, BPCE.

OVERVIEW OF THE LEGISLATION AND REGULATIONS RELATING TO SOCIÉTÉS DE FINANCEMENT DE L'HABITAT

Please note that this section should be updated, as the case may be, with any relevant Instruction from the French Autorité de Contrôle Prudentiel or Ministerial order published in respect of sociétés de financement de l'habitat.

Entities entitled to issue *Obligations de financement de l'habitat*

The legal and regulatory regime applicable to *sociétés de financement de l'habitat* results mainly from the following provisions:

- (a) Articles L.515-14, L.515-16, L.515-17 to L.515-32-1 and L.515-34 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*);
- (b) Articles R.515-2, R.515-4, R.515-5, R.515-7 to R.515-11, R.515-12 to R.515-14 and R.515-15 to R.515-17 of the French Monetary and Financial Code (*Code monétaire et financier*);
- (c) Regulation (*instruction*) No. 99-10 dated 9 July 1999, as amended, issued by the Banking and Financial Regulatory Committee (*Comité de la Réglementation Bancaire et Financière*); and
- (d) Regulations (*instructions*) No. 2011-I-06 and 2011-I-07 dated 15 June 2011 issued by the French banking authority (*Autorité de contrôle prudentiel*).

Eligible assets

In accordance with the French current legal framework applicable to *sociétés de financement de l'habitat* on the date hereof, a *société de financement de l'habitat* may only:

- (a) grant loans to any credit institution provided that such loans are guaranteed by the collateralisation (*remise*), the assignment or the pledge of Home Loans receivables (*créances de prêts à l'habitat*) (as defined below), pursuant to and in accordance with the provisions of Articles L.211-36 to L.211-40 or Articles L.313-23 to L.313-35 of the French Monetary and Financial Code (*Code monétaire et financier*), regardless of their nature, professional or otherwise;
- (b) purchase units or notes issued by French *organismes de titrisation* or any other similar foreign entities governed by the laws of a Member State of the European Community or EEA, the United States of America, Switzerland, Japan, Canada, Australia or New Zealand, if the following provisions of Article L.515-16 of the French Monetary and Financial Code (*Code monétaire et financier*) are complied with:
 - (i) the assets of such securitisation vehicles consist of at least 90% of receivables of the same kind than those complying with the criteria set out in Article L.515-14-I of the French Monetary and Financial Code (*Code monétaire et financier*) or other receivables benefiting from the same level of guarantees;
 - (ii) such units or notes are not specific units or specific notes issued to cover the risk of insolvency of debtors; and
 - (iii) such units or notes benefit from the highest level of credit assessment (*meilleur échelon de qualité de crédit*) assigned by an external rating agency recognised by the French *Autorité de contrôle prudentiel* pursuant to Article L.511-44 of the French Monetary and Financial Code (*Code monétaire et financier*).
- (c) subscribe for promissory notes (*billets à ordre*) issued by any credit institution, pursuant to and in accordance with the provisions of Articles L.313-43 to L.313-48 of the French Monetary and Financial Code (*Code monétaire et financier*) and which, as an exception to Article L.313-42 of the said code, are issued in order to refinance Home Loans receivables (*créances de prêts à l'habitat*) (as defined below); and
- (d) grant Home Loans (as defined below).

The Home Loans which will be granted or financed by a *société de financement de l'habitat* are:

- (a) aiming at financing, in whole or in part, residential real property located in France or another European Union Member State or an European Economic Area Member State or a State benefiting from the highest level of credit assessment (*meilleur échelon de qualité de crédit*) assigned by an external rating agency recognised by the French *Autorité de contrôle prudentiel* pursuant to Article L.511-44 of the French Monetary and Financial Code (*Code monétaire et financier*); and

- (b) guaranteed by a first-ranking mortgage or a charge over real property which provides a guarantee at least equal thereto or a guarantee (*cautionnement*) granted by a credit institution or an insurance company.

In addition, according to Articles L.515-17 and R.515-7 of the French Monetary and Financial Code (*Code monétaire et financier*), a *société de financement de l'habitat* may also hold securities, instruments and deposits which are sufficiently secure and liquid, as replacement assets (*valeurs de remplacement*) defined as exposures on credit institutions or investment firms benefiting from the highest level of credit assessment (*meilleur échelon de qualité de crédit*) (or when the remaining maturity of such exposures on credit institutions or investment firms is less than 100 days, the second highest level of credit assessment (*second meilleur échelon de qualité de crédit*)) assigned by an external rating agency recognised by the French Autorité de contrôle prudentiel pursuant to Article L.511-44 of the French Monetary and Financial Code (*Code monétaire et financier*), as well as debt securities issued or fully guaranteed by public sector entities which comply with the provisions of Article L.515-15-I of the French Monetary and Financial Code (*Code monétaire et financier*).

Finally, a *société de financement de l'habitat* may acquire and own any movable or immovable property which is necessary for the accomplishment of its corporate purpose or which derives from recovery of the receivables it holds.

In addition, as any *société de financement de l'habitat*, the Issuer is not allowed to make any other investments, except investments in assets which are sufficiently secure and liquid to be held as replacement assets (*valeurs de remplacement*), as defined in Article R.515-7 of the French Monetary and Financial Code (*Code monétaire et financier*).

See also "Description of the Issuer – Issuer's exclusive purpose and business overview".

Statutory cover ratio

Sociétés de financement de l'habitat must at all times maintain a cover ratio between their assets and their liabilities benefiting from the *Privilège*. According to Article R.515-7-2 of the French Monetary and Financial Code (*Code monétaire et financier*), *sociétés de financement de l'habitat* must at all times maintain a ratio of at least 102 per cent. between their resources benefiting from the *Privilège* and their assets, including the replacement assets (*valeurs de remplacement*), provided however that where the assets of a *société de financement de l'habitat* include receivables secured by other 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*), those assets received as collateral security, whether by way of pledge or full transfer of title, shall be taken into account for the calculation of that ratio (instead of the receivables shown on the balance sheet of the *société de financement de l'habitat*); and

Pursuant to Article L.515-38 of the French Monetary and Financial Code (*Code monétaire et financier*), *sociétés de financement de l'habitat* must appoint a specific controller (*contrôleur spécifique*) with the approval of the French *Autorité de contrôle prudentiel* whose tasks are:

- (i) to ensure that the *société de financement de l'habitat* complies with Articles L.515-34 to L.515-36 of the French Monetary and Financial Code (*Code monétaire et financier*);
- (ii) to certify that the statutory cover ratio is satisfied in connection with (a) the *société de financement de l'habitat's* quarterly programme of issues benefiting from the *Privilège* and (b) any issue of resources benefiting from the *Privilège* and whose amount is greater than Euro 500 million;
- (iii) to ensure that the Home Loans (*prêts à l'habitat*) granted or financed by the *société de financement de l'habitat* comply with the purpose of Article L.515-34 and with the requirements set out in Articles L.515-35 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*);
- (iv) to control, when the Home Loans (*prêts à l'habitat*) granted or financed by the *société de financement de l'habitat* are subject to a guarantee (*cautionnement*) from another credit institution or an insurance company included in the consolidation scope, as defined by Article L.233-16 of the French Commercial Code (*Code de commerce*) as applicable to the *société de financement de l'habitat*, the risks assessment methods established by such credit institution or insurance company are adequate, in accordance with Article R.515-17 of the French Monetary and Financial Code (*Code monétaire et financier*); and
- (v) to review, pursuant to Article 12 of Regulation 99-10 dated 9 July 1999 on *sociétés de crédit foncier* and *sociétés de financement de l'habitat*, the level of rate and maturity matching between the assets and the liabilities. In case the specific controller believes that the level of rate and maturity matching would create excessive risks for the creditors benefiting from the *Privilège*, the specific controller informs the officers of the relevant *société de financement de l'habitat* and the *Autorité de Contrôle Prudentiel*.

The specific controller has access to information that allows confirmation of each issue's compliance with the statutory cover ratio. This statutory cover ratio is published twice a year and checked on a quarterly basis by the specific controller.

Regulatory liquidity test

Pursuant to articles L.515-7-1 and R.515-7-1 of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer must, at all time, cover its treasury needs over a period of 180 days, taking into account the forecasted flows of principal and interest on its assets and net flows related to derivative financial instruments referred to in article L.515-18 of the French Monetary and Financial Code (*Code monétaire et financier*). The treasury needs are covered by substitution assets, eligible assets to the credit operations of the Banque de France and refinancing agreements entered into with credit institutions benefiting from the highest level of credit assessment (*premier échelon de qualité de crédit*) assigned by an external rating agency recognised by the French *Autorité de contrôle prudentiel* pursuant to article L.511.44 of the French Monetary and Financial Code (*Code monétaire et financier*), or guaranteed by other entities benefiting from the same credit assessment.

Privilège and non privileged debts

Privilège

The *obligations de financement de l'habitat* issued by *sociétés de financement de l'habitat*, together with the other resources raised pursuant to an agreement or a document designed to inform the public (within the meaning of Article L.412-1 of the French Monetary and Financial Code (*Code monétaire et financier*)) or any equivalent document required for the admission to trading on foreign regulated markets which mentions the *Privilège*, and the liabilities resulting from derivative transactions relating to the hedging of *obligations de financement de l'habitat* and other privileged debts in accordance with Article L. 515-18 of the French Monetary and Financial Code (*Code monétaire et financier*) benefit from the *Privilège* set out under Article L. 515-19 of the French Monetary and Financial Code (*Code monétaire et financier*).

Pursuant to Article L. 515-19 of the French Monetary and Financial Code (*Code monétaire et financier*), notwithstanding any legal provisions to the contrary and in particular the provisions included in book VI of the French Commercial Code (*Code de commerce*) relating to the prevention and conciliation of business difficulties and to the judicial administration and liquidation of companies:

- (i) the sums resulting from loans, or assimilated receivables, exposures and securities referred to in Articles L.515-14 to L.515-17 and L.515-35 of the French Monetary and Financial Code (*Code monétaire et financier*) and forward financial instruments referred to in Article L.515-18 of the French Monetary and Financial Code (*Code monétaire et financier*) (as the case may be, after any applicable netting), together with the claims in respect of deposits made by a *société de financement de l'habitat* (i.e. the issuer of *obligations de financement de l'habitat*, such as the Issuer) with credit institutions, are allocated in priority to the payment of any sums due in respect of the *obligations de financement de l'habitat* issued by the Issuer and any other resources raised by the Issuer and benefiting from the *Privilège*;
- (ii) when a *société de financement de l'habitat* such as the Issuer is subject to safeguard, judicial or liquidation proceedings (*procédure de sauvegarde, de redressement ou de liquidation judiciaires*) or to conciliation proceedings with its creditors (*procédure de conciliation*), the amounts arisen regularly (*nées régulièrement*) from the operations referred to in Article L.515-36-I of the French Monetary and Financial Code (*Code monétaire et financier*) shall 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. Until all creditors benefiting from the *Privilège* have been fully paid, no other creditor of the *société de financement de l'habitat* such as the Issuer may exercise any right over the assets and rights of such *société de financement de l'habitat*;
- (iii) the judicial liquidation of a *société de financement de l'habitat* such as the Issuer will not result in the acceleration of payment of *obligations de financement de l'habitat* such as the Notes and other debts benefiting from the *Privilège*; and
- (iv) the rules set out in (i) and (ii) above also apply to the fees related to the transactions mentioned in 1 and 2 of I of article L.515-13 of the French Monetary and Financial Code (*Code monétaire et financier*) (including, respectively, the granting of the Borrower Loans and the issue of the Notes) and to sums due, as the case may be, under the contract provided for by Article 515-22 of the French Monetary and Financial Code (*Code monétaire et financier*).

Non privileged debts

Sociétés de financement de l'habitat may also raise other resources which do not benefit from such *Privilège*. Such other resources include:

- (i) loans or resources raised pursuant to an agreement or a document designed to inform the public (within the meaning of Article L.412-1 of the French Monetary and Financial Code (*Code monétaire et financier*)) or any equivalent document required for the admission to trading on foreign regulated markets does not mention the *Privilège*;
- (ii) promissory notes (*billets à ordre*) issued pursuant to and in accordance with the provisions of Articles L.313-43 to L.313-48 of the French Monetary and Financial Code (*Code monétaire et financier*) which, as an exception to Article L.313-42 of the said code, are issued in order to refinance Home Loans receivables (*créances de prêts à l'habitat*);
- (iii) temporary transfers of its securities as provided for in Articles L.211-22 to L.211-34 of the French Monetary and Financial Code (*Code monétaire et financier*), pledge of a securities account as defined in Article L.211-20 of the French Monetary and Financial Code (*Code monétaire et financier*) and transfer of all or part of its receivables in accordance with Articles L.211-36 to L.211-40 or in accordance with Articles L.313-23 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*), regardless of their nature, professional or otherwise. The receivables and securities so refinanced are not taken into account for the purpose of determining the cover ratio of the resources benefiting from the *Privilège*.

Hedging

A *société de financement de l'habitat* may enter into forward financial instruments to hedge its interests and currency risk on the exposures set out in Articles L.515-15 to L.515-17 of the French Monetary and Financial Code (*Code monétaire et financier*), on the *obligations de financement de l'habitat* and other resources whether or not benefiting from the *Privilège*. Any amounts payable pursuant to these forward financial instruments, after the applicable set-off as the case may be, benefit from the *Privilège* of Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*), unless such forward financial instruments were not concluded by the Issuer to hedge items of its assets and/or privileged liabilities or the global risk on its assets, liabilities and off-balance sheet items in accordance with Article L.515-18 of the French Monetary and Financial Code (*Code monétaire et financier*).

Insolvency derogating regime

Article L.515-27 of the French Monetary and Financial Code (*Code monétaire et financier*) precludes the extension of any safeguard procedure (*procédure de sauvegarde*), judicial reorganisation (*redressement judiciaire*) or liquidation (*liquidation judiciaire*) in respect of the *société de financement de l'habitat*'s shareholders to the *société de financement de l'habitat*.

The French Monetary and Financial Code (*Code monétaire et financier*) provides for a regime which derogates in many ways from the French legal provisions relating to insolvency proceedings. In particular, in the event of safeguard procedure (*procédure de sauvegarde*), judicial reorganisation (*redressement judiciaire*) or liquidation (*liquidation judiciaire*) of a *société de financement de l'habitat*, all claims benefiting from the *Privilège*, including interest thereon, must be paid on their due dates and in preference to all other claims, whether or not secured or statutorily preferred and, until payment in full of all such preferred claims, no other creditors may take any action against the assets of the *société de financement de l'habitat*.

In addition, certain nullity of transactions entered into during the hardening period (*période suspecte*) are not applicable for transactions or acts entered into by a *société de financement de l'habitat* provided that such transactions and acts are made in accordance with their exclusive legal purpose and without fraud.

Pursuant to Article L.515-28 of the French Monetary and Financial Code (*Code monétaire et financier*), in case of the opening of any safeguard procedure (*procédure de sauvegarde*), judicial reorganisation (*redressement judiciaire*) or liquidation (*liquidation judiciaire*) against the credit institution which is acting as manager and servicer of the assets and liabilities of the *société de financement de l'habitat*, the recovery, management and servicing contract may be immediately terminated by the *société de financement de l'habitat* notwithstanding any legal provisions to the contrary.

Subscription and holding by the Issuer

Should the Issuer not be in a position to satisfy its treasury needs based on other means available to it, and as an exception to the principles set out in Article 1300 of the French Civil Code (*Code civil*) and L.228-44 and L.228-74 of the French Commercial Code (*Code de commerce*), the Notes may be self subscribed by the Issuer in order to be used as collateral for credit transactions with the *Banque de France*, in accordance with the procedures and conditions determined by the later for the purpose of its monetary policy transactions and intra-day credit transactions, provided that those Notes:

shall not represent more than 10% of all resources benefiting from the statutory *Privilège* (created by Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*) on the subscription date;

shall not benefit from the rights provided for by Articles L.228-46 to L.228-89 of the French *Code de commerce* as long as they are self-detained;

shall be granted as collateral to the *Banque de France* or, if not, cancelled within eight days; and

cannot be subscribed by third parties.

The Specific Controller shall verify that the above mentioned conditions are complied with and report the same to the French *Autorité de Contrôle Prudentiel*.

TEMPORARY GLOBAL CERTIFICATES IN RESPECT OF MATERIALIZED NOTES

For the avoidance of doubt, the following section is only applicable to French law Notes.

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 Notes, which will be delivered on or prior to the issue date of the Tranche with a common depository (the "**Common Depository**") for Euroclear Bank S.A./N.V. ("**Euroclear**") and for Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"). Upon the delivery of such Temporary Global Certificate with a Common Depository, Euroclear and Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

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

Exchange

Each Temporary Global Certificate issued in respect of Materialised Notes 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 Notes; and
- (ii) otherwise, in whole but not in part, upon certification if required under U.S. Treasury Regulation section 1.163-5(c)(2)(i)(D)(3) and any successor regulation issued under the Hire Act as to non-U.S. beneficial ownership for Definitive Materialised Notes.

Delivery of Definitive Materialised Notes

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 Notes. In this Base Prospectus, "**Definitive Materialised Notes**" means, in relation to any Temporary Global Certificate, the Definitive Materialised Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Notes 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 Notes, the day falling after the expiry of forty (40) days after its issue date, provided that in the event any further Materialised Notes which are to be assimilated (*assimilées*) with such first mentioned Materialised Notes are issued prior to such day pursuant to Condition 12, 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 Notes.

In the case of Materialised Notes with an initial maturity of more than 365 days (and that are not relying on the TEFRA C Rules), the Temporary Global Certificate shall bear the following legend:

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

THE ISSUER

For the avoidance of doubt, in the following section, the expression "Notes" will apply to French law Notes, German law Notes and Australian law Notes and the expression "Noteholders" shall designate any holder of such Notes.

General information about the Issuer

The Issuer was incorporated on 26 December 2007, initially incorporated under the name GCE ODE 007 and now registered under the name BPCE SFH and, as a French *société anonyme à conseil d'administration*. Its term of existence is ninety-nine (99) years from the date of its incorporation. The legal and commercial name of the Issuer is "BPCE SFH". The Issuer is registered with the French *Registre du Commerce et des Sociétés* of Paris under number 501 682 033.

The Issuer is governed by:

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

The Issuer's registered office and principal place of business is located at 50 avenue Pierre Mendès France, 75013 Paris. The telephone number of the Issuer's registered office is +33 1 58 40 41 42.

The Issuer's issued share capital is €200,000,000 consisting of 200,000,000 ordinary shares with a par value of one (1) Euro each (the share capital has been increased from €42,000 to €200,000,000 pursuant to the shareholders' general meeting dated 4 March 2011).

The Issuer is a subsidiary of BPCE and licensed as a credit institution (*établissement de crédit*) with limited and exclusive purpose by the French *Autorité de Contrôle Prudentiel* ("ACP").

On the date of this Base Prospectus, ninety-nine per cent. (99.99%) of the Issuer's share capital is held by BPCE. The Issuer is a member of the BPCE Group as described in section "The Borrowers, the Guarantors, the Obligors' Agent, the Management and Recovery Agent and the Administrative Agent".

Management of the Issuer

The Issuer is administrated by a board of directors (*conseil d'administration*) ("**the Issuer Board of Directors**").

The Issuer Board of Directors, which at the date of this Base Prospectus comprises 7 (seven) members has full powers to act in all circumstances on behalf of the Issuer within the limits set by the by-laws of the Issuer and subject to the powers expressly conferred by the French Commercial Code (*Code de commerce*) on shareholders in general meetings.

Members of the Issuer Board of Directors

The Issuer Board of Directors consists of a minimum of three (3) and maximum of eighteen (18) members. The duration of appointment is six (6) years.

On the date of this Base Prospectus, the members of Issuer Board of Directors are:

Name and Position	Date of appointment	Business address	Other significant activities
Alain David	22/10/2010	BPCE 50, avenue Pierre Mendès-France 75013 PARIS	GCE Covered Bonds Chairman of the Board of Directors Banques Populaires Covered Bonds Chairman of the Supervisory Board Natixis Private Equity member of the Board of Directors Nexity member of the Board of Directors

Dominique Ziegler	22/10/2010	BP Rives de PARIS - Immeuble Sirius- 76-78, avenue de France 75204 PARIS CEDEX 13	Habitat Rives De Paris member of the Board of Directors Banques Populaires Covered Bonds member of the Executive Board Hugau Patrimoine permanent representative of Banque Populaire Rives de Paris, member of the Board of Directors
Pascale Parquet	22/10/2010	Caisse d'Epargne Ile-de- France 19, rue du Louvre 75001 PARIS	GCE Covered Bonds member of the Board of Directors CSF-GCE member of the Supervisory Board Caisse d'Epargne Ile- de-France member of the Executive Board CE Syndication Risque permanent representative of Caisse d'Epargne Ile- de-France, member of the Supervisory Board
Eric Filliat	22/10/2010	BPCE 50, avenue Pierre Mendès-France 75013 PARIS	Surassur permanent representative of BPCE, member of the Board of Directors
Olivier Guinet	22/10/2010	i-BP - Immeuble Malraux - 12-20 rue Fernand Braudel 75013 Paris	N/A
Emmanuel Scia-Balaceano	22/10/2010	3, rue Massenet 75016 PARIS	N/A
BPCE represented by Christiane Butte	22/10/2010	BPCE 50, avenue Pierre Mendès-France 75013 PARIS	GCE Covered Bonds permanent representative of BPCE, member of the Board of Directors Banques Populaires Covered Bonds permanent representative of BPCE, member of the Supervisory Board

There are no conflict of interests between any duties to the Issuer of any member of the Issuer Board of Directors and their private interests and/or other duties.

The chief executive officer (directeur général)

In accordance with applicable French corporate laws and the articles of association of the Issuer, the chief executive officer (*directeur général*) appointed by the Issuer Board of Directors is vested with extensive powers to act, in all circumstances, in the name and on behalf of the Issuer; these powers are exercised within the limits of the corporate purpose of the Issuer and subject to the powers expressly granted by the French Commercial

Code (*Code de commerce*) to the general meetings of the shareholders. At the date of this Base Prospectus, the chief executive officer (*directeur général*) of the Issuer is Roland CHARBONNEL.

There are no conflict of interests between any duties to the Issuer of the chief executive officer (*directeur général*) and its private interests and/or other duties.

The Issuer Board of Directors may appoint, one (1) to five (5) deputy chief executive officers (*directeurs généraux délégués*).

The by-laws of the Issuer provide that some actions may only be taken by the chief executive officer (*directeur général*) or any of the deputy chief executive officer (*directeurs généraux délégués*) if the prior consent of the shareholders' is obtained pursuant to a general meeting. Such provisions of the by-laws of the Issuer are not enforceable against third parties.

The Independent Member of the Issuer Board of Directors

Pursuant to the by-laws of the Issuer, the Issuer Board of Directors shall, at any time, include an independent member (the "**Independent Member**"), who will be a member having no relationship with the Issuer, its shareholders or its management, which may compromise the independence of judgment of such a member, as further described and detailed in the by-laws of the Issuer. On the date of this Base Prospectus, Mr. Emmanuel Scia-Balaceano is the Independent Member.

Issuer Statutory Auditors

The statutory auditors and the substitute auditors of the Issuer are appointed in accordance with Articles 27 to 33 of Decree no. 84-709 of 24 July 1984 concerning the activities and supervision of credit institutions. The statutory auditors are:

- (a) PricewaterhouseCoopers Audit; and
- (b) KPMG Audit, a department of KPMG S.A.

PricewaterhouseCoopers Audit has been appointed on 13 December 2007. KPMG Audit has been appointed by the general meeting of the Issuer held on 4 March 2011.

Specific Controller

The Issuer has appointed, in accordance with Articles L.515-30 to L.515-31 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 have been selected from the official list auditors and appointed by the Issuer Board of Directors with the approval of the French *Autorité de contrôle prudentiel*, as follows:

Cailliau Dedouit et Associés

19, rue Clément Marot

75008 Paris

Represented by Laurent Brun

Pursuant to Article L.515-38 of the French Monetary and Financial Code (*Code monétaire et financier*), *sociétés de financement de l'habitat* must appoint a specific controller (*contrôleur spécifique*) with the approval of the French *Autorité de contrôle prudentiel* whose tasks are:

- (i) to ensure that the *société de financement de l'habitat* complies with Articles L.515-34 to L.515-36 of the French Monetary and Financial Code (*Code monétaire et financier*);
- (ii) to certify that the statutory cover ratio is satisfied in connection with (i) the *société de financement de l'habitat*'s quarterly programme of issues benefiting from the *Privilège* and (ii) any issue of resources benefiting from the *Privilège* and whose amount is greater than Euro 500 million;
- (iii) to ensure that the Home Loans (*prêts à l'habitat*) granted or financed by the *société de financement de l'habitat* comply with the purpose of Article L.515-34 and with the requirements set out in Articles L.515-35 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*);
- (iv) to control, when the Home Loans (*prêts à l'habitat*) granted or financed by the *société de financement de l'habitat* are subject to a guarantee (*cautionnement*) from another credit institution or an insurance company included in the consolidation scope, as defined by Article L.233-16 of the French Commercial Code (*Code de commerce*) as applicable to the *société de financement de l'habitat*, the risks assessment methods established by such credit institution or

insurance company are adequate, in accordance with Article R.515-17 of the French Monetary and Financial Code (*Code monétaire et financier*);

- (v) to review, pursuant to Article 12 of Regulation 99-10 dated 9 July 1999 on *sociétés de crédit foncier* and *sociétés de financement de l'habitat*, the level of rate and maturity matching between the assets and the liabilities. In case the specific controller believes that the level of rate and maturity matching would create excessive risks for the creditors benefiting from the *Privilège*, the specific controller informs the officers of the relevant *société de financement de l'habitat* and the *Autorité de Contrôle Prudentiel*.

The specific controller has access to information that allows confirmation of each issue's compliance with the statutory cover ratio. This statutory cover ratio is published twice a year and checked on a quarterly basis by the specific controller.

Issuer's Activities

Activities defined by French laws and regulations

In accordance with Article L.515- 34 of the French Monetary and Financial Code (*Code monétaire et financier*) which defines the exclusive purpose of the *sociétés de financement à l'habitat* and with article 4 of its by-laws, the Issuer's exclusive purpose consists of carrying out the activities and operations below, whether in France abroad:

- (i) credit operations and assimilated operations within the terms set forth by regulations applicable to *sociétés de financement de l'habitat* and within the limits of its license;
- (ii) financing operations within the terms set forth by regulations applicable to *sociétés de financement de l'habitat* by means of issuance of *obligations de financement de l'habitat* or any other resources in accordance with the regulations applicable to *sociétés de financement de l'habitat*; and
- (iii) the Issuer may perform any operations a *société de financement de l'habitat* is allowed to perform or may be allowed to perform in the future, pursuant to the applicable laws and regulations, and generally any operations participating to the realisation of its corporate purpose, as long as such operations comply with the exclusive purpose of the *sociétés de financement de l'habitat* as provided for by the applicable laws and regulations.

The Issuer does not have and will not have any employees, nor will it own or lease any premises.

Duty of care on money laundering transactions

The entities of the BPCE Group have a duty of care with respect to money laundering risks and have to inform the Issuer in the event that they identify any such risk. However, pursuant to the provisions of the French Monetary and Financial Code (*Code monétaire et financier*) relating to anti-money laundering, the Issuer shall have primary responsibility for ensuring that "know your customer" checks for the transactions for which it enters into have been satisfied. The Issuer complies with the same anti-money laundering procedures as other members of the BPCE Group.

Issuer Financial Statements

The financial year of the Issuer runs from 1 January to 31 December (see "Documents incorporated by reference").

Issuer share capital and Issuer majority shareholder's undertakings

Share capital

The Issuer's issued share capital is €200,000,000 consisting of 200,000,000 ordinary shares with a par value of one (1) Euro each.

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

An extraordinary general meeting of shareholders can delegate the necessary powers to the Issuer 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 Issuer Board of Directors all necessary powers to carry out such a reduction.

The Administrative Services Agreement

This section sets out the main material terms of the Administrative Services Agreement (*Convention d'Externalisation et de Mise à Disposition de Moyens*).

Background

The Administrative Services Agreement refers to the agreement dated 25 March 2011 (as amended from time to time) and entered into between BPCE SFH, as Issuer and BPCE, as Administrative Agent (the "**Administrative Agent**").

Purpose

Under the Administrative Services Agreement, BPCE SFH, as Issuer, appoints BPCE as its agent to provide the Issuer with certain services in connection with (i) the administrative, logistic, tax, accounting and regulatory treatment, the internal control and the legal assistance of the Issuer and (ii) the exercise of certain of its rights and the performance of certain of its obligations under the Programme Documents (such as the preparation and sending, or the receipt, of all necessary documents and notifications, subject to the specific tasks and missions ascribed to BPCE under the Management and Recovery Agreement and/or the other Programme Documents. The Administrative Agent will always act in the best and exclusive interest of BPCE SFH.

Overview of the Administrative Agent's duties

Pursuant to the Administrative Services Agreement, the Administrative Agent will, *inter alia*:

- (a) be in charge of the administrative and logistic treatment of the Issuer;
- (b) be in charge of the accounting and regulatory treatment and internal control of the Issuer; and
- (c) be in charge of the legal and paralegal assistance of the Issuer.

Accountancy and regulatory processing

Pursuant to the Administrative Services Agreement, the Administrative Agent shall be in charge of the accounting management of the Issuer, the preparation of financial accounts on a periodic basis and of the regulatory reporting.

Such obligations shall be performed in order to allow the Issuer to comply with its legal and regulatory obligations, and in particular pursuant to regulation 97-02 of 21 February 1997 relating to the internal control of credit institutions and of investment companies.

IT Tools

In order to ensure the accounting and financial management of the Issuer, the Administrative Agent shall implement on its operating systems the software necessary for such management. To that effect, various computer tools will be used by the Administrative Agent.

Internal Controls

Organisation of the permanent internal controls

The permanent internal control of the Issuer is organised at two (2) levels, as follows:

- an operational unit ensuring level I permanent controls which shall be performed by the Group Financial Department (*Direction Finance Groupe*); and
- dedicated teams ensuring the level II permanent control.

For such purposes, the Issuer and the Administrative Agent shall be subject to the following principles:

- the Chief Executive Officer of the Issuer is responsible, as a matter of internal controls, for the legal and regulatory duties provided for by the CRBF 97-02 regulation;
- the Administrative Agent is responsible for the internal control of the Issuer, as defined in Article 1 paragraphs a-f of the CRBF 97-02 regulation, this internal control being organised in accordance with Articles 6, 7 and 11 of the CRBF 97-02 regulation. Accordingly, the Administrative Agent may, should it wish so, require an audit of the Issuer and of its services providers, with a prior notice to the Issuer.

Indicators of permanent internal control

Indicators of permanent internal control, implemented by the Administrative Agent on behalf of the Issuer as part of internal control of the Issuer, and defined by the Issuer and the Administrative Agent as being key points of control and reporting, are related to the following matters:

- accountancy services;
- refinancing services;
- legal services;
- management of credit risk services.

Obligations and responsibilities of the Administrative Agent in respect of the internal control of the Issuer

The Administrative Agent, being responsible for the internal control of the Issuer under the rule CRBF 97-02, and is in charge in respect of the following obligations:

- monitoring the coherence and efficiency of the internal control system of the Issuer; and
- creating the reports provided for by the CRBF 97-02 regulation for the information of the Issuer Board of Directors and, as the case may be, the audit committee, and to supply these reports to the Issuer Board of Directors. These reports shall be transmitted by the Issuer to the *Autorité de contrôle prudentiel* in accordance with the requirements of the Article 44 of the CRBF 97-02 rule.

A copy of this transmission shall be sent by the Administrative Agent to the relevant departments of the Administrative Agent.

Permanent control of risks level 2

Pursuant to the applicable regulatory requirements, the Administrative Agent in performing the permanent control of risk level 2 shall take all necessary steps as are necessary for the appraisal of the:

- credit risk;
- operational risk;
- market risk;
- ALM Risk;
- settlement risk; and
- intermediation risk.

Compliance Permanent control level 2

Pursuant to the applicable regulatory provisions, the Administrative Agent shall be responsible for ensuring the compliance permanent control level 2.

The person responsible for such compliance control shall inform the Issuer Board of Directors of the results of its controls.

Anti-money laundering control

The Issuer shall remain in charge of the anti-money laundering control. The Administrative Agent shall have a duty to alert the Issuer in case it would detect such risks.

The Issuer shall use the anti-money laundering systems and procedures of the Administrative Agent.

Delegation and agency

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

- (a) the Administrative Agent remains liable to the Issuer for the proper performance of those tasks; and
- (b) the relevant third party has undertaken to comply with all obligations binding upon the Administrative Agent under the Administrative Services Agreement.

Fees

In consideration of the services provided by the Administrative Agent to the Issuer under the Administrative Services Agreement, the Issuer will pay to the Administrative Agent an administration fee.

Limited liability and recourse

Notwithstanding the application of the common laws of contractual liability, the Issuer remains solely responsible towards third parties and especially the *Autorité de contrôle prudentiel*, of externalised controls and shall assume the consequences in case of non-respect of the applicable regulations.

Under the Administrative Services Agreement, the Administrative Agent shall apply the diligences and procedures equivalent to those applicable in the banking profession and in particular, the common uses in relation to permanent and periodical internal control. The contractual liability of the Administrative Agent shall only be held liable in case of a breach of BPCE to this duty, to the exception of the breaches resulting from a default of information of the Issuer, or more generally of any direct or indirect action of the Issuer.

Subject to the above paragraph, the Issuer has undertaken irrevocably and unconditionally not to bring any contractual claim against the Administrative Agent pursuant to the Administrative Services Agreement, except in case of wilful misconduct or misrepresentation of the Management and Recovery Agent.

Replacement

- (a) The Administrative Services Agreement is entered into for a duration equal to the duration of the Issuer. Each party may request the termination of the Administrative Services Agreement using a registered letter with proof of reception, at least three months before the termination date indicated in such letter.
- (b) In case of a notice of termination by the Administrative Agent under paragraph (a) above, the Administrative Agent shall be released of its obligations under the Administrative Services Agreement as from (i) the appointment of a successor for the obligations of the Administrative Agent, (ii) in any case, at the latest 180 calendar days after notice of termination has been given, if no successor has been appointed to replace the Administrative Agent; and shall make its best efforts to assist the Issuer in the research of a successor.
- (c) In case of a notice of termination by the Issuer under paragraph (a) above, the Administrative Services Agreement shall be terminated as from the date mentioned in such notice.
- (d) The Administrative Services Agreement shall early terminate upon (i) termination by the Issuer in the event the Administrative Agent is subject to bankruptcy proceedings (*sauvegarde, redressement ou liquidation judiciaires*) (or any analogous proceedings or circumstances), (ii) notice by registered letter with proof of receipt, from any of the parties upon occurrence of a breach by the other party of its obligations; under the Administrative Services Agreement and (iii) on the effective termination date of the Management and Recovery Agreement.

Modifications to IT systems

The Administrative Agent shall be entitled to modify, correct, improve, develop or change all or part of its IT systems, taking into account technologic evolutions and to transfer the provision of the services mentioned in the Administrative Services Agreement to departments or services other than those referred to in the Administrative Services Agreement, taking into account internal organisation evolutions, provided that:

- (i) in any case, the Issuer shall be informed of any modification or change made in respect of these IT systems or of any transfer to any department or service other than those referred to in the Administrative Services Agreement; and
- (ii) any modification or change made in respect of these IT systems, and any transfer to any department or service other than those referred to in the Administrative Services Agreement which may have material consequences on the utilisation or treatment of information or the provision of services, shall be subject to the prior acceptance of the Issuer.

Amendment

No amendment, modification, alteration or supplement shall be made to the Administrative Services Agreement without prior consent in writing of all parties thereto Governing Law - Jurisdiction

The Administrative Services Agreement shall be governed by, and construed in accordance with, French law. The Issuer and the Administrative Agent have agreed to submit any dispute that may arise in connection with the Administrative Services Agreement to the jurisdiction of the competent court of Paris.

The Management and Recovery Agreement

Background

The Management and Recovery Agreement refers to the agreement dated 25 March 2011 and entered into between BPCE SFH, as Issuer and BPCE, as management and recovery agent (the Management and Recovery Agent).

Purpose

Under the Management and Recovery Agreement, BPCE SFH, as Issuer, appoints BPCE as its agent (i) to perform the missions of management and recovery referred to in Article L.515-22 of the French Monetary and Financial Code (*Code monétaire et financier*), (ii) to ensure the ALM management of the Issuer, (iii) to perform any calculation in relation to the Programme documents and (iv) to open and maintain bank accounts and to manage and invest the Issuer's cash.

Management and Recovery of the Issuer's Assets

General Principles

Pursuant to Article L.515-22 of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer has appointed the Management and Recovery Agent to ensure the management and recovery of the Issuer's Assets.

For the purposes of the below:

"Issuer's Assets" means the assets that the Issuer may acquire from time to time in accordance with the laws and regulations applicable to the *sociétés de financement de l'habitat*;

"Remitted Assets" means the assets transferred as security for loans granted by the Issuer in accordance with the laws and regulations applicable to the *sociétés de financement de l'habitat*.

Management of the Issuer's Assets

The Management and Recovery Agent shall ensure directly or indirectly the management of the Issuer's Assets, consisting of:

- claiming any sum owed by the debtors of the Issuer's Assets pursuant to any contractual provision governing the Issuer's Assets; and
- generally, managing the relationship with the debtors and any event related to the management of the Issuer's Assets.

The management of such Issuer's Assets shall be performed by the entities which sold or contribute to such Issuer's Assets, as long as the guarantee or security interest to which they are subject has not been realised.

Recovery of the Issuer's Assets

The Management and Recovery Agent shall be responsible, directly or indirectly, for the recovery of the Issuer's Assets and shall ensure the reception of the payments in relation to the Issuer's Assets on the relevant bank account of the Issuer on each relevant payment date, pursuant to the provisions of the agreements in relation to the Issuer's Assets.

In case of an event of default in relation to an Issuer's Asset, or any other similar event, as may be provided for in the relevant agreement governing such Issuer's Asset, the Management and Recovery Agent shall enforce any rights, security interests and guarantees available to the Issuer and generally take any appropriate measures of execution to recover the Issuer's Assets.

Management and Recovery of the Remitted Assets

In case of an event allowing the Issuer to become the owner of the Remitted Assets, the Issuer has appointed the Management and Recovery Agent to enforce any guarantee or rights against the relevant debtors and to ensure the management and recovery of such Issuer's Assets in accordance with the provisions of the Management and Recovery Agreement.

Management and Recovery Agent's duties regarding the refinancing of the Transferred Assets

After title to Home Loans and related Home Loan Security has been transferred to the Issuer upon enforcement of the Collateral Security following the occurrence of a Group Enforcement Notice (the **"Transferred Assets"**), the Management and Recovery Agent shall in order for the Issuer to be able to make payments when due under the relevant Series of Notes.

Asset Liabilities Management (ALM)

The Management and Recovery Agent shall ensure the asset/liabilities management of the Issuer pursuant to the provisions of the Management and Recovery Agreement.

Bank Accounts and Cash Management

Bank Accounts

The Management and Recovery Agent shall, pursuant to the provisions of the Management and Recovery Agreement open and maintain in its books or in the books of any authorised entity whose unsecured debt obligations are rated at least A (long-term) (S&P) and A2 (long-term) and P-1 (short-term) (Moody's) (the "**Account Bank Required Ratings**"), the bank accounts of the Issuer.

If the unsecured debt obligations of the Management and Recovery become rated below any of the Account Bank Required Ratings, the Issuer will, by written notice to the Management and Recovery Agent, terminate the appointment of the Management and Recovery Agent as account bank (without prejudice to its other obligations under the Management and Recovery Agreement) within sixty (60) calendar days, provided however that such termination will not take effect unless the following conditions are satisfied:

- (a) a substitute account bank has been effectively appointed by the Issuer;
- (b) the unsecured debt obligations of the substitute account bank have at least the Account Bank Required Ratings;
- (c) the relevant bank accounts of the Issuer have been transferred in the books of a substitute account bank; and
- (d) such substitution shall comply with all applicable laws and regulations.

If the unsecured debt obligations of any entity appointed by the Management and Recovery Agent for the purpose of maintaining one or several bank account of the Issuer become rated below any of the Account Bank Required Ratings, the Management and Recovery Agent shall apply mutatis mutandis the same provisions as set out above vis-à-vis the relevant entity.

Cash flows identification

The Management and Recovery Agent shall (i) to direct any cash flow received from the Issuer on the relevant bank accounts, (ii) to identify any source and any type of sums amongst the cash flows and to reconcile those sums with the cash flows that should have been received by the Issuer and (iii) to establish a report addressed to the Issuer, as described in the Administrative Services Agreement.

Cash management

The Management and Recovery Agent shall invest the available cash of the Issuer in substitution assets which comply with the provisions of Articles L.515-17 and R.515-7 of the French Monetary and Financial Code (*Code monétaire et financier*) (the "**Substitution Assets**").

Calculations

The Management and Recovery Agent is in charge of any calculations in relation to the ALM, and may perform additional calculations, if so provided for by any of the Programme agreements or any other agreement the Issuer may enter into.

Fees

In consideration of the services provided by the Management and Recovery Agent to the Issuer under the Management and Recovery Agreement, the Issuer will pay to the Management and Recovery Agent a fee.

Delegation and agency

Save for the transfer of the Issuer's accounts in accordance with and subject to the provisions of the Management and Recovery Agreement, the Management and Recovery Agent may not assign its rights and obligations under the Management and Recovery Agreement but will have the right to be assisted by, to appoint or to delegate to any third party in the performance of certain or all its tasks under the Management and Recovery Agreement provided that:

- (a) the Management and Recovery Agent remains liable to the Issuer for the proper performance of those tasks; and
- (b) the relevant third party has undertaken to comply with all obligations binding upon the Management and Recovery Agent under the Management and Recovery Agreement.

Replacement

- (a) The Management and Recovery Agreement is entered into for a duration equal to the duration of the Issuer. Each party may request the termination of the Management and Recovery Agreement using a registered letter with proof of reception, at least three (3) months before the termination date indicated in such letter.
- (b) In the case of a notice of termination under paragraph (a) above, the Management and Recovery Agent shall be released of its obligations under the Management and Recovery Agreement as from the appointment of a successor of the obligations of the Management and Recovery Agent and shall make its best efforts to assist the Issuer in the research of a successor.
- (c) In the case of a notice of termination under paragraph (a) above, the Management and Recovery Agreement shall be terminated on the termination date mentioned in the notice of termination.
- (d) The Management and Recovery Agreement shall early terminate upon (i) termination by the Issuer in the event the Management and Recovery Agent is subject to bankruptcy proceedings (*sauvegarde, redressement ou liquidation judiciaires*) (or any analogous proceedings or circumstances), (ii) notice by way of registered letter with proof of receipt, by any of the parties upon occurrence of a breach by the other party of its obligations; under the Management and Recovery Agreement and (iii) on the effective termination date of the Administrative Services Agreement.

Limited liability and recourse

The Issuer has undertaken irrevocably and unconditionally not to bring any contractual claim against the Management and Recovery Agent pursuant to the Management and Recovery Agreement, except in case of gross misconduct or misrepresentation of the Management and Recovery Agent.

Amendment

No amendment, modification, alteration or supplement shall be made to the Management and Recovery Agreement without prior consent in writing of all parties thereto.

Governing Law and Jurisdiction

The Management and Recovery Agreement shall be governed by, and construed in accordance with, French law. The Issuer and the Management and Recovery Agent have agreed to submit any dispute that may arise in connection with the Management and Recovery Agreement to the jurisdiction of the competent court of Paris.

THE CREDIT FACILITY AND COLLATERAL FRAMEWORK AGREEMENT

For the avoidance of doubt, in the following section, the expression "Notes" will apply to French law Notes, German law Notes and Australian law Notes and the expression "Noteholders" shall designate any holder of such Notes.

Background

On 19 April 2011, BPCE SFH, BPCE and each Original Borrower and Original Guarantor shall enter into a credit facility and collateral framework agreement (as amended from time to time, the "**Credit Facility and Collateral Framework Agreement**") setting out the general terms and conditions of the Credit Facility (as defined below under "The Credit Facility") to be granted by BPCE SFH to the Borrowers (including BPCE, as the case may be), the terms and conditions for the creation, monitoring, and enforcement of the Collateral Security (as defined below under "The Collateral Security") and the role of BPCE as representative of the Obligors vis-à-vis the Issuer as Obligors' Agent (as defined below under "The Obligors' Agent"). This section sets out the main provisions of the Credit Facility and Collateral Framework Agreement.

The Credit Facility

The proceeds from the issuance of Notes will be used by the Issuer, as lender (in such capacity, the "**Lender**") to fund advances to the Borrowers (each a "**Borrower Loan**") which shall be made available under a multicurrency revolving loan facility (the "**Credit Facility**"), in accordance with and subject to the provisions of the Credit Facility and Collateral Framework Agreement.

The Credit Facility shall be made available to the Borrowers in an aggregate maximum amount equal to the Programme Amount.

The terms and conditions regarding the calculation and the payment of interest under a Borrower Loan shall mirror the equivalent terms and conditions of the Final Terms of the corresponding Notes, provided however that such corresponding Notes and the Borrower Loan may be denominated in different currencies and that, as a principle, the interest to be paid by the Borrower under a Borrower Loan shall be the financing costs of the Lender under the Notes funding such Borrower Loan increased by a margin (the "**Lender Margin**"). The Lender Margin aims at covering, in particular, 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 Notes and taxes of the Lender during the Programme and all costs related to any Pre-Enforcement Currency Hedging Transaction, as the need may be.

If, as a consequence of any event (whether a Group Event of Default, a Borrower's call option being exercised, a Borrower or Guarantor resignation, as applicable, or otherwise), the Lender receives or recovers all or any part of a Borrower Loan otherwise than as described or scheduled under the relevant terms and conditions of the Borrower Loan, the Borrower shall pay to the Lender on demand an amount (the "**Break Costs**") equal to the amount (if any) of the difference (if positive) between (x) the aggregate additional interest which would have been payable on the amount so received until the maturity of the relevant Borrower Loan or recovered had such Group Event of Default not occurred and (y) the amount of interest which the Lender reasonably determines would have been payable to the Lender under a deposit equal to the amount so received or recovered placed by it with the Management and Recovery Agent for a period starting on the third (3rd) Business Day following the date of such receipt or recovery and ending on the date on which the corresponding amount was due and payable under the relevant terms and conditions of the Borrower Loan.

The Collateral Security

General principles

Pursuant to the Credit Facility and Collateral Framework Agreement, each Guarantor (i) has agreed to grant as collateral security (*remettre en garantie*) for the benefit of the Lender certain Eligible Assets, in order to secure the full and timely payment of any and all Secured Liabilities and (ii) as the need may be, to increase the amount of Eligible Assets granted by it as collateral security under the Credit Facility and Collateral Framework Agreement, in accordance with Article L.211-38 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*) and the provisions of the Credit Facility and Collateral Framework Agreement. The Eligible Assets granted as security (*remise en garantie*) by the Guarantors in favour of the Lender under the Credit Facility and Collateral Framework Agreement shall be each referred to as a "**Collateral Security Asset**" and together as the "**Collateral Security**". The terms "Collateral Security Assets" and "Collateral Security" shall also include the cash remitted from time to time by the Guarantors to the Lender pursuant to the provisions described in paragraph "Collection Loss Trigger Event" below.

The Secured Liabilities are defined as all financial obligations which are, will or may be owed by any and all Obligors to the Lender under the Credit Facility and Collateral Framework Agreement at any time.

Pursuant to the Credit Facility and Collateral Framework Agreement, each Guarantor (i) has undertaken to grant up to one hundred per cent. (100%) of its Eligible Assets to be part of the Collateral Security if necessary to cure a Breach of Asset Cover Test, in accordance with the provisions of the Credit Facility and Collateral Security Agreement and (ii) has further acknowledged and agreed the Collateral Security shall secure the payments of all and any Secured Liabilities of any and all Obligors (without distinction).

For the purposes of the Credit Facility and Collateral Framework Agreement, an "**Eligible Asset**" shall be any Home Loan Receivable arising from a Home Loan that complies with the Home Loans Eligibility Criteria, where:

"**Home Loan**" means any loan granted for the purpose of financing, in whole or in part, a residential real estate property.

"**Home Loans Eligibility Criteria**" shall include the following cumulative criteria:

- (a) the Home Loan has been granted for the purpose of financing, in whole or in part, a residential real estate property located in France, within the meaning of article L.515-35-II-1° of the French Monetary and Financial Code (*Code monétaire et financier*);

- (i) the underlying property is located in France;

- (ii) the Home Loan is secured by a Mortgage or a Home Loan Guarantee, where:

- "**Mortgage**" means a first rank *hypothèque* or an *in rem* security interest providing an equivalent guarantee (*sûreté immobilière conférant une garantie équivalente*), within the meaning of article L.515-35-II-2°(a) and R.515-5 of the French Monetary and Financial Code (*Code monétaire et financier*);

- "**Home Loan Guarantee**" means a guarantee (*cautionnement*) securing the repayment of a given Home Loan and granted by a credit institution or an insurance company, within the meaning of article L.515-35-II-2°(b) of the French Monetary and Financial Code (*Code monétaire et financier*) (each, a "**Home Loan Guarantor**").

- "**Home Loan Security**" shall refer to any Mortgage or Home Loan Guarantee securing a Home Loan;

- (b) prior to the date upon which the Home Loan had been made available to the borrower thereof, all lending criteria and preconditions as applied by the originator of the Home Loan pursuant to its customary lending procedures were satisfied;
- (c) the underlying property is residential, not commercial;
- (d) the Home Loan is governed by French law;
- (e) the Home Loan is denominated in Euro;
- (f) the borrower under the Home Loan is an individual or a "*SCI patrimoniale*" (provided that the shareholders of such SCI shall only be individuals);
- (g) as of the relevant the Selection Date, the current principal balance of such Home Loan is no more than Euro 1,000,000;
- (h) the loan-to-value (the LTV) of the Home Loan is no more than one hundred per cent. (100%);
- (i) as of the Asset Report Date on which the relevant Home Loan has been selected by the Obligors' Agent to be part of the Collateral Security (the "**Selection Date**"), the remaining term for the Home Loan is less than thirty (30) years;
- (j) as of the relevant Selection Date, the borrower under the Home Loan has paid at least one (1) instalment in respect of the Home Loan;
- (k) the borrower under the Home Loan is not an employee of the originator of such Home Loan;
- (l) the Home Loan is current (i.e. does not present any arrears) as of the relevant Selection Date;
- (m) the Home Loan is either monthly, quarterly or bi-yearly amortising as of the relevant Selection Date;
- (n) the borrower under the Home Loan is not in default on any other loan granted by the originator;
- (o) the borrower under the Home Loan does not benefit from a contractual right of set-off;

- (p) the opening by the borrower under the Home Loan of a bank account dedicated to payments due under the Home Loan is not provided in the relevant contractual arrangements as a condition precedent to the originator of the Home Loan making the Home Loan available to the borrower under the Home Loan;
- (q) the Home Loan has been fully disbursed; and
- (r) no amount drawn under the Home Loan is capable of being redrawn by the borrower thereof.

The Home Loans Eligibility Criteria may be amended from time to time subject to prior Rating Confirmation.

"**Home Loan Receivables**" means any and all receivables arising from a Home Loan and means any of them.

The Eligible Assets may be originated either by the Guarantor itself or by another member of the Group (a "**Subsidiary**").

The creation, perfection and enforcement of the Collateral Security shall be governed by Article L.211-38 *et seq.* of French Monetary and Financial Code (*Code monétaire et financier*).

Establishment and adaptation of the Collateral Security

On each Asset Cover Test Date, save for BPCE, each Guarantor shall grant as collateral security (*remettre en garantie*) for the benefit of the Lender, in order to secure the full and timely payment of all Secured Liabilities, Eligible Assets. The aggregate amount of the Eligible Assets so granted as collateral security (*remis en garantie*) shall be such that the Asset Cover Test (as mentioned in the section "Cover Ratios") be or remain, as applicable, complied with, on such Asset Cover Test Date. In practice, the Obligors' Agent, acting in the name and on behalf of each relevant Guarantor shall (i) select Eligible Assets in the pool of Eligible Assets of each relevant Guarantor, for an amount at least equal to the amount required pursuant to the Credit Facility And Collateral Security Agreement and (ii) include (*remettre en garantie*) such Eligible Assets in the Collateral Security.

Additional Quantity of Collateral Security Assets in case of Non-Compliance with the Asset Cover Test

If on any Asset Cover Test Date, the Asset Cover Test is not complied with, this event shall constitute a "**Non-Compliance with the Asset Cover Test**". The Credit Facility and Collateral Security Agreement provides that following the occurrence of a Non-Compliance with the Asset Cover Test:

- (i) no Borrower shall be entitled to draw any Borrower Loan under the Credit Facility as long as the Non-Compliance with the Asset Cover Test is pending;
- (ii) the Management and Recovery Agent shall promptly determine and indicate to the Obligors' Agent the aggregate additional amount of Collateral Security Assets necessary in order for the Asset Cover Test to be complied with; and
- (iii) the Obligors' Agent, acting on behalf of each Guarantor, shall (1) select Eligible Assets in the pool of Eligible Assets of each relevant Guarantor, for an amount at least equal to the total amount indicated in accordance with paragraph (ii) above and (2) include such Eligible Assets in the Collateral Security.

A failure to cure a Non-Compliance with the Asset Cover Test which has occurred on any Asset Cover Test Date prior to the next following Asset Cover Test Date shall constitute a "**Breach of Asset Cover Test**". Any Breach of Asset Cover Test shall be a Group Event of Default.

Substitution

The Obligors may make a substitution of Collateral Security Assets on any Asset Cover Test Date, but subject to (i) the Lender having been informed in advance of such substitution in the relevant Asset Report (as defined in "Servicing of the Collateral Security Assets – Asset Report" below), (ii) the Management and Recovery Agent having confirmed that following such substitution, the Asset Cover Test will remain complied with on that Asset Cover Test Date and (iii) no Group Event of Default having occurred.

Partial Release

On any Asset Cover Test Date, the Lender shall release from the Collateral Security:

- (i) such amount of Collateral Security Assets by which the aggregate amount of Collateral Security Assets exceeds the amount of Collateral Security Assets required in order for the Asset Cover Test to be complied with on that Asset Cover Test Date; and
- (ii) all Collateral Security Assets which accounted for zero for the purpose of the calculation of the Asset Cover Test on the relevant Asset Cover Test Date,

but always subject to (i) the Lender having received an express request to that effect from the Obligors' Agent in the relevant Asset Report, (ii) the Management and Recovery Agent having confirmed that following such release, the Asset Cover Test will remain complied with, on that Asset Cover Test Date (iii) all additions to the

Collateral Security announced in the Asset Report on that Asset Cover Test Date having been effected in accordance with the provisions of the Credit Facility and Collateral Framework Agreement and (iv) no Group Event of Default having occurred,

and provided that the cash remitted from time to time by the Guarantors to the Lender pursuant to the provisions described in paragraph "Collection Loss Trigger Event" below shall not be subject to that provision but shall only be released by the Lender to the extent where the amount then standing to the credit of the relevant Collection Loss Reserve Account exceeds the amount then required pursuant to the said provisions and subject always to no Group Event of Default having occurred.

Collection Loss Trigger Event

Upon downgrading of the credit rating of BPCE below A (long-term) (S&P) (an "**S&P Collection Loss Trigger Event**") or P-1 (short-term) (Moody's) (a "**Moody's Collection Loss Trigger Event**") (or any other credit rating trigger which may be agreed with the Rating Agencies after the date hereof) (each, a "**Collection Loss Trigger Event**") and within, as applicable, sixty (60) calendar days from the occurrence of such S&P Collection Loss Trigger Event or ten (10) Business Days from the occurrence of such Moody's Collection Loss Trigger Event, each Guarantor shall be required to credit to a bank account to be opened within such period in the name of the Lender by the Management and Recovery Agent in accordance with the provisions of the Management and Recovery Agreement (the "**Collection Loss Reserve Account**"), an amount equal to collections received by the Guarantors under the Home Loans granted as Collateral Security during the preceding two and half (2.5) calendar months, as the same shall be reported to the Lender by the Obligors' Agent (with a copy to the Rating Agencies) within the above mentioned sixty (60) calendar-day period or ten (10) Business Day-period, as applicable, and further, to adjust, on each Asset Cover Test Date, the amount standing to the credit of this Collection Loss Reserve Account so that it is an amount equal to the sum of collections received by the Guarantors under the Home Loans granted as Collateral Security during the period of two and half (2.5) calendar months ending on the last Business Day of the calendar month immediately preceding such Asset Cover Test Date, and any such adjustment shall be reported to the Lender by the Obligors' Agent (with a copy to the Rating Agencies).

Any cash credited to the Collection Loss Reserve Account shall be remitted by way of full transfer of title (*remise d'espèces en pleine propriété à titre de garantie*) by the relevant Guarantor to the Lender, in accordance with Article L.211-38 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*) and become part of the Collateral Security, subject to, and in accordance with, the relevant terms of the Collateral Section and shall secure the Secured Liabilities as they become due and payable.

Failure by any relevant Guarantor to fund the Collection Loss Reserve Account up to the required amount within the required period following the occurrence date of the Collection Loss Trigger Event shall constitute a "**Breach of Collection Loss Reserve Funding Requirement**". A Breach of Collection Loss Reserve Funding Requirement shall result in the occurrence of a Group Event of Default.

Servicing of the Collateral Security Assets

Servicing

Until the appointment of a substitute servicer (the "**Substitute Servicer**") in accordance with the provisions of the Credit Facility and Collateral Framework Agreement, each Guarantor shall perform the servicing and collection of the Collateral Security Assets in accordance with applicable laws and the relevant Servicing Procedures, using the same degree of skill, care and attention as for the servicing of its assets not being the subject of the Collateral Security, without interfering with the Lender's material rights under the Credit Facility and Collateral Framework Agreement. The Servicing Procedures shall constitute servicing instructions of the Lender to Guarantors and each Guarantor shall undertake that no change will be made to the Servicing Procedures without Lender prior consent in a way that would prejudice the rights of the Lender under the Collateral Security or the Collateral Security Assets.

"**Servicing Procedures**" means, in relation to a Guarantor, its customary servicing procedures, provided that if the servicing of the Collateral Security Assets has been sub-delegated by such Guarantor to a Subsidiary as mentioned in "Sub-delegation" below, the terms Servicing Procedure shall refer to the customary servicing procedures of that Subsidiary.

Asset Records

Each Guarantor shall, 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 Asset Records with respect to the Collateral Security Assets.

For the purpose of satisfying itself as to whether the Collateral Security Assets remain Eligible Assets or to control the conformity of the servicing of the Collateral Security Assets with the Servicing Procedures or of the information contained in the Asset Reports, the Lender (or any agent acting on its behalf) shall be entitled to (i) access at all times the premises where the Asset Records are located and (ii) inspect, audit and copy such Asset Records.

"**Asset Records**" means the computer and manual records, files, internal data, books and all other information (including information stored in information systems) related to the Collateral Security Assets or to the Guarantor Collection Accounts (and the operation of the same), together with all Asset Contractual Documentation.

"**Asset Contractual Documentation**" means, in relation to any and all Collateral Security Assets, all original, 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 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).

"**Guarantor Collection Account**" means any and all bank accounts opened in the name of a Guarantor to collect interest and principal paid under the Home Loan Receivables granted as Collateral Security.

Sub-delegation

Where the assets granted as Collateral Security Assets by a Guarantor consist in Home Loan originated by a Subsidiary, the Guarantor may sub-delegate its duties in relation to the servicing of the relevant Collateral Security Assets to that Subsidiary, provided that (i) prior to such delegation, the Guarantor shall ensure that the relevant Subsidiary has agreed to carry out such duties in accordance with the relevant provisions of the Credit Facility and Collateral Framework Agreement and to comply with the obligations of the Guarantor thereunder, (ii) such sub-delegation shall comply with all applicable laws and regulations and (iii) in all circumstances the Guarantor shall remain liable vis-à-vis the Lender for the due performance of each such duties in accordance with such provisions.

Use of the sums collected under the Collateral Security Assets

As long as no Group Enforcement Notice has been issued by the Lender, each Guarantor is entitled by the Lender to use the sums collected under the Collateral Security Assets.

Asset Report

The Obligors' Agent shall provide the Lender on each Asset Report Date, with a report (the "**Asset Report**") up-to-date as at the last Business Day of the calendar month immediately preceding the date on which that Asset Report is remitted.

Any Asset Report shall also identify:

- (a) the Eligible Assets that the Guarantors intend to grant as Collateral Security Assets to the Lender on any Asset Cover Test Date, as applicable;
- (b) any asset which the Guarantors intend to remove from the Collateral Security and the Eligible Asset that they intend to grant as Collateral Security Assets in substitution, as applicable; and
- (c) any asset in respect of which the Guarantors intend to request a partial release, as applicable.

"**Asset Report Date**" means the day falling two (2) Business Days prior to (i) each Asset Cover Test Date and (ii) each Post-Enforcement Calculation Date.

"**Post-Enforcement Calculation Date**" means, from and including the date of occurrence of a Group Event of Default, the 25th day of each calendar month

Servicer Rating Trigger Event

If a Servicing Rating Trigger Event occurs, within thirty (30) Business Days of such occurrence, the Lender shall appoint a Substitute Servicer (whose long-term senior unsecured, unsubordinated and unguaranteed debt obligations (if rated) are rated at least BBB by S&P, Baa2 by Moody's) for the servicing of the Collateral Security Assets granted by the Guarantors.

For such purposes, Servicing Rating Trigger Event means, with respect to BPCE, as applicable, the event in which its long-term senior unsecured, unsubordinated and unguaranteed debt obligations become rated below BBB by S&P, or Baa2 by Moody's.

Enforcement of the Collateral Security

Lender's rights upon enforcement

Under the Credit Facility and Collateral Framework Agreement, each Guarantor has acknowledged and agreed that with immediate effect as from the issuance of a Group Enforcement Notice:

- (a) all rights of title, discretions, benefits and other rights with respect to any and all Collateral Security Assets shall be immediately transferred to the Lender, without the need for any *mise en demeure*, in accordance with the provisions of Article L.211-38-II of the French Monetary and Financial Code (*Code monétaire et financier*); and
- (b) the Lender (or the Management and Recovery Agent acting on its behalf) will, in particular, but without limitation:
 - (i) appoint a substitute servicer (the "**Substitute Servicer**") to carry out the servicing of the Collateral Security Assets in its name and on its behalf ;
 - (ii) notify or instruct any such Substitute Servicer to notify all borrowers under the Collateral Security Assets to pay any and all amounts due and payable by them thereunder to the credit of the bank account specified in the relevant notice;
 - (iii) exercise in a discretionary manner all rights attached to the Collateral Security Assets; and
 - (iv) in particular, but without limitation, sale, transfer or provide as collateral security the Collateral Security Assets to any purchaser or securitisation vehicle qualified for that purpose.

Obligors' obligations upon enforcement

Following the service to the Obligors' Agent of a Group Enforcement Notice, each Guarantor shall:

- (a) transfer to the Lender Collection Account or such other as the Lender or any of its agent may direct, any and all amounts received in respect of any Collateral Security Asset and then standing to the credit of its Guarantor Collection Accounts and more generally to any of its bank accounts, no later than the Business Day following the service of the Group Enforcement Notice;
- (b) deliver all Asset Records and related documents to the Lender or, upon instruction of the Lender, to the Substitute Servicer (each, an "**Enforcing Party**") to such place as the same may reasonably designate;
- (c) allow to the Enforcing Party reasonable access to its facilities, premises, computer and/or software systems; and
- (d) take all steps and do all things and cooperate in good faith to enable any entity which shall have been appointed as Substitute Servicer to take over its duties in such capacity.

In addition, at any time after the service of a Group Enforcement Notice to the Obligors' Agent, each Guarantor shall transfer to the Lender Collection Account any and all amounts it may receive in respect of any Collateral Security Asset, no later than on the Business Day following the receipt of any such amount.

"**Lender Collection Accounts**" means the account of the Lender as indicated in the Credit Facility and Collateral Framework Agreement or such account as the Lender may notify to the Obligors' Agent in accordance with the provisions of the Credit Facility and Collateral Framework Agreement.

Application of proceeds

Any principal and interest payments, distributions, sale or liquidation proceeds and other sums (together, the "**Enforcement Proceeds**") received by the Lender under or in relation to the Collateral Security Assets, or transferred to the Lender, after the service to the Obligors' Agent of a Group Enforcement Notice shall be used by the Lender for the satisfaction of any and all Secured Liabilities.

Subject to the full and definitive discharge of all Secured Liabilities, the Lender shall repay to the Obligors' Agent any part of the Enforcement Proceeds not applied to the satisfaction of the Secured Liabilities, subject to the payment in full of all amounts (whether in principal, interest, costs or otherwise) owed by the Lender to any and all Noteholders. The Obligors' Agent shall be the sole responsible for the repartition of this surplus between the Guarantors.

Obligors' Agent

Pursuant to the Credit Facility and Collateral Framework Agreement each Borrower and each Borrower has appointed BPCE as its agent (*mandataire*) to generally represent the Borrowers and the Guarantors vis-à-vis the Lender and carry out certain tasks in their names and on their behalf.

General provisions of the Credit Facility and Collateral Framework Agreement

Representations, warranties and undertakings

The Obligors have made the customary representations and warranties and undertakings to the Issuer, the representations and warranties being given on the execution date of the Credit Facility and Collateral Framework Agreement and continuing until all sums due by the Obligors under the Credit Facility and Collateral Framework Agreement shall have been paid in full.

Group Events of Default

Each of the following events shall constitute an event of default for the purposes of the Credit Facility and Collateral Framework Agreement (each, a "**Group Event of Default**"):

- (a) any Obligor fails to pay any sum due under the Credit Facility when due, in the currency and in the manner specified in the Credit Facility and Collateral Framework Agreement; provided, however, that where (i) such non-payment is due to an administrative error or the failure of continuing external payment systems or clearing systems reasonably used by the Obligor and (ii) such payment is made by the Obligor within three (3) Business Days of such non-payment, such non-payment shall not constitute a Group Event of Default;
- (b) any Obligor fails to comply with any of its material obligations under the Credit Facility and Collateral Framework Agreement (other than a financial obligation) and such breach has or could be reasonably expected to have a material adverse effect on (i) the Collateral Security considered as a whole or (ii) on the ability of the Group to implement the Network Guarantee System (such an effect being a Material Adverse Effect);

any material representation or warranty made by any Obligor under the Credit Facility and Collateral Framework Agreement or in any notice or other document, certificate or statement delivered by it pursuant thereto or in connection therewith 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 Lender has given notice thereof to that Obligor or (if sooner) that Obligor has knowledge of the same, provided that such breach has or could reasonably be expected to have a Material Adverse Effect;
- (c) a Breach of Asset Cover Test or Breach of Collection Loss Reserve Funding Requirement occurs;
- (d) in respect of any member of the Group, an Insolvency Event occurs;
- (e) at any time it is or becomes unlawful for any Obligor to perform or comply with any or all of its material obligations under the Credit Facility and Collateral Framework Agreement or any of the material obligations of any Obligor under the Credit Facility and Collateral Framework Agreement are not or cease to be legal, valid and binding;
- (f) 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 any Obligor) occurs which has or could reasonably be expected to have a Material Adverse Effect;
- (g) BPCE fails to pay the Collateral Security Fee to any Contributing Guarantor and this failure is not remedied within sixty (60) Business Days from the relevant Collateral Security Fee Payment Date;
- (h) upon the occurrence of a Hedging Trigger Event (as defined in the Hedging Letter) (i) the Lender fails to find an Eligible Hedging Provider agreeing to enter into any Issuer Hedging Transaction (as defined in the Hedging Letter) within thirty (30) Business Days from the occurrence date of such Hedging Trigger Event or (ii) BPCE fails to enter into any Borrower Hedging Transaction (as defined in the Hedging Letter) with the Issuer within thirty (30) Business Days from the occurrence date of such Hedging Trigger Event; or
- (i) the Lender fails to comply with its obligations pursuant to Article R.515-7-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and BPCE does not assist the Lender in finding the means necessary to cure such failure within thirty (30) Business Days.

For such purposes, "**Insolvency Event**" means, in respect of any entity, 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 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 (*règlement amiable*) pursuant to article L. 611-1 and seq. of the French Commercial Code (*Code de commerce*) (or any similar provisions of any law other than French law);
- (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 the liquidation of the relevant entity or the opening of proceedings in view of the safeguard (*procédure de sauvegarde*), the rescheduling of the debt (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) of the relevant entity or any such resolution is passed;
- (iv) any person presents a petition for the winding-up or the liquidation of the relevant entity or the opening of proceedings in view of the safeguard (*procédure de sauvegarde*), the rescheduling of the debt (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) of the relevant entity and the petition is not discharged within thirty (30) days;
- (v) a judgement is issued for winding-up or the liquidation of the relevant entity or the opening of proceedings in view of the safeguard (*procédure de sauvegarde*), the rescheduling of the debt (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) of the relevant entity (or any similar proceedings under any law other than French law) or the transfer of the whole or part of the business of the relevant entity (*cession de l'entreprise*) pursuant to article L. 620-1 and seq. of the French Commercial Code (*Code de commerce*) (or any similar provisions of any law other than French law); or
- (vi) any *mandataire ad hoc*, *administrateur judiciaire*, *administrateur provisoire*, *conciliateur* or *mandataire liquidateur* (or any equivalent under any law other than French law) is appointed in respect of the relevant entity or any material part of the directors of the relevant entity request such appointment.

"**Collateral Security Fee**" means the fee payable by BPCE to those of the Guarantors who agree to grant Collateral Security Assets (*remettre en garantie*) in respect of a share of the Borrower Loan(s) requested by BPCE, as the case may be.

Acceleration of the Borrower Loans

On and at any time after the occurrence of a Group Event of Default, the Lender may without *mise en demeure* or any other judicial or extra judicial step, by written notice to the Obligors' Agent and the Obligors' Agent (a "**Group Enforcement Notice**"):

- (a) cancel the Credit Facility whereupon it shall immediately be cancelled and no further utilisation request may be issued thereunder; and/or
- (b) declare that all or part of the Borrower Loans, together with accrued interest, and all other amounts accrued or outstanding under, *inter alia*, the Credit Facility and Collateral Security be immediately due and payable, whereupon they shall become immediately due and payable; and/or
- (c) enforce its rights under the Collateral Security (as described above).

Other activities

Under the Credit Facility and Collateral Framework Agreement, the Obligors have agreed that the Issuer may, without their prior consent, chose to enter into transactions other than those provided for in the Programme Documents and resort to resources (whether or not benefiting from the *Privilège* set out under Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*)) other than the Notes, in accordance with and subject to applicable laws and regulations, provided that the Issuer has undertaken vis-à-vis the Obligors that the entering into such other transactions and issuance of such other resources will be subject to a prior Rating Confirmation.

Notwithstanding the above, the Lender shall remain free to issue and self-subscribe Notes at any time, in accordance with and subject to the provisions of Article L.515-32-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and applicable laws and regulations. If any such Notes are subsequently cancelled by the Lender pursuant to the provisions of Article L.515-32-1 of the French Monetary and Financial Code (*Code monétaire et financier*), the Management and Recovery Agent has agreed to inform the Rating Agencies of such cancellation.

Main other terms

The Credit Facility and Collateral Framework Agreement also provides for:

- (a) customary tax gross-up provisions relating to payments to be made by the Obligors to the Issuer, in its capacity as Lender, under the Credit Facility and Collateral Framework Agreement;
- (b) customary tax indemnity provisions relating to any payment to be made by the Issuer, in its capacity as Lender, on account of tax on or in relation to any sum received or receivable under the Credit Facility and Collateral Framework Agreement by the Issuer, in its capacity as Lender, from the Obligor or any liability in respect of any such payment is asserted, imposed, levied or assessed against the Issuer;
- (c) customary "increased costs" provisions; and
- (d) general financial information covenants and other customary covenants of the Obligor.

Governing Law - Jurisdiction

The Credit Facility and Collateral Framework Agreement shall be governed by, and construed in accordance with, French law. The Issuer and the Obligors have agreed to submit any dispute that may arise in connection with the Credit Facility and Collateral Framework Agreement to the jurisdiction of the competent court of Paris. For the avoidance of doubt, the Collateral Security shall be governed by French law.

THE BORROWERS, THE GUARANTORS, THE OBLIGORS' AGENT, THE MANAGEMENT AND RECOVERY AGENT AND THE ADMINISTRATIVE AGENT

The Group

The Borrowers, the Guarantors, the Obligors' Agent, the Management and Recovery Agent and the Administrative Agent are members of the Group and of the Network Guarantee System.

"**Group**" means the group constituted by the members of the Networks and the companies affiliated thereto in accordance with the conditions of Article L.511-31 of the French Monetary and Financial Code (*Code monétaire et financier*), as provided for in Article L.512-106 of the French Monetary and Financial Code (*Code monétaire et financier*) and being member of the Network Guarantee System.

"**Network Guarantee System**" means the system set up by BPCE between members of the Group in accordance with Article L.512-107 the French Monetary and Financial Code (*Code monétaire et financier*), in order to guarantee the liquidity of the Group and of each Network and guarantee the solvency of the Group and of each Network.

"**Networks**" means the Banques Populaires network, as defined in Article L.512-11 of the French Monetary and Financial Code (*Code monétaire et financier*) and the Caisses d'Epargnes network as defined in Article L.512-86 of the French Monetary and Financial Code (*Code monétaire et financier*).

The Borrowers and the Guarantors

The borrowers under the Credit Facility and Collateral Framework Agreement (the "**Borrowers**") shall be (i) those entities which have entered into the Credit Facility and Collateral Framework Agreement as borrower on the execution thereof (each an "**Original Borrower**" (which shall include BPCE) and any other entities acceding to the Credit Facility and Collateral Framework Agreement (an "**Additional Borrower**" through the execution of an accession letter for this purpose, in accordance with and subject to the provisions of the Credit Facility and Collateral Framework Agreement and provided in particular that any such Additional Borrower shall be a member of the Group and that a member of the Group may not become an Additional Borrower without becoming simultaneously an Additional Guarantor.

The guarantors under the Credit Facility and Collateral Framework Agreement (the "**Guarantors**") shall be (i) those entities which have entered into the Credit Facility and Collateral Framework Agreement as Guarantor on the execution thereof (each an "**Original Guarantor**" (which shall not include BPCE) and any other entities acceding to the Credit Facility and Collateral Framework Agreement (an "**Additional Guarantor**" through the execution of an accession letter for this purpose, in accordance with and subject to the provisions of the Credit Facility and Collateral Framework Agreement and provided in particular that any such Additional Guarantor shall be a member of the Group.

Any Borrower and any Guarantor may resign from such capacity, in accordance with and subject to the provisions of the Credit Facility and Collateral Framework Agreement and provided in particular that the Lender shall be free to accept any such resignation and shall not accept such resignation unless in particular a Rating Confirmation has been obtained.

The Borrowers and the Guarantors are referred to as the "**Obligors**".

The Obligors' Agent, the Management and Recovery Agent and the Administrative Agent

BPCE shall act as Obligors' Agent under the Credit Facility and Collateral Framework Agreement, as Management and Recovery Agent under the Management and Recovery Agreement and as Administrative Agent under the Administrative Services Agreement.

General information

General information relating to BPCE

BPCE is a *société anonyme à directoire et conseil de surveillance* incorporated under the laws of France, duly licensed as a credit institution (établissement de crédit), and whose registered office is at 50, avenue Pierre Mendès France, 75013 Paris, France, registered under number 493 455 042 RCS Paris.

BPCE was created by French law No. 2009-715 dated 18 June 2009 (the "**Law**"), as a central body of BPCE Group, which was found through the combination of the two French mutual banking groups that are Groupe Caisse d'Epargne and Groupe Banque Populaire.

BPCE was registered on 22 January 2007 with the *Registre du commerce et des sociétés* of Paris under number 493 455 042. The term of BPCE is set at 99 years and it shall consequently expire on 21 January 2106 except in the event of earlier dissolution or extension.

BPCE is organised as a French *société anonyme*, governed by a management board (*directoire*) and a supervisory board (*conseil de surveillance*) and is subject to the laws and regulations in force in France and in particular the commercial companies provisions of the French Commercial Code (*Code de commerce*) and the credit institutions provisions of the French Monetary and Financial Code (*Code monétaire et financier*), notably articles L.512-85 to L.512-108, and the implementing decrees taken in this respect as well as its bylaws.

The registered office of BPCE is located at 50, avenue Pierre Mendès France – 75201 Paris Cedex 13 – France.

Business Overview

BPCE is the central body of Groupe BPCE which is the second largest retail banking group in France (No. 2 in number of branches (source: database, banks' websites), No. 2 in market share for customer deposits and lending (source: Banque de France), No. 2 in terms of penetration rate with professionals and individual entrepreneurs (source: Pepites CSA 2009-2010 poll). BPCE is underpinned by two autonomous and complementary retail banking networks comprising the 19 Banques Populaires and 17 Caisses d'Epargne et de Prévoyance. As such, BPCE owns subsidiaries like Natixis as the corporate, investment and financial services arm of the Groupe BPCE, BPCE International et Outre-Mer supervising Groupe's BPCE investments in the international markets and french overseas territories, CNP Assurances for insurance products distributed in Caisses d'Epargne network and Credit Foncier de France specialized in real estate loans.

With almost 117,000 employees, 8,000 branches, over 8.6 million member-stakeholders and approximately 36 million customers, Groupe BPCE caters for all business sectors and types of clientele and is present on the world's main financial markets.

The BPCE Group SA (meaning BPCE and its consolidated subsidiaries and associates) had consolidated net banking income of €8.084 billion as of 31 December 2012, consolidated assets of €775.7 billion as of 31 December 2012 and consolidated shareholders equity of €31.1 billion (€24.7 billion group share) as of 31 December 2012.

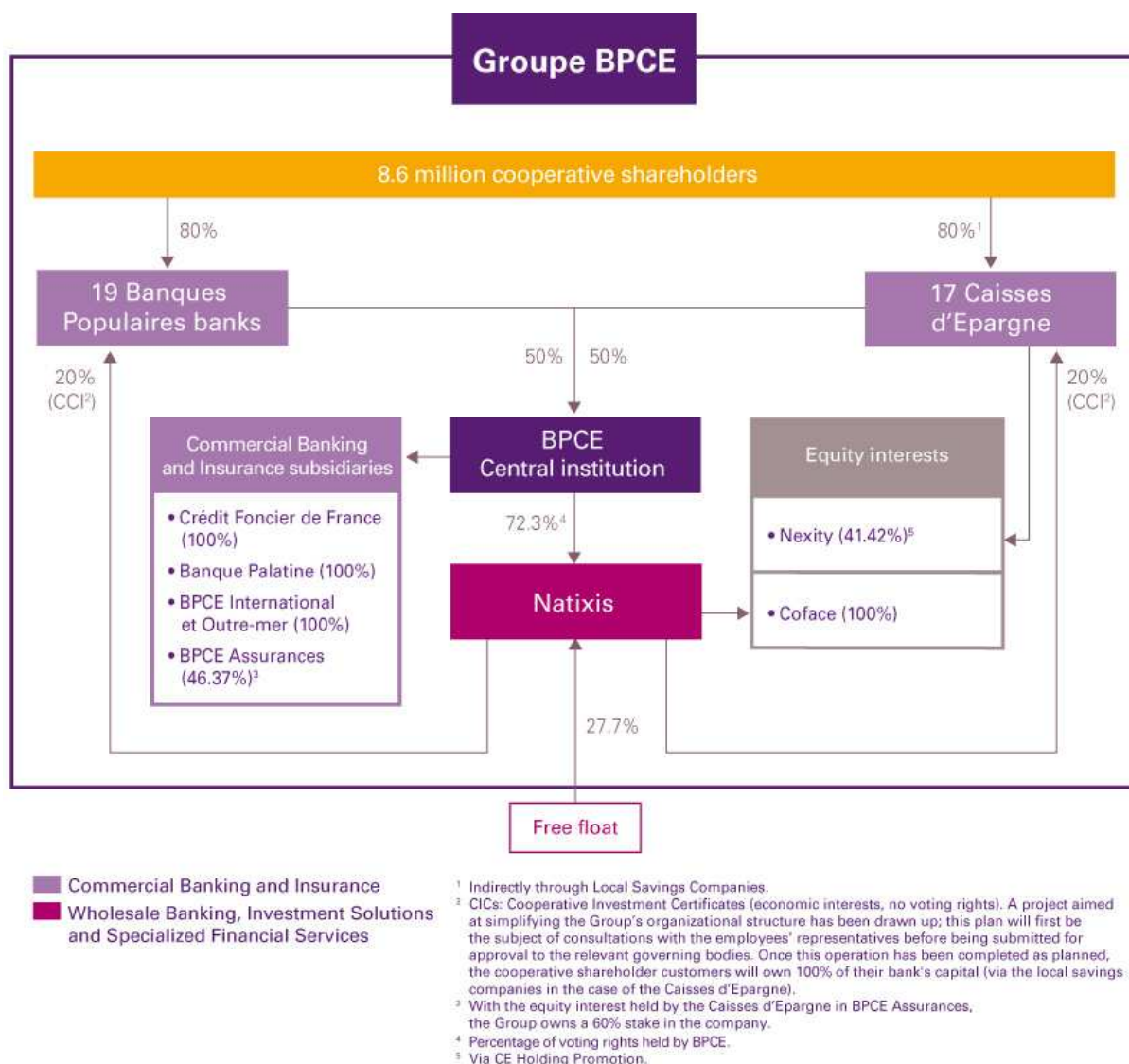
Activities

The corporate purpose of BPCE is defined in Article 2 of its bylaws and consists notably in:

- (i) being a central body for the Networks and their affiliates, and as such is notably in charge of:
 - determining the Group's and the Networks policies and the strategic orientations;
 - coordinating the Networks' commercial policies and taking any measures necessary for the Group's development;
 - representing the Group and the Networks in banking associations and negotiating national or international agreements on their behalf;
 - taking all necessary steps in order to ensure the Group's and the Networks' liquidity, including determining policies for liquidity and treasury management, financing, securitization and financial relations with other credit institutions;
 - taking all necessary steps to ensure the Group's and the Networks' solvency by notably implementing appropriate financial solidarity mechanisms and by setting up a common guarantee fund for both networks;
 - determining internal control policies and risk management policies for the Group and the Networks, and ensuring the effective supervision of compliance with these policies; and
 - confirming the appointment of key policy-making executives of the affiliated institutions; and

(ii) acting as an authorised credit institution, an insurance intermediary and a real estate intermediary.

Organisation Chart of BPCE



BPCE and Natixis announced on February 17, 2013 that they have presented to their respective supervisory board and management board, a project implying a significant simplification of Groupe BPCE's structure. The contemplated operation would consist in the buy-back by the Banque Populaire banks and the Caisses d'Epargne of all the Cooperative Investment Certificates (CCIs), they had issued and which are currently wholly-owned by Natixis. Following the cancellation of the CCIs bought back by each Banque Populaire bank and Caisse d'Epargne, these banks would be fully owned by their cooperative shareholders. This operation will be submitted, after approval of employees representative bodies, for approval by the management board of Banque Populaire banks and by the supervisory boards of the Caisses d'Epargne (joint and equal shareholders of BPCE S.A.), by the management board of BPCE and by the management board of Natixis.

This operation could be closed during the third quarter of 2013.

General information relating to share capital

On the date hereof, the share capital of BPCE amounts to €467,226,960 divided into 31,148,46 fully paid-up shares with a par value of €15 each. The 19 Banques Populaires and 17 Caisses d'Epargne et de Prévoyance wholly own the share capital and voting rights of BPCE, their shares not being listed on any stock exchange.

Management and administration

BPCE is governed by a management board (*directoire*) and a supervisory board (*conseil de surveillance*).

The management board (*directoire*) is composed of a maximum of five (5) individual members who may be up to 65 years of age and need not be shareholders. Members of the management board (*directoire*) may perform other offices subject to compliance with the laws and regulations in force. However, a member of the management board (*directoire*) may not perform similar duties with a *Caisse d'Epargne et de Prévoyance* or a *Banque Populaire*.

The members of the management board (*directoire*) are appointed for a term of four (4) years by the supervisory board (*conseil de surveillance*) which appoints one of the management board (*directoire*) members as chairman (*président*).

The management board (*directoire*) is vested with the broadest powers to act in all circumstances in the name of the company, within the scope of the corporate purpose and subject to the powers attributed by law to the supervisory board (*conseil de surveillance*) or to shareholders' meetings.

The members of the management board are as follows:

François PÉROL	Chairman of the Management Board
Daniel KARYOTIS	Member, Chief Executive Officer in charge of Finance, Risks and Operations
Jean-Yves FOREL	Member, Chief Executive Officer in charge of the Commercial Banking and Insurance
Anne MERCIER-GALLAY	Member, Chief Executive Officer in charge of Human Resources and Group Internal Communications

Under Article 17 of the bylaws, supervisory board (*conseil de surveillance*) meetings are called by its chairman. They are held as often as the interest of BPCE requires, and at least four times a year. The supervisory board is composed of 10 to 18 members designated by the general meeting of shareholders.

Control

As a regulated bank, BPCE is subject to various controls by the French financial regulators (ACP, Banque de France, Autorité des Marchés Financiers, etc.).

Accounting regulations and methods

The consolidated financial statements of BPCE are prepared in accordance with IFRS as adopted by the European Union. The last consolidated financial statements of BPCE are available for viewing on its website (www.bpce.fr).

The statutory auditors of BPCE are:

- "**Mazars**", Tour Exaltis, 61, rue Henri Regnault, 92400 Courbevoie, France represented by Charles de Boisriou and Jean Latorzeff in their capacity as principal statutory auditors, and Franck Boyer in his capacity as alternate statutory auditor;
- "**PricewaterhouseCoopers Audit**", 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France represented by Anik Chaumartin in her capacity as principal statutory auditors, and Etienne Boris in his capacity as alternate statutory auditor; and
- "**KPMG Audit**", Department of KPMG S.A., 1, Cours Valmy, 92923 Paris La Défense Cedex, France represented by Xavier de Coninck and Fabrice Odent in their capacity as principal statutory auditors and Isabelle Goalec in her capacity as alternate statutory auditor.

General information relating to the Banques Populaires and the Caisses d'Epargnes

1. Activities

Amongst the Banques Populaires banks, there are 18 regional Banques Populaires, CASDEN Banque Populaire and the Crédit Coopératif Banque Populaire. The Caisses d'Epargne Network is composed of 17 regional Caisses d'Epargne. The Banques Populaires and the Caisses d'Epargnes are autonomous, fully-fledged banks providing customers with a local service and a full range of banking and insurance products and services.

2. Management

Each Banque Populaire is managed by a board of directors (*conseil d'administration*). Its by-laws provide for a board of directors consisting of not less than five (5) and not more than eighteen (18) members who are appointed by the general meeting of shareholders for a period of five (5) years.

Each Caisse d'Epargne is managed by a management board (*directoire*) and a supervisory board (*conseil de surveillance*). Its by-laws provide for a management board consisting of not less than two (2) members and not more than five (5) members who are appointed by the supervisory board for a period of five (5) years. The supervisory board is composed of 18 members appointed by the general meeting of shareholders for a period of six (6) years.

3. Accounting regulations and methods

Except for BRED Banque Populaire, Crédit Coopératif Banque Populaire, Caisse d'Epargne Aquitaine Poitou-Charente, Caisse d'Epargne d'Auvergne et du Limousin, Caisse d'Epargne de Bourgogne Franche-Comté, Caisse d'Epargne Bretagne-Pays de Loire, Caisse d'Epargne Ile-de-France and Caisse d'Epargne de Midi-Pyrénées, each Banque Populaire and each Caisse d'Epargne presents, when applicable, its consolidated financial statements according to the French generally accepted accounting principles (French GAAP) standard and its non-consolidated financial statements according to the provisions in use in all private industrial and commercial companies. BRED Banque Populaire, Crédit Coopératif Banque Populaire, Caisse d'Epargne Aquitaine Poitou-Charente, Caisse d'Epargne d'Auvergne et du Limousin, Caisse d'Epargne de Bourgogne Franche-Comté, Caisse d'Epargne Bretagne-Pays de Loire, Caisse d'Epargne Ile-de-France and Caisse d'Epargne de Midi-Pyrénées present their consolidated financial statements in accordance with IFRS.

The consolidated and non-consolidated financial statements of the Banques Populaires and the Caisses d'Epargne must be approved by its board of directors or management board and, within five (5) months following the end of each financial year, be submitted, together with the statutory auditors' report, for examination by the general meeting of the shareholders of each Banque Populaire and each Caisse d'Epargne. The consolidated interim financial statements of the Banques Populaires and the Caisses d'Epargne for the first six (6) month period of each financial year, when available, are only subject to a limited review by its statutory auditors.

COVER RATIOS

For the avoidance of doubt, in the following section, the expression "Notes" will apply to the French law Notes, German law Notes and Australian law Notes.

Statutory cover ratio

As a *société de financement de l'habitat*, the Issuer shall also comply, *inter alia*, with the following legal requirements:

- (a) *sociétés de financement de l'habitat* must at all times maintain a cover ratio between their assets and their "privileged" liabilities. According to Article R.515-7-2 of the French Monetary and Financial Code (*Code monétaire et financier*), *sociétés de financement de l'habitat* must at all times maintain a ratio of at least 102 per cent. between their resources benefiting from the *Privilège* and their assets, including the replacement assets (*valeurs de remplacement*), provided however that where the assets of a *société de financement de l'habitat* include receivables secured by other 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*), those assets received as collateral security, whether by way of pledge or full transfer of title, shall be taken into account for the calculation of that ratio (instead of the receivables shown on the balance sheet of the *société de financement de l'habitat*); and
- (b) pursuant to Article L.515-38 of the French Monetary and Financial Code (*Code monétaire et financier*), *sociétés de financement de l'habitat* must appoint a specific controller (*contrôleur spécifique*) with the approval of the French *Autorité de contrôle prudentiel* whose tasks are:
 - (i) to ensure that the *société de financement de l'habitat* complies with Articles L.515-34 to L.515-36 of the French Monetary and Financial Code (*Code monétaire et financier*);
 - (ii) to certify that the statutory cover ratio is satisfied in connection with (i) the *société de financement de l'habitat's* quarterly programme of issues benefiting from the *Privilège* and (ii) any issue of resources benefiting from the *Privilège* and whose amount is greater than Euro 500 million;
 - (iii) to ensure that the Home Loans (*prêts à l'habitat*) granted or financed by the *société de financement de l'habitat* comply with the purpose of Article L.515-34 and with the requirements set out in Articles L.515-35 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*);
 - (iv) to control, when the Home Loans (*prêts à l'habitat*) granted or financed by the *société de financement de l'habitat* are subject to a guarantee (*cautionnement*) from another credit institution or an insurance company included in the consolidation scope, as defined by Article L.233-16 of the French Commercial Code (*Code de commerce*) as applicable to the *société de financement de l'habitat*, the risks assessment methods established by such credit institution or insurance company are adequate, in accordance with Article R.515-17 of the French Monetary and Financial Code (*Code monétaire et financier*); and
 - (v) to review, pursuant to Article 12 of Regulation 99-10 dated 9 July 1999 on *sociétés de crédit foncier* and *sociétés de financement de l'habitat*, the level of rate and maturity matching between the assets and the liabilities. In case the specific controller believes that the level of rate and maturity matching would create excessive risks for the creditors benefiting from the *Privilège*, the specific controller informs the officers of the relevant *société de financement de l'habitat* and the *Autorité de Contrôle Prudentiel*.

The specific controller has access to information that allows confirmation of each issue's compliance with the statutory cover ratio. This statutory cover ratio is published twice a year and checked on a quarterly basis by the specific controller.

Asset Cover Test

In addition to the statutory cover ratio which the Issuer is required to comply with as a *société de financement de l'habitat*, under the Credit Facility and Collateral Framework Agreement, the Management and Recovery Agent shall carry out a test on each Asset Cover Test Date to ensure that the amount of Collateral Security required pursuant to the Credit Facility and Collateral Framework Agreement is in place (the "**Asset Cover Test**").

"**Asset Cover Test Date**" means, prior to and excluding, the date of occurrence of a Group Event of Default, (i) each Utilisation Date and (ii) the 25th day of each calendar month.

"**Utilisation**" means an utilisation under the Credit Facility.

"**Utilisation Date**" means the date of a Utilisation, being the date on which the relevant Loan is to be made.

As of the date of this Base Prospectus, the formulae of the Asset Cover Test set out in the Credit Facility and Collateral Framework Agreement is such that (i) the Lender comply with the statutory cover ratio (as described in the paragraph "Statutory cover ratio" above) and (ii) the Programme be rated Aaa by Moody's Investors Service and AAA by Standard & Poor's Credit Market Services Europe Limited.

If on any Asset Cover Test Date, the Asset Cover Test is not complied with, this event shall constitute a "**Non-Compliance with the Asset Cover Test**"). A Non-Compliance with the Asset Cover Test will not constitute a Group Event of Default.

If a Non-Compliance with the Asset Cover Test has occurred and is not remedied prior to the next following Asset Cover Test Date, a "**Breach of Asset Cover Test**" shall occur.

A Breach of Asset Cover Test will result in a Group Event of Default within the meaning of the relevant terms of the Credit Facility and Collateral Framework Agreement.

THE HEDGING STRATEGY

For the avoidance of doubt, in the following section, the expression "Notes" will apply to the French law Notes, German law Notes and Australian law Notes.

The present section describes the hedging strategy (the "**Hedging Strategy**") to be implemented from time to time by the Issuer, as set out in a letter (the "**Hedging Letter**") entered into between BPCE SFH and BPCE, on 19 April 2011, as amended and/or supplemented from time to time.

Hedging Strategy before the occurrence of a Hedging Trigger Event

Interest rate risk

The Notes issued under the Programme may be Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes. Each Series of Notes will be denominated in any Specified Currency (see "Terms and Conditions of the French law Notes").

The proceeds from the issuance of the Notes under the Programme will be used by the Issuer to fund Borrower Loans to be made available to the Borrowers under the Credit Facility. The terms and conditions regarding the calculation and the payment of principal and interest under a Borrower Loan shall mirror the equivalent terms and conditions of the Notes funding such Borrower Loan, as further described hereunder and in the relevant final terms of the Borrower Loan (see "The Credit Facility and Collateral Security Agreement").

The Issuer is therefore not exposed to any risk of an interest rate mismatch arising between the payments received on the Borrower Loans and the payments to be made under the Notes. As a consequence, in the absence of any Hedging Trigger Event, the Issuer will have no obligation to hedge any interest rate risk.

The determination of the interest rate of each Series of Notes, as specified in each applicable Final Terms, shall be made by the Issuer regardless of the interest rate conditions applicable, as the case may be, to such Collateral Security Assets.

Before the enforcement of the Collateral Security, the Borrowers retain any interest rate risk linked to the mismatch between the Collateral Security Assets and the Borrower Loan. Thus until and unless such enforcement occurs, the Borrowers will hedge this interest rate risks according to their usual and current strategies and practices.

Currency risk

The Borrower Loan and the Notes funding such Borrower Loan may be denominated in different currencies.

In order to hedge the risk resulting from that currency mismatch, under the Hedging Letter, BPCE SFH has undertaken, and BPCE (acting in capacity as Administrative Agent and Management and Recovery Agent), has acknowledged and agreed, that if, on any proposed Utilisation Date, the relevant Borrower Loans and the corresponding Notes are denominated in different currencies, BPCE SFH shall enter into the necessary currency hedging transaction(s) with an Eligible Hedging Provider, on or before the issuance of the relevant Notes and granting of the relevant Borrower Loan (the "**Pre-Enforcement Currency Hedging Transaction(s)**"). BPCE SFH has undertaken in the Hedging Letter to use commercially reasonable efforts for that purpose, provided that if BPCE SFH does not find any such Eligible Hedging Provider agreeing to enter into such Pre-Enforcement Currency Hedging Transaction(s), the corresponding Notes shall not be issued and the relevant Borrower Loan shall not be made available by BPCE SFH to the relevant Borrower.

Hedging Strategy upon the occurrence of a Hedging Trigger Event or Group Event of Default

There is no assurance that the Home Loans being part of the Collateral Security bear interest at the same conditions as those of the Notes and are denominated in the same currency as the Notes. Upon the occurrence of a Group Event of Default and the enforcement of the Collateral Security, Home Loans and related Home Loans Security will be transferred to the Issuer.

In order to pre-empt and hedge the potential mismatch of the interest rates applicable to the Notes and to the Home Loans and the potential mismatch of currencies, under the Hedging Letter:

1. BPCE SFH has undertaken, and BPCE (acting in capacity as Administrative Agent and Management and Recovery Agent), has acknowledged and agreed, that BPCE SFH shall upon the occurrence of the earlier between (i) a Hedging Rating Trigger Event or (ii) a Group Event of Default enter into:
 - (a) one (1) or more hedging transaction(s) (the "**Note Issuer Hedging Transaction(s)**") with one (1) or more Eligible Hedging Provider(s) in order to hedge any currency and/or interest rate risk it will bear in respect of the relevant series of Notes (a "**Series**"); and

- (b) one (1) or more hedging transaction(s) (the "**Asset Issuer Hedging Transaction(s)**") and together with the Note Issuer Hedging Transaction, the "**Issuer Hedging Transaction(s)**") with Eligible Hedging Provider(s) in order to hedge any currency and/or interest rate risk it will bear in respect of the Collateral Security Assets;

it being provided that the Issuer Hedging Transaction(s) shall be entered into pursuant to one or more hedging agreement(s) (the "**Issuer Hedging Agreement(s)**") substantially in the approved form attached as annex to the Hedging Letter and in substance acceptable to the Rating Agencies, taking into account any existing Pre-Enforcement Currency Hedging Transaction(s).

2. BPCE SFH and BPCE have undertaken in the Hedging Letter that they shall enter into, upon the occurrence of a Hedging Rating Trigger Event and as long as no Group Event of Default occurs, one (1) or more hedging agreement(s) and related hedging transaction(s) substantially in the form to the Hedging Letter, and in substance acceptable to the Rating Agencies, in order to transfer to BPCE the economic substance of the Issuer Hedging Agreement(s) (respectively, the "**Borrower Hedging Agreement(s)**") and, together with the Issuer Hedging Agreement(s), the "**Hedging Agreement(s)**" and the "**Borrower Hedging Transaction(s)**" and, together with the Issuer Hedging Transaction(s), the "**Hedging Transaction(s)**"). Each Borrower Hedging Agreement shall provide that such Borrower Hedging Agreement shall terminate upon the occurrence of a Group Event of Default and (ii) that no settlement amount or other amount or cost shall be payable by either party thereto in such circumstance.
3. BPCE SFH and BPCE have acknowledged and agreed in the Hedging Letter that the Issuer Hedging Agreements shall hedge the amount of interest and, in the case of Series denominated in a currency other than Euro, principal payable by BPCE SFH under the relevant Series, in the relevant Specified Currency, and the amount corresponding to the interest and principal payable under the Collateral Security Assets, in each relevant currency, into fixed rate flows denominated in Euros, as necessary.

Taking into account the hedging management guidelines set forth in the Hedging Letter and described in paragraph 5 below:

- only the Series bearing floating interest rates will be hedged under the Note Issuer Hedging Transactions, where the Issuer will pay a fixed rate flows (in compliance with the provisions of paragraph 7 below) to the eligible hedging counterparty and will receive the variable rate flows payables under the relevant Series;
 - only the floating interest rate part of the Collateral Security Assets will be hedged under the Asset Issuer Hedging Transactions, where the Issuer will pay the floating rate received on the relevant portion of the Collateral Security Assets to the eligible hedging counterparty and will receive a fixed rate flows (in compliance with the provisions of the Hedging Letter and described in paragraph 7 below).
4. The signatories to the Hedging Letter have acknowledged that upon the occurrence of a Hedging Trigger Event, failure (i) by BPCE SFH to find an Eligible Hedging Provider agreeing to enter into any Issuer Hedging Transaction within thirty (30) Business Days from the occurrence date of such Hedging Trigger Event or (ii) by BPCE to enter into any Borrower Hedging Transaction with the Issuer within thirty (30) Business Days from the occurrence date of such Hedging Trigger Event, in each case in the approved form set out in annex 1 thereto, shall constitute a Group Event of Default.
5. In accordance with the Credit Facility and Collateral Framework Agreement, BPCE, acting as agent (*mandataire*) of each Borrower and each Guarantor, shall comply with the hedging management guidelines described in this paragraph 5. Thus, BPCE, acting as agent (*mandataire*) of each Guarantor, will constitute, and make addition to and substitution in respect of, the Collateral Securities under the Credit Facility and Collateral Framework Agreement, on behalf of each Guarantor, so as to ensure that, on each Asset Cover Test Date so long as no Group Event of Default occurs:
- (a) the amount of interest to be received under the Collateral Security Assets shall exceed the amount of interest to be paid under the Notes, *it being provided*, for the avoidance of doubt, that the interest to be received or paid under the Hedging Transactions shall not be taken into account in the calculation of the amount of interest received under the Collateral Security Assets or paid under the Notes; and
 - (b) the difference between the weighted average life of the Collateral Security Assets (calculated taking in account the constant prepayment rate (CPR) of the Collateral Security Assets) and the weighted average life of the outstanding Notes shall not exceed two (2) years.

Non-compliance with any of (a) or (b) above shall not constitute a breach of such hedging management guidelines and such breach of hedging management guidelines shall only occur if BPCE, acting as agent (mandataire) of each Borrower and each Guarantor, fails to cure the non-compliance with any of (a) or (b) above on the next following Asset Cover Test Date. Under the Hedging Letter, BPCE SFH and BPCE have acknowledged and, to the extent necessary, agreed that a breach of such hedging management guidelines which is not remedied on such next following Asset Cover Test Date is deemed to have a material adverse effect on the Collateral Security, within the meaning of the Credit Facility and Collateral Framework Agreement (where such expression defines a Group Event of Default).

6. BPCE hereby expressly agrees that it shall pay any costs and expenses incurred by BPCE SFH when negotiating and/or entering into any Hedging Agreement, including for the avoidance of doubt any premium (*soulte*) payable to any direct or indirect counterparty in connection with entry into a Hedging Agreement, based on the most recent fixed rates of the Collateral Security Assets, as determined and communicated on a quarterly basis by the Management and Recovery Agent to BPCE SFH (the "**Recent Hedging Fixed Rate**").
7. The financial conditions of these Issuer Hedging Agreement(s) shall be determined so that:
 - (a) any such fixed rate payable by BPCE SFH under a Note Issuer Hedging Transaction shall not be greater than the most Recent Hedging Fixed Rate calculated in respect of the relevant Series; and
 - (b) any fixed rate received by BPCE SFH from any direct or indirect counterparty under an Asset Issuer Hedging Transaction shall be not less than the Recent Hedging Fixed Rate calculated in respect of hedging the interest and principal payable under the Collateral Security Assets.

In circumstances where BPCE SFH is required to enter into Hedging Agreements with different counterparties, a separate Hedging Agreement shall be entered into in respect of each separate counterparty.

"**Eligible Hedging Provider**" means a financial institution which meets the following conditions:

- (i) such financial institution is permitted under any applicable and relevant law to enter into derivative contracts with French residents; and
- (ii) the rating of its unsecured, unsubordinated and unguaranteed debt obligations is at least a Hedging Required Rating, or (ii) the rating of the unsecured, unsubordinated and unguaranteed debt obligations of its guarantor under the relevant Hedging Agreement is at least a Hedging Required Rating and the terms of such guarantee provided by its guarantor has prior Rating Confirmation, or (iii) this financial institution has provided collateral for its obligations under the relevant Hedging Agreement and taken any remedial action as required by the Rating Agencies.

"**Hedging Trigger Event**" means the event in which the unsecured, unsubordinated and unguaranteed debt obligations of BPCE become rated below A2 (long-term) by Moody's or below A (long-term) by S&P.

"**Hedging Required Rating**" means, as regards any Eligible Hedging Provider or, as applicable, its guarantor under the relevant hedging agreement in relation to the hedging of currency risks, interest risks and other risks, that:

- (1) its long-term, unsecured and unsubordinated debt obligations are rated at least as high as "A2" by Moody's;
and
- (2) its long-term, unsecured and unsubordinated debt obligations are rated no lower than the applicable S&P Subsequent Required Rating (as long as S&P Replacement Option 1 or S&P Replacement Option 2 applies) or the applicable S&P Initial Required Rating (as long as S&P Replacement Option 3 or S&P Replacement Option 4 applies);

it being provided that if an Eligible Hedging Provider does not have the S&P Initial Required Rating at the time it enters into the relevant hedging agreement, such Eligible Hedging Provider will immediately provide collateral under the provisions of the relevant credit support annex (if such Eligible Hedging Provider elects for the S&P Replacement Option 1 or the S&P Replacement Option 2 at the time such transfer or novation occurs);

Where:

- "**S&P Initial Required Rating**" means:
 - o "A" (long-term) by S&P if S&P Replacement Option 1, S&P Replacement Option 2 or S&P Replacement Option 3 applies;

- o "A+" (long-term) by S&P if S&P Replacement Option 4 applies;
- **"S&P Subsequent Required Rating"** means:
 - o "BBB+" (long-term) by S&P if S&P Replacement Option 1 applies;
 - o "A-" (long-term) by S&P if S&P Replacement Option 2 applies;
- **"S&P Replacement Option 1"** means the counterparty replacement option 1, as described in the S&P rating criteria document entitled "Counterparty Risk Framework Methodology And Assumptions" dated 29 November 2012;
- **"S&P Replacement Option 2"** means the counterparty replacement option 2, as described in the S&P rating criteria document entitled "Counterparty Risk Framework Methodology And Assumptions" dated 29 November 2012;
- **"S&P Replacement Option 3"** means the counterparty replacement option 3, as described in the S&P rating criteria document entitled "Counterparty Risk Framework Methodology And Assumptions" dated 29 November 2012;
- **"S&P Replacement Option 4"** means the counterparty replacement option 4, as described in the S&P rating criteria document entitled "Counterparty Risk Framework Methodology And Assumptions" dated 29 November 2012.

The Hedging Letter is governed by French law.

FORM OF FINAL TERMS

(This form of Final Terms will only apply to the French law Notes. The form of final terms applicable to German law Notes is included in the Paying Agency Agreement. The form of final terms applicable to Australian law Notes is included in the Australian law Note Deed Poll.)

Final Terms dated [●]



BPCE SFH

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €40,000,000,000 Euro Medium Term Note Programme
for the issue of *obligations de financement de l'habitat* and other privileged notes**

Series No.: [●]

Tranche No.: [●]

Issue Price: [●] per cent.

[Name(s) of Dealer(s)]

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Terms and Conditions**") set forth in the base prospectus dated 30 April 2013 which received visa No. 13-192 from the *Autorité des marchés financiers* (the "**AMF**") on 30 April 2013 [as supplemented by the supplement dated [●] which received visa No. [●] from the AMF on [●]] ([together,] the "**Base Prospectus**") which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (as defined below).

This document constitutes the final terms (the "**Final Terms**") relating to the notes described herein (the "**Notes**") for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and these Final Terms are available for viewing on the websites of BPCE (www.bpce.fr) 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 addition¹, the Base Prospectus and these Final Terms are available for viewing [on/at] [●].]

"**Prospectus Directive**" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended, including by the 2010 PD Amending Directive, to the extent implemented in the relevant Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**")), and includes any relevant implementing measure of the Prospectus Directive in each Relevant Member State, and "**2010 PD Amending Directive**" means Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010 and includes any relevant implementing measure of the 2010 PD Amending Directive.

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 (the "**Terms and Conditions**") included in "Terms and Conditions of the French law Notes" section set forth in the base prospectus dated [original date] which received visa No. [●] from the *Autorité des marchés financiers* (the "**AMF**") on [●] [as supplemented by the supplement dated [●] which received visa No. [●] from the AMF on [●]] and which are incorporated by reference in the base prospectus dated 30 April 2013 which received visa No. 13-192 from the *Autorité des marchés financiers* (the "**AMF**") on 30 April 2013 [as supplemented by the supplement dated [●] which received visa No. [●] from the AMF on [●]] ([together,] the "**Base Prospectus**") which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (as defined below).

This document constitutes the final terms (the "**Final Terms**") relating to the notes described herein (the "**Notes**") for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Terms and Conditions and the Base Prospectus. The Base Prospectus and these Final Terms are available for viewing on the websites of BPCE (www.bpce.fr) 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 addition², the Original Base Prospectus, the Current Base Prospectus and these Final Terms are available for viewing [on/at] [●].]

"**Prospectus Directive**") means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended, including by the 2010 PD Amending Directive, to the extent implemented in the relevant Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**")), and includes any relevant implementing measure of the Prospectus Directive in each Relevant Member State, and "**2010 PD Amending Directive**" means Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010 and includes any relevant implementing measure of the 2010 PD Amending Directive.

[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. (i) **Series Number:** [●]

¹ If the Notes are listed on a Regulated Market other than Euronext Paris.

² If the Notes are listed on a Regulated Market other than Euronext Paris.

- (ii) **Tranche Number:** [●]
- [(iii) **Date on which Notes become fungible:** [Not Applicable/ The Notes will, upon listing, be assimilated (*assimilées*) and form a single series with the (*insert description of the relevant Series*)]
2. **Specified Currency:** [●]
3. **Aggregate Nominal Amount of Notes:**
- [(i) **Series:** [●]
- [(ii) **Tranche:** [●]]
4. **Issue Price:** [●] per cent. of the Aggregate Nominal Amount of the Tranche
- [plus an amount corresponding to accrued interest at a rate of [●] per cent. of such Aggregate Nominal Amount for the period from, and including, the Interest Commencement Date to, but excluding, the Issue Date (*if applicable*)]
5. **Specified Denomination(s):** [●] (*one (1) denomination only for Dematerialised Notes*) (*Not less than €100,000 or its equivalent in other currency at the Issue Date when the Notes are admitted to trading on a Regulated Market of the European Union in circumstances which require the publication of a prospectus under the Prospectus Directive*)³
6. (i) **Issue Date:** [●]
- (ii) **Interest Commencement Date:** [[●] (*specify*) /Issue Date/Not Applicable]
7. **Final Maturity Date:** (*specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*)
8. **Interest Basis:** [[●] per cent. Fixed Rate]
- [[EURIBOR, EONIA, LIBOR, CMS, TEC or other] +/- [●] per cent. Floating Rate]
- [Zero Coupon]
- (*further particulars specified below*)
9. **Redemption/Payment Basis:** [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed at the Final Maturity Date at 100 per cent. of the Aggregate Nominal Amount]
- [Instalment]
- (*further particulars specified below*)
10. **Change of Interest Basis:** [Applicable/Not Applicable]
- (*specify the date when any fixed to floating rate change occurs*)
- [(*further particulars specified below*)]

³ Notes denominated in Sterling in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitute a contravention of section 19 of the FSMA and having a maturity of less than one year must have a minimum denomination of Sterling 100,000 (or its equivalent in other currencies).

11. **Put/Call Options:** [Noteholder Put]
 [Issuer Call]
(further particulars specified below)
 [Not Applicable]
12. **Date of corporate authorisations for issuance of Notes obtained:** Decision of the Board of Directors (*Conseil d'administration*) of BPCE SFH dated [●] authorising the issue of the Notes and authorising, *inter alios*, its [●] to sign and execute all documents in relation to the issue of Notes, and decision of the Board of Directors (*Conseil d'administration*) of the Issuer dated [●] authorising the quarterly programme of borrowings which benefit from the *privilège* referred to in Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*) up to and including Euro [●] billion for the [●] quarter of 20[●].

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. **Fixed Rate Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate(s) of Interest: [●] per cent. *per annum* [payable [annually / semi-annually / quarterly / monthly / other (*specify*)] in arrear]
- (ii) Interest Payment Date(s): [●] in each year up to and including the Final Maturity Date
(This may need to be amended in the case of long or short coupon)
- (iii) Fixed Coupon Amount(s): [●] per [[●] in] Specified Denomination
- (iv) Broken Amount(s): [Not Applicable/ [●] (*insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s)*)]

- (v) Day Count Fraction (Condition 5(a)): [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
Actual 30A/360 (American Bond Basis)
30E/360
Eurobond Basis
30E/360-FBF]
- (vi) Determination Dates: [●] in each year
(insert regular Interest Payment Dates, ignoring Issue Date or Final Maturity Date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))
- 14. Floating Rate Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●]
- (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 5(a)): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA 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 (Condition 5(c)(iii)(C)): [Applicable/Not Applicable]

- Benchmark: [●] (*specify Benchmark [EURIBOR, EONIA, LIBOR, CMS, TEC or other] and months [e.g. EURIBOR 3 months] (additional information if necessary)*)
 - 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 (Condition 5(c)(iii)(B)):
- Floating Rate (*Taux Variable*): [●] (*specify Benchmark [EURIBOR, EONIA, LIBOR, CMS, TEC or other] and months (e.g. EURIBOR 3 months) (additional information if necessary)*)
 - Floating Rate Determination Date (*Date de Détermination du Taux Variable*): [●]
- (xi) ISDA Determination (Condition 5(c)(iii)(A)):
- [Applicable/Not Applicable]
- Floating Rate Option (*Taux Variable*): [●] (*specify Benchmark [EURIBOR, EONIA, LIBOR, CMS, TEC or other] and months [e.g. EURIBOR 3 months] (additional information if necessary)*)
 - Designated Maturity: [●]
 - Reset Date: [●]
- (xii) Margin(s): [+/-] [●] per cent. *per annum*
- (xiii) Rate Multiplier: [Not applicable/[●]]
- (xiv) Minimum Rate of Interest: [Not Applicable/[●] per cent. *per annum*]
- (xv) Maximum Rate of Interest: [Not Applicable/[●] per cent. *per annum*]

- (xvi) Day Count Fraction (Condition 5(a)): [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
Actual 30A/360 (American Bond Basis)
30E/360
Eurobond Basis
30E/360-FBF]

15. Zero Coupon Note Provisions

[Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Amortisation Yield: [●] per cent. *per annum*

- (ii) Day Count Fraction (Condition 5(a)): [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
Actual 30A/360 (American Bond Basis)
30E/360
Eurobond Basis
30E/360-FBF]

PROVISIONS RELATING TO REDEMPTION

16. Call Option:

[Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Optional Redemption Date(s): [●]

- (ii) Optional Redemption Amount(s) of each Note: [●] per [[●] in] Specified Denomination
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [●]
- (b) Maximum Redemption Amount: [●]
- (iv) Option Exercise Date(s): [●]
- (v) Notice period (if other than as set out in the Terms and Conditions): [Not Applicable / Other (*specify*)]
(If setting notice periods which are different to those provided for in the terms and conditions, consider the practicalities of distribution of information throughout intermediaries, for instance clearing systems, as well as any other notice requirements which may apply, for example as between the Issuer and the Fiscal Agent.)
- 17. Put Option:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note: [●] per [[●] in] Specified Denomination
- (iii) Option Exercise Date(s): [●]
- (iv) Notice period (if other than as set out in the Terms and Conditions): [Not Applicable / Other (*specify*)]
(If setting notice periods which are different to those provided for in the terms and conditions, consider the practicalities of distribution of information throughout intermediaries, for instance clearing systems, as well as any other notice requirements which may apply, for example as between the Issuer and the Fiscal Agent.)
- 18. Final Redemption Amount of each Note:** [●] per [[●] in] Specified Denomination
- 19. Redemption by Instalment:** [Applicable/Not Applicable]
(If not applicable, delete the following sub-paragraphs)
- (i) Instalment Date(s): [●]
- (ii) Instalment Amount(s) in respect of each Note: [●] per [[●] in] Specified Denomination
- 20. Early Redemption Amount:**
- Early Redemption Amount(s) of each Note payable on event of default or other early redemption as set out in the Terms and Conditions : [●] per [[●] in] Specified Denomination
- 21. Purchases (Condition 6(h)):** The Notes purchased may be [held and resold / shall be cancelled] as set out in the Terms and Conditions

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. **Governing law:** French law
23. **Form of Notes:** [Dematerialised Notes/Materialised Notes]
(Materialised Notes are only in bearer form)
(Delete as appropriate)
- (i) **Form of Dematerialised Notes:** [Not Applicable / Applicable *(if applicable specify whether bearer form (au porteur) / registered form (au nominatif))*]
- (ii) **Registration Agent:** [Not Applicable/ Applicable *(if applicable give name and address)*] *(Note that a Registration Agent must be appointed in relation to fully registered Dematerialised Notes only)*
- (iii) **Temporary Global Certificate:** [Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Notes 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 7(g):** [Not Applicable/Give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which items 15 (ii), and 14(v) relate]
25. **Talons for future Coupons or Receipts to be attached to Definitive Materialised Notes (and dates on which such Talons mature):** [Yes/No/Not Applicable. *If yes, give details*] *(Only applicable to Materialised Notes)*
26. **Masse:** [The provisions of Condition 10 apply/ The provisions of Condition 10 are replaced by the full provisions of the French *Code de commerce* relating to the *Masse*] *(Note that in respect of any Tranche of Notes issued inside France, Condition 10 must be waived in its entirety and replaced by the provisions of French Code de commerce relating to the Masse).*
(If relevant, insert details of Representative and alternative Representative and remuneration, if any).

GENERAL

The aggregate principal amount of Notes issued has been translated into Euro at the rate of [●] per cent. producing a sum of:

[Not Applicable] / [●] *(only applicable for Notes not denominated in euro)*

RESPONSIBILITY

I accept responsibility for the information contained in these Final Terms.

[(*Relevant third party information*)] has been extracted from (*specify source*). I confirm 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.]⁴

Signed on behalf of BPCE SFH:

By:

Duly authorised

⁴ Include if third party information is provided.

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 Notes to be admitted to trading on [Euronext Paris/*specify other relevant regulated market*] with effect from [●].][Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Paris/*specify other relevant regulated market*] with effect from [●].] [Not Applicable]
- (b) Regulated Markets or equivalent markets on which, to the knowledge of the Issuer, securities of the same class of the Notes to be admitted to trading are already admitted to trading: [●] (*Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.*)
- (iii) Estimate of total expenses related to admission to trading: [●]

2. RATINGS

- Ratings: [Not Applicable/The Notes to be issued have been rated:
S&P: [●];
Moody's: [●];
[Other]: [●]
[[●] / [Each of the above agencies] is established in the European Union and has applied for registration under Regulation (EC) 1060/2009 of the European Parliament and the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**") and included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority (www.esma.europa.eu) in accordance with the CRA Regulation]

3. [NOTIFICATION]

The AMF, which is the competent authority in France for the purpose of the Prospectus Directive [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues] the [*include names of competent authorities of host Member States*] with [a] certificate[s] of approval attesting that the Base Prospectus [and the supplement(s) to the Base Prospectus] [has/have] been drawn up in accordance with the Prospectus Directive.]

4. [OTHER ADVISORS]

If advisors are mentioned in these Final Terms, specify the capacity in which the advisors have acted.

5. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE]

Need to include a description of any interest, including conflicting ones, that is material to the issue of the Notes, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement: "Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer".

6. [FIXED RATE NOTES ONLY - YIELD]

Indication of yield: [●].

8. OPERATIONAL INFORMATION

ISIN Code: [●]

Common Code: [●]

Depositories:

(a) Euroclear France to act as Central Depository: [Yes/No]

(b) Common Depository for Euroclear Bank and Clearstream Banking, *société anonyme*: [Yes/No]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/give name(s) and number(s) and address(es)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [●]

8. DISTRIBUTION

Method of distribution: [Syndicated/Non-Syndicated]

(i) **If syndicated, names of Managers:** [Not Applicable/give names]

(iii) **Stabilising Manager(s) (if any):** [Not Applicable/give name]

If non-syndicated, name of Dealer: [Not Applicable/give name]

U.S. selling restrictions: The Issuer is Category 1 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.

[TEFRA C/ TEFRA D/ TEFRA not Applicable] (TEFRA are not applicable to Dematerialised Notes)

Additional selling restrictions: [Not Applicable/give details]

**FORM OF CERTIFICATE OF THE SPECIFIC CONTROLLER PURSUANT TO ARTICLES L.515-30
AND R.515-13 OF THE FRENCH MONETARY AND FINANCIAL CODE**

*[Translated from French - Only applicable if the amount of Notes issued equals or exceeds Euro 500,000,000
or its equivalent in any other currency]*

To the Directors of BPCE SFH,

In our capacity as specific controller (*contrôleur spécifique*) of your company and pursuant to the provisions set forth in Articles L.515-30 and R.515-13 of the French Monetary and Financial Code, we hereby set out our certification regarding compliance with the rule provided for in Article L.515-20 of the French Monetary and Financial Code within the framework of any issue of mortgage debentures with a unit value of at least EUR 500 million.

In a decision dated [●], the Board of Directors of BPCE SFH set the maximum ceiling for the programme for issuing funding that qualify for the privileged right laid down by Article L.515-19 of the French Monetary and Financial Code at EUR [●], for the period from [●] to [●].

Within the scope of this quarterly issue programme, in a decision dated [●], the [●] of [●] approved a new issue of funds qualifying for the preferential rights set forth in Article L.515-19 of the French Monetary and Financial Code, for an amount of EUR [●].

Article L.515-20 of the French Monetary and Financial Code states that the total amount of assets held by *sociétés de financement de l'habitat* (special-purpose real estate credit institutions) must be greater than the amount of liabilities which qualify for the privileged right mentioned in Article L.515-19 of said code. Our responsibility is to certify the compliance of the current transaction with this rule.

Compliance with this rule, after taking into account the aforementioned debenture issue, was verified on the basis of estimated and forecasted financial data, drawn up under the responsibility of your Board of Directors. The forecasted financial data were drawn up on the basis of assumptions which reflect the position that you deemed to be most probable as of the date of the present issue. This information is presented in an appendix to this report.

We performed our review in accordance with the procedures issued from the professional rules and practises of the *Compagnie Nationale des Commissaires aux Comptes* (National Association of Statutory Auditors) that are applicable to this type of assignment. These procedures, based on such financial information, were carried out in order to verify compliance with the rule laid down by Article L.515-20 of the French Monetary and Financial Code and with the methods of calculating the hedge ratio provided for in Regulation n° 99-10 of the French Banking and Financial Regulations Committee.

Our work has also required that we plan and prepare our review leading to an assessment of the fair presentation of the estimated and the forecasted financial data, drawn up as of the closest date of the present issue, with regard to its consistency, plausibility and relevance, with a view to checking compliance with the rule provided for in Article L.515-20 of the French Monetary and Financial Code. Regarding the forecasted financial data, we have assessed the assumptions used and their statement in figures, considering that, as the forecasts are, by their nature, uncertain, the actual results could differ significantly from the forecasted data presented.

Based on our work, we have no comments to make as regards compliance by BPCE SFH with Article L.515-20 of the French Monetary and Financial Code, which states that the amount of assets must be greater than the amount of preferential liabilities, after taking into account the aforementioned issue.

Paris, [●]

The Specific Controller

CAILLIAU DEDOUIT ET ASSOCIES

Laurent BRUN

APPENDIX

Figures after taking into account the debentures issues for the period from [•] to [•] including the present issue of EUR[•] (value date [•]).

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

The original certificate reads :

Messieurs les Administrateurs de BPCE SFH,

En notre qualité de contrôleur spécifique de votre société et en exécution des dispositions prévues par les articles L.515-30 et R.515-13 du Code monétaire et financier, nous devons établir une attestation portant sur le respect de la règle prévue à l'article L.515-20 de ce Code, dans le cadre de toute émission d'obligations de financement de l'habitat d'une valeur unitaire au moins égale à EUR 500 millions.

Par décision en date du [●], le conseil d'administration de BPCE SFH a fixé le plafond maximum du programme d'émissions de ressources bénéficiant du privilège institué par l'article L.515-19 du Code monétaire et financier, à EUR [●] pour la période allant du [●] au [●] 2011.

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

L'article L.515-20 du Code monétaire et financier dispose que le montant total des éléments d'actif des sociétés de financement de l'habitat doit être supérieur au montant des éléments de passif bénéficiant du privilège mentionné à l'article L.515-19 de ce même Code. Il nous appartient d'attester du respect de cette règle au titre de la présente opération.

Le respect de cette règle, après prise en compte de l'émission visée ci-dessus, a été vérifié sur la base d'informations financières estimées et prévisionnelles établies sous la responsabilité de votre conseil d'administration. Les informations financières prévisionnelles ont été établies à partir des hypothèses traduisant la situation future que vous avez estimée la plus probable à la date de la présente émission. Ces informations sont présentées en annexe à la présente attestation.

Nous avons effectué nos travaux sur la base des diligences que nous avons estimé nécessaires au regard de la doctrine professionnelle de la Compagnie Nationale des Commissaires aux Comptes relative à cette intervention. Ces diligences sont destinées à vérifier, sur la base des informations financières établies, le respect de la règle prévue par l'article L.515-20 du Code monétaire et financier et les modalités de calcul du ratio de couverture prévues par les dispositions du règlement n°99-10 du Comité de la Réglementation Bancaire et Financière.

Nos diligences ont notamment consisté à examiner le processus d'élaboration des informations financières estimées et prévisionnelles, établies à la date la plus proche de celle de la présente émission, afin d'en vérifier la cohérence dans la perspective de contrôler le respect de la règle prévue à l'article L.515-20 du Code monétaire et financier. En ce qui concerne les informations prévisionnelles, nous avons pris connaissance des hypothèses retenues et vérifié leur traduction chiffrée, étant rappelé que, s'agissant de prévisions présentant par nature un caractère incertain, les réalisations différeront parfois de manière significative des informations prévisionnelles établies.

Sur la base de nos travaux, nous n'avons pas d'observation à formuler sur le respect, par BPCE SFH, de l'article L.515-20 du Code monétaire et financier stipulant que le montant des éléments d'actif doit être supérieur au montant des éléments de passif privilégiés, après prise en compte de la présente émission visée ci-dessus.

Paris, le [●]

Le Contrôleur Spécifique

CAILLIAU DEDOUT ET ASSOCIES

Laurent BRUN

ANNEXE

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

En millions d'euros	Estimé	Prévisionnel
	Au [début de trimestre]	Au [fin de trimestre]
Total des emplois	[•]	[•]
Total des emplois pondérés	[•]	[•]
Total des ressources bénéficiant du privilège mentionné à l'article L.515-19 du code monétaire et financier	[•]	[•]

TAXATION

For the avoidance of doubt, it is specified that the expression "Notes" will only apply to French law Notes, in the following section.

The following is an overview limited to certain tax considerations in France relating to the payments made in respect of the Notes that may be issued under the Programme and specifically contains information on taxes on the income from the securities withheld at source. This overview is based on the laws in force in France as of the date of this Base Prospectus and as applied by the tax authorities and is subject to any changes in law or different interpretation. It does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in or ownership and disposal of the Notes in light of its particular circumstances.

EU Savings Directive

The EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the "**Savings Directive**") requires each Member State as from 1 July 2005 to provide to the tax authorities of another Member State details of payments of interest and other similar income within the meaning of the Savings Directive made by a paying agent within its jurisdiction to (or under circumstances to the benefit of) an individual resident in that other Member State. However, for a transitional period, certain Member States (Luxembourg and Austria) must apply a withholding on any payment of interest within the meaning of the Savings Directive, unless the beneficiary of interest payments elects for the exchange of information (the end of this transition period depending on the conclusion of some other agreements relating to the exchange of information with some other countries). Several countries and territories not members of the European Union, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland applies, unless the beneficiary of interest payments elects for the exchange of information). The current rate of this withholding tax is 35%.

The European Commission proposed some amendments to the Savings Directive which could, if they were adopted, amend or expand the scope of some requirements described above.

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

France

Implementation of the Directive in France

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

French Withholding Tax

Payments of interest and other income made by the Issuer with respect to Notes will not be subject to the withholding tax set out under Article 125 A III of the French General Tax Code (*Code général des impôts*), unless such payments are made outside of France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French General Tax Code (*Code général des impôts*) (a "**Non-Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a 75% withholding tax will be applicable (subject (where relevant) to certain exceptions summarised below and the more favorable provisions of any applicable double tax treaty) pursuant to Article 125 A III of the French General Tax Code (*Code général des impôts*).

Furthermore, by virtue of Article 238 A of the French General Tax Code (*Code général des impôts*), interest and other income paid by or on behalf of the Issuer with respect to such Notes may no longer be deductible from the Issuer's taxable income if they are paid or accrued to persons established or domiciled in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other income may be recharacterised as deemed distributed income pursuant to Article 109 of the French General Tax Code (*Code général des impôts*), in which case such non-deductible interest and other income may

be subject to the withholding tax set out under Article 119 *bis* of the French General Tax Code (*Code général des impôts*), at a rate of 30% or 75%.

Notwithstanding the foregoing, Articles 125 A III and 238 A of the French General Tax Code (*Code général des impôts*) provide, respectively, that neither the 75% withholding tax nor the non-deductibility will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other income to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the official regulation published by French tax authorities on 12 September 2012 (*Bulletin Officiel des Finances Publiques-Impôts - BOI-INT-DG-20-50-20120912*, Section no. 990), an issue of Notes will be deemed to have a qualifying purpose and effect, and accordingly will be able to benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of Notes if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) or pursuant to an equivalent offer in a state or territory other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator, an investment services provider, or by a similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing, delivery and payments systems operator within the meaning of Article L.561-2 of the French Monetary and Financial Code (*Code monétaire et financier*), or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

SUBSCRIPTION AND SALE

For the avoidance of doubt, it is specified that the expression "Notes" will only apply to French law Notes, in the following section.

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated on or about the date of this Base Prospectus between the Issuer, the Arranger and the Permanent Dealers (the "**Dealer Agreement**"), the Notes will be offered by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not the Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer(s). The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes 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 Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for its 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 Notes. The Dealers have agreed to indemnify the Issuer against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes 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 the Final Terms used in respect of the issue of the Notes to which it relates or in a supplement to this Base Prospectus.

Each Dealer has acknowledged that no action has been or will be taken in any jurisdiction by any Dealer that would permit an offer of the Notes to the public or the possession or distribution of this Base Prospectus or any other offering material in any country or jurisdiction where such an action for that purpose is required.

Each of the Dealers has undertaken that it will not, directly or indirectly, offer or sell any Notes, or distribute this Base Prospectus or any other material or any Final Terms relating to the Notes in or from any country or jurisdiction except in circumstances that will result in compliance with applicable laws, orders, rules and regulations.

United States of America

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States of America or to, or for the account or benefit of U.S. persons except in certain transactions exempt from the registration requirements of the U.S. Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

Materialised Notes having a maturity of more than one (1) year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States of America or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and regulations thereunder.

In addition, until forty (40) days after the commencement of the offering of any identifiable Tranche, an offer or sale of Notes within the United States of America by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

United Kingdom

Each Dealer has represented and agreed that:

- (a) in relation to any Notes 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 Notes 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 Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Market Act 2000 ("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 Notes 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 Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been, and will not be, registered in Japan under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948 as amended, the "FIEL"). Accordingly, no Notes nor any interest therein will be offered, sold, resold or otherwise transferred directly or indirectly, in Japan or to or for the account of any resident of Japan or to others for re-offering or re-sale or otherwise re-transferred directly or indirectly, in Japan or to or for the account of any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEL and any other relevant laws, regulations and guidelines in force in Japan. For these purposes, resident of Japan has the meaning defined in Article 6, paragraph 1, sub-paragraph 5 of the FIEL of Japan (Law No. 228 of 1949 as amended).

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined below), 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in paragraphs (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expressions (i) an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, (ii) "**Prospectus Directive**" means Directive 2003/71/EC (and the amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and (iii) "**2010 PD Amending Directive**" means Directive 2010/73/EU dated 24 November 2010.

France

This Base Prospectus has not been prepared in the context of a public offer of Notes in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and Articles 211-1 *et seq.* of the *Règlement Général* of the *Autorité des marchés financiers*.

Each of the Dealers has represented and agreed that it has not offered, sold or otherwise transferred and will not offer, sell or otherwise transfer, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any offering material relating to the Notes and that such offers, sales, transfers and distributions have been made and will be made in France only to:

- (a) qualified investors (*investisseurs qualifiés*) acting for their own account; and/or

- (b) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*);

all as defined in, and in accordance with, Articles L.411-1, L.411-2 and L.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*).

Each Dealer has represented and agreed that the Materialised Notes will only be issued outside the French territory.

Italy

No application has been or will be made by any person to obtain an authorisation from the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") for the public offering (*offerta al pubblico*) of the Notes in the Republic of Italy. Accordingly, each Dealer has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, and has not distributed and will not distribute and has not made and will not make available in the Republic of Italy any Notes, the relevant Base Prospectus or any other offering material relating to the Notes other than:

- (a) to qualified investors (*investitori qualificati*), including individuals and small and medium size enterprises, as defined by CONSOB Regulation n°11971 of 14 May 1999, as amended and supplemented, on the basis of the relevant criteria set out by the Prospectus Directive, as amended, pursuant to art. 100, paragraph 1, lett. a) of D.Lgs. no. 58 of 24 February 1998, as amended and supplemented (the "**Financial Laws Consolidated Act**"); or
- (b) in any other circumstances where an express exemption from compliance with the rules relating to public offers of financial products (*offerta al pubblico di prodotti finanziari*) provided for by the Financial Laws Consolidated Act and the relevant implementing regulations (including CONSOB Regulation no. 11971 of 14 May 1999, as amended and supplemented) applies.

Any offer, sale or delivery of the Notes or any offering material relating to the Notes in the circumstances described in the preceding paragraphs (a) and (b) shall be made:

- (i) only by banks, investment firms (*imprese di investimento*) or financial companies, to the extent duly authorised to engage in the placement and/or underwriting (*collocamento e/o sottoscrizione*) of financial instruments (*strumenti finanziari*) in Italy in accordance with the Italian Legislative Decree no. 385 of 1 September 1993, as amended and supplemented (the "**Italian Banking Act**"), the Financial Laws Consolidated Act and the relevant implementing regulations; and
- (ii) in accordance with all applicable Italian laws and regulations, including all relevant securities and tax laws and regulations and any limitations as may be imposed from time to time by CONSOB or other regulators.

Germany

No action has been or will be taken in any jurisdiction by the Issuer or any Dealer that would permit an offer of the German law Notes to the public, or possession or distribution of this Base Prospectus or any other offering material, in any country (including Germany) or jurisdiction where such further action for that purpose is required.

This Base Prospectus has not been, and will not be, filed with the German Financial Supervisory Authority.

In particular, the German law Notes may not be offered, sold or publicly promoted or advertised in Germany other than in compliance with the provisions of the German Capital Investment Act (*Vermögensanlagengesetz*) exempting such offering, sale or public promotion from the requirement to publish a prospectus or any laws replacing the *Vermögensanlagengesetz*) or any other laws applicable in Germany governing the issue, offering and sale of registered bonds (*Namenschuldverschreibungen*).

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the "**Australian Corporations Act**")) in relation to the Programme or any Notes has been, or will be, lodged with the Australian Securities and Investments Commission ("**ASIC**"). This Base Prospectus is neither a prospectus nor a disclosure document for the purposes of the Australian Corporations Act. Each Dealer has represented and agreed that unless the relevant Final Terms (or another supplement to any Base Prospectus) otherwise provides, it:

- (a) has not made or invited, and will not make or invite, an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and

- (b) has not distributed or published, and will not distribute or publish, any Base Prospectus or any other offering material or advertisement relating to any Notes in Australia,

unless:

- (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternative currency, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Australian Corporations Act;
- (ii) the offer or invitation does not constitute an offer to a "**retail client**" as defined for the purposes of section 761G of the Australian Corporations Act;
- (iii) such action complies with any other applicable laws, regulations or directives in Australia; and
- (iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

GENERAL INFORMATION

- (1) Application has been made to the AMF to approve this document as a base prospectus and this Base Prospectus has received visa No. 13-192 on 30 April 2013. Application will be made in certain circumstances to list and admit the French law Notes on Euronext Paris and application may be made for the listing and admission to trading of French law Notes on any other Regulated Market.
- (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 Notes under the Programme, to the extent that such Notes constitute *obligations* under French law, requires the prior authorisation of the Issuer Board of Directors, which may delegate its power to any other member of the Board, to the Chief Executive Officer, or with the latter's consent to any of the Deputy Executive Officers, or to any other person.

On 17 December 2012, the Issuer Board of Directors has authorised the issue of Notes under the Programme for an amount of Euro 10,000,000,000 for 2013 and delegated to Alain David, Chairman of the Board of Directors of the Issuer, Roland Charbonnel, Chief Executive Officer of the Issuer, and Jean-Philippe Berthaut, Deputy Executive Officer of the Issuer, each acting separately the power to decide such issuances.

- (3) Save as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position and no material adverse change in the prospects of the Issuer since 31 December 2012.
- (4) 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 the last twelve (12) months preceding the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the Issuer and/or its group's financial position or profitability.
- (5) Save as disclosed in this Base Prospectus, there are no material contracts that are not entered into the ordinary course of the Issuer's business which could result in any member of the Network Guarantee System being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to holders of French law Notes and holders of German law Notes.
- (6) Application may be made for French law Notes to be accepted for clearance through Euroclear France (66, rue de la Victoire, 75009 Paris, France) and/or Euroclear (Boulevard du Roi Albert II, 1210 Bruxelles, Belgique) and Clearstream, Luxembourg (42, avenue John F. 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 French law Notes will be set out in the relevant Final Terms.
- (7) The Issuer's statutory auditors are:
 - PricewaterhouseCoopers Audit (63, rue de Villiers – 92208 Neuilly-sur-Seine – France) and
 - KPMG Audit, a department of KPMG S.A (1, cours Valmy – 92923 Paris La Défense – France)both entities being regulated by the *Haut Conseil du Commissariat aux Comptes*, duly authorized as *commissaires aux comptes* and registered with the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.
- (8) The Issuer's statutory auditors have audited the non-consolidated financial statements of the Issuer for the fiscal years ended 31 December 2012 and 31 December 2011. The Issuer does not produce consolidated financial statements.
- (9) The Issuer's specific controller is Cailliau Dedouit et Associés (19, rue Clément Marot – 75008 Paris – France), represented by Laurent Brun.
- (10) The Issuer does not intend to provide post-issuance transaction information regarding the French law Notes to be admitted to trading and the performance of the underlying collateral, except if required by any applicable laws and regulations.
- (11) This Base Prospectus, any supplements thereto (if any) and, so long as Notes are admitted to trading on any Regulated Market of the EEA in accordance with the Prospectus Directive, the Final Terms relating to such Notes will be published on the websites of BPCE (www.bpce.fr) and of the AMF (www.amf-france.org).

In addition, should the French law Notes be listed on a Regulated Market of the EEA other than Euronext Paris in accordance with the Prospectus Directive, the Final Terms related to those French law Notes 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 French law Notes have been admitted to trading, or (y) the competent authority of the Member State of the EEA where the French law Notes have been admitted to trading.

- (12) So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available during normal business hours on any Business Day, at the registered office of the Issuer and at the specified office of the Paying Agent(s), or in the case of the Australian law Notes, the Australian Registrar:
- (a) the by-laws (*statuts*) of the Issuer;
 - (b) the Paying Agency Agreement (which notably includes the form of the *Lettre Comptable*, Temporary Global Certificates, Definitive Materialised Notes, Coupons, Receipts, Talons and the terms and conditions of the German law Notes, all attached as schedules thereto);
 - (c) the Australian law Note Deed Poll (which includes the terms and conditions of the Australian law Notes attached as a schedule thereto);
 - (d) the Australian Agency Agreement;
 - (e) Final Terms for French law Notes that are listed and admitted to trading on Euronext Paris or any other Regulated Market in the EEA;
 - (f) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus;
 - (g) any document incorporated by reference in this Base Prospectus;
 - (h) the latest quarterly borrowing programme of the Issuer and the specific controller's certificate relating thereto which are usually delivered at the beginning of each quarter;
 - (i) all reports, letters and other documents, 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, including the certificate of the specific controller in respect of each issue of Notes in a principal amount equal to or above Euro 500,000,000 (or its equivalent in the currency) of the relevant issue; and
 - (j) the audited non-consolidated financial statements of the Issuer for the two latest fiscal years.

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RESPONSIBILITY OF THE BASE PROSPECTUS AND VISA OF THE AMF

Persons responsible for the information given in the Base Prospectus

In the name of the Issuer

We accept responsibility for the information contained in this document. To the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained or incorporated by reference in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Executed in Paris, on 30 April 2013

BPCE SFH

50, avenue Pierre Mendès France
75013 Paris

Represented by: Jean-Philippe Berthaut
Deputy Managing Director (*Directeur général délégué*)



In accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* ("**AMF**"), in particular Articles 212-31 to 212-33, the AMF has granted to this Base Prospectus the visa No. 13-192 on 30 April 2013. This document may only be used for the purposes of a financial transaction if completed by Final Terms. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L.621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it. This visa has been granted subject to the publication of Final Terms in accordance with Article 212-32 of the AMF's General Regulations, setting out the terms of the securities being issued.

Issuer

BPCE SFH

50, avenue Pierre-Mendès France
75013 Paris
France

Arranger

Natixis

30, avenue Pierre Mendès-France
75013 Paris
France

Permanent Dealers

BPCE

50, avenue Pierre-Mendès France
75013 Paris
France

Natixis

30, avenue Pierre Mendès-France
75013 Paris
France

Fiscal Agent, Paying Agent, Principal Paying Agent and Calculation Agent

BNP Paribas Securities Services

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9, rue du Débarcadère
93500 Pantin
France

Auditors to the Issuer

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Department of KPMG S.A

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Represented by Xavier de Coninck

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Specific Controller to the Issuer

Cailliau Dedouit et Associés

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Represented by Laurent Brun

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