

THIS DOCUMENT IS A FREE NON BINDING TRANSLATION, FOR INFORMATION PURPOSES ONLY, OF THE FRENCH LANGUAGE PROSPECTUS DE BASE DATED 7 JULY 2016 WHICH RECEIVED VISA NO. 16-300 FROM THE AUTORITE DES MARCHES FINANCIERS ON 7 JULY 2016 (THE "AMF BASE PROSPECTUS"). ONLY THE AMF BASE PROSPECTUS WAS GRANTED A VISA BY THE AUTORITE DES MARCHES FINANCIERS. IN THE EVENT OF ANY AMBIGUITY OR CONFLICT BETWEEN CORRESPONDING STATEMENTS OR OTHER ITEMS CONTAINED IN THE AMF BASE PROSPECTUS AND THIS DOCUMENT, THE RELEVANT STATEMENTS OR OTHER ITEMS CONTAINED IN THE AMF BASE PROSPECTUS SHALL PREVAIL. FOR THE AVOIDANCE OF DOUBT, REFERENCES IN THIS DOCUMENT TO THE "BASE PROSPECTUS" ARE TO THE "AMF BASE PROSPECTUS" AND DO NOT INCLUDE ITS ENGLISH TRANSLATION.

Base Prospectus dated 7 July 2016



Bpifrance Financement

(société anonyme, French duly licensed établissement de crédit)

€ 20,000,000,000

EURO MEDIUM TERM NOTE PROGRAMME

benefiting from the autonomous, unconditional and irrevocable first demand guarantee of EPIC Bpifrance

(établissement public à caractère industriel et commercial)

Under the Euro Medium Term Note Programme (the "**Programme**") described in this base prospectus (the "**Base Prospectus**"), the *société anonyme* Bpifrance Financement (the "**Issuer**" or "**Bpifrance Financement**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The payment of all amounts due under the Notes will be guaranteed by an autonomous, unconditional and irrevocable first demand guarantee of the *établissement public à caractère industriel et commercial* Bpifrance (the "**Guarantor**" or "**EPIC Bpifrance**"). The aggregate nominal amount of Notes outstanding will not at any one time exceed € 20,000,000,000 (or its equivalent in any other currency).

Under certain circumstances, an application for admission to trading of the Notes on the regulated market of Euronext Paris ("**Euronext Paris**") may be presented. Euronext Paris is a regulated market for the purposes of the directive 2004/39/EC of 21 April 2004, as amended, appearing on the list of regulated markets of the European Securities Markets Authority (each such market being a "**Regulated Market**"). Notes issued under the Programme may also be listed and admitted to trading on any other Regulated Market in such Member State of the European Economic Area ("**EEA**") in accordance with the Prospectus Directive (as defined below) or on a non-regulated market, or may be unlisted. The relevant final terms prepared in respect of any issue of Notes (the "**Final Terms**", a form of which is included in this Base Prospectus) will specify whether or not such Notes will be listed and admitted to trading and, if so, the relevant Regulated Market(s) where the Notes will be listed and admitted to trading. Notes admitted to trading on a Regulated Market shall have a minimum denomination of Euros 100,000 (or its equivalent in any other currency) or any higher amount that may be authorised or required by any relevant competent authority or any applicable law or regulation.

This Base Prospectus has been submitted to the *Autorité des marchés financiers* (the "**AMF**") which has granted visa No. 16-300 to it on 7 July 2016.

Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**") as more fully described in this Base Prospectus.

Dematerialised Notes will at all times be in book entry form in compliance with Articles L.211-3 *et seq.* of the French *Code monétaire et financier*. No physical documents of title will be delivered in respect of the Dematerialised Notes. Dematerialised Notes may be issued, at the option of the Issuer (i) in bearer form (*au porteur*) inscribed as from their 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 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 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 Holder designated by the relevant Noteholders.

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 40th calendar 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 (United States Persons), in accordance with the U.S. Treasury regulations, as more fully described herein. Temporary Global Certificates will (a) in the case of a Tranche (as defined in the "Terms and Conditions of the Notes") 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, or (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 (as defined below).

The Guarantor and the Programme are both rated Aa2 (stable outlook) by Moody's France S.A.S. ("**Moody's**") and AA (stable outlook) by Fitch France S.A.S. ("**Fitch**"). As of the date of this Base Prospectus, both Moody's and Fitch are credit rating agencies established in the European Union, registered under Regulation (EC) No. 1060/2009 of the European Parliament and of 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. Notes issued under the Programme may, or may not, be rated. The rating of Notes (if any) will be specified in the relevant Final Terms. It will not necessarily be the same as the rating assigned to the Programme and/or the Guarantor. 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 without prior notice.

This Base Prospectus, any supplement (if any) and the Final Terms of the Notes admitted to trading on a Regulated Market in accordance with the Prospectus Directive shall be (a) published on the websites (i) of the AMF (www.amf-france.org), (ii) together with the guarantees granted by the Guarantor in respect of Notes admitted to trading on Euronext Paris or on any other Regulated Market, of the Issuer (www.bpifrance.fr) and (iii), as the case may be, of any relevant competent authority and (b) together with the guarantees granted by the Guarantor, available for inspection and copy, without charges, during normal business days and hours, at the registered office of the Issuer and at the specified office(s) of the Paying Agent(s). The documents incorporated by reference in this Base Prospectus shall be (a) published on the website of the Issuer (www.bpifrance.fr) and (b) available for inspection and copy, without charges, during normal business days and hours, at the registered office of the Issuer and at the specified office(s) of the Paying Agent(s) set out at the end of this Base Prospectus.

Investors are invited to take into account risks described in the "Risk Factors" section before deciding to invest in the Notes issued under the Programme.

ARRANGER
HSBC

PERMANENT DEALERS

**BNP PARIBAS
HSBC**

NATIXIS

CREDIT AGRICOLE CIB

This Base Prospectus (together with all supplements thereto from time to time), which contains, or incorporates by reference, all relevant information concerning the Issuer, the Guarantor, the Issuer and its consolidated subsidiaries taken as a whole (the "Issuer Group"), the Guarantor and its consolidated subsidiaries taken as a whole (the "Guarantor Group") as well as the base terms and conditions of the Notes to be issued under the Programme, constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive (as defined hereinafter). Each Tranche (as defined in "General Description of the Programme") of Notes will be issued pursuant to the provisions contained in "Terms and Conditions of the Notes" of this Base Prospectus, as supplemented by the provisions of the Final Terms determined by the Issuer and the relevant Dealers (as defined in "General Description of the Programme") at the time of the issue of such Tranche. The Base Prospectus (and any supplement relating thereto) and the Final Terms will constitute together a prospectus for the purposes of Article 5.1 of the Directive Prospectus.

For the purposes of 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 and includes any relevant implementing measure of such directive in each relevant Member State of the EEA and (ii) "European Regulation" means Regulation (EC) No. 809/2004/CE of the Commission of 29 April 2004, as amended.

This Base Prospectus contains or incorporates by reference all relevant information necessary to enable prospective investors to make an informed assessment of the assets, activities, financial position, results and the prospects of the Issuer, the Guarantor, the Issuer Group and the Guarantor Group as well as rights attached to the Notes, including information required by Annexes VI, IX, XI and XIII of the European Regulation. Each of the Issuer and the Guarantor assumes the responsibility thereto.

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

No person is or has been authorised to give any information or to make any representation other than those contained or incorporated par 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 Guarantor, the Arranger or any of the Dealers. 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, the Guarantor, the Issuer Group and/or the Guarantor Group since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer, the Guarantor, the Issuer Group and/or the Guarantor Group since the date of this Base Prospectus or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. In particular, no action has been taken by the Issuer, the Arranger or the Dealers 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 Notes 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 must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes.

The Notes and any Guarantee in respect of 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 and 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 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-United States persons in reliance on Regulation S under the Securities Act ("Regulation S").

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". 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, in the EEA (including France, the Netherlands, the United Kingdom, Norway and Italy), Switzerland and

Hong Kong.

The Arranger and the Dealers have not separately verified the information contained or incorporated by reference in this Base Prospectus. Neither the Arranger nor the Dealers 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 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 Guarantor, the Arranger or the Dealers that any recipient of this Base Prospectus should purchase the Notes. Each prospective investor of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. Neither the Arranger nor the Dealers undertake to review the financial or general condition of the Issuer and/or the Guarantor during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or prospective investor in the Notes of any information that may come to the attention of any of the Dealers or the Arranger.

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

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, references to "£", "pounds sterling" and "Sterling" are to the lawful currency of the United Kingdom, references to "NOK", "or "Norwegian Krone" are to the lawful currency of Norway, references to "\$", "USD" and "US Dollar" are to the lawful currency of the United States of America, references to "HKD" and "Hong Kong Dollar" are to the lawful currency of Hong Kong, references to "¥", "JPY" and "Yen" are to the lawful currency of Japan and references to "CHF" and "Swiss Francs" are to the lawful currency of the Swiss Confederation.

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GENERAL DESCRIPTION OF THE PROGRAMME

The following general characteristics shall be read subject to the other information contained in this Base Prospectus. The Notes will be issued according to the terms and conditions of the Notes set out on pages 25 to 50¹, as completed by the provisions of the relevant Final Terms agreed between the Issuer and the relevant Dealers in accordance with the Prospectus Directive and the European Regulation.

All capitalised terms which are not defined in this chapter shall have the meaning given to them in chapter "Terms and Conditions of the Notes".

Any reference below to a Condition refers to the related article in "Terms and Conditions of the Notes".

Issuer:	The <i>société anonyme</i> Bpifrance Financement (the " Issuer " or " Bpifrance Financement ").
Guarantee:	The full and punctual payment of any amount due in principal, interest and accessories in respect of any Tranche of Notes will be guaranteed by an autonomous, unconditional and irrevocable first demand guarantee of the <i>établissement public à caractère industriel et commercial</i> Bpifrance (the " Guarantor " or " EPIC Bpifrance ") to be granted, on or before the Issue Date, upon the issue of each Tranche of Notes to the beneficiaries named therein (the " Guarantee ") and will be conformed, or substantially conformed, to the form set out in chapter "Form of Guarantee". The Guarantee granted in respect of any Tranche of Notes will be (i) available for inspection and copy, without charges, during normal business days and hours, at the registered office of the Issuer and at the specified office(s) of the Paying Agent(s) set out at the end of this Base Prospectus and (ii) when granted in respect of Notes admitted to trading on Euronext Paris or any other Regulated Market, published on the Issuer's website (www.bpifrance.fr).
Arranger:	HSBC France.
Dealers:	BNP Paribas, Crédit Agricole Corporate and Investment Bank, HSBC France, Natixis and Société Générale. The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to " Permanent Dealers " are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to " Dealers " are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Description:	Euro Medium Term Note Programme.
Programme Limit:	Up to €20,000,000,000 (or its equivalent in any other currency) aggregate nominal amount of Notes outstanding at any one time.
Fiscal Agent and Principal Paying Agent:	BNP Paribas Securities Services.
Calculation Agent:	Unless the relevant Final Terms provide otherwise, BNP Paribas Securities Services.

¹ Pages 26 to 52 of the French language Base Prospectus.

Method of Issue:	<p>Notes may be issued on a syndicated or non-syndicated basis.</p> <p>The Notes will be issued in series (each a "Serie"). Each Serie may be issued in tranches (each a "Tranche") on the same Issue Date or on different issue dates.</p> <p>The specific terms of each Tranche (including, without limitation, the aggregate nominal amount, issue price, redemption price thereof, and interest, if any, payable thereunder) will be determined by the Issuer and the relevant Dealer(s) at the time of the issue and will be set out in the relevant Final Terms.</p>
Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity from one (1) year from and including the date of original Issue Date, as indicated in the Final Terms. The Notes may have no fixed maturity.
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Euro, pounds sterling, Norwegian Krone, U.S. dollars, Hong Kong dollars, Japanese yen, Swiss francs or in any other currency agreed between the Issuer and the relevant Dealer(s).
Denomination(s):	<p>Notes shall be issued in the Specified Denomination(s) set out in the relevant Final Terms, save that the 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), 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.</p> <p>Dematerialised Notes shall be issued in one denomination only.</p>
Status of the Notes:	The obligations of the Issuer under the Notes and, where applicable, any Receipts and Coupons constitute direct, general, unconditional, unsubordinated and (subject to the provisions of Condition 3 and 5(a)) unsecured obligations of the Issuer and rank <i>pari passu</i> and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsubordinated and unsecured obligations of the Issuer.
Status of the Guarantee:	The obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor (subject to the provisions of Condition 5(b)) and rank <i>pari passu</i> and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsubordinated and unsecured obligations of the Guarantor.
Negative Pledge for the Notes et the Guarantee:	There will be a negative pledge in respect of the Notes and the Guarantee as more fully described in Condition 5.
Events of Default (including cross default):	There will be events of default in respect of the Notes as more fully described in Condition 10.
Redemption Amount:	Subject to any laws and regulations applicable from time to time, the relevant Final Terms will specify the basis for calculating the redemption amounts payable chosen among the options described in Condition 7.
Optional Redemption:	The relevant Final Terms 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

among the options described in Condition 7.

Redemption by Instalments:

The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.

Early Redemption:

Except as provided in "Optional Redemption" of the Terms and Conditions above, Notes will be redeemable at the option of the Issuer prior to their stated maturity only for tax reasons, as more fully described in Condition 7.

Withholding tax:

All payments of principal, interest and other revenues in respect of the Notes by or on behalf of the Issuer 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 becomes required by law. A more detailed description of the tax regime applicable in France to the Notes is contained in the section "Taxation".

If French law should require that payments of principal or interest in respect of any Note, Receipt or Coupon be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Receiptholders and the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, subject to exceptions as further described in Condition 9.

Interest Periods and Interest Rates:

For each Series, the length of the interest periods for the Notes, the applicable Interest Rate and the method of calculation may differ from time to time or be constant, depending on the 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. The relevant Final Terms will set out such information among the options and terms and conditions described in Condition 6 "Interest and other calculations".

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, as set out in the relevant Final Terms:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by the 2013 FBF Master Agreement, or
- (ii) 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, or
- (iii) on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service (including, without limitation, EURIBOR (or TIBEUR in French), LIBOR, CMS Rate or TEC10²),

² Note that all users of the licence CNO-TEC n must first enter into a trademark license agreement available from the *Comité de Normalisation Obligatoire*.

in each case as adjusted by any applicable margin and/or rate multiplier, if any, and calculated and payable as indicated in the applicable Final Terms. Floating Rate Notes may also have a Maximum Interest Rate, a Minimum Interest Rate or both.

Fixed to Floating Rate Notes:	Fixed/Floating Rate Notes may be converted from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate on the date set out in the relevant Final Terms either by the election of the Issuer or automatically.
Zero Coupon Notes:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.
Form of Notes:	<p>Notes may be issued in either dematerialised form ("Dematerialised Notes") or in materialised form ("Materialised Notes").</p> <p>Dematerialised Notes may, at the option of the Issuer, be issued in bearer form (<i>au porteur</i>) or in registered form (<i>au nominatif</i>) and, in such latter case, at the option of the relevant holder, in either fully registered form (<i>au nominatif pur</i>) or administered registered form (<i>au nominatif administré</i>). No physical documents of title will be issued in respect of Dematerialised Notes as more fully described in Condition 1.</p> <p>Materialised Notes will be in bearer form only. A Temporary Global Certificate will initially be delivered in respect of each Tranche of Materialised Notes. Materialised Notes may only be issued outside France.</p>
Governing Law and jurisdictions:	<p>French law.</p> <p>Any claim against the Issuer in connection with the Notes, Coupons or Talons or against the Guarantor in connection with the Guarantee must be brought with the competent courts in Paris. Nevertheless it is specified that the assets and properties of the Guarantor are not subject to legal process (<i>voie d'exécution</i>) under private law or attachment in France.</p>
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.
Initial Delivery of Dematerialised Notes:	One (1) Paris Business Day at least before the Issue Date of each Tranche of Dematerialised Notes, the <i>Lettre comptable</i> 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 Fiscal 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.
No offer to the public	The Notes will not be offered to the public in France or in a Member State of the EEA.
Admission to Trading:	The Notes may be admitted to trading on Euronext Paris and/or any other Regulated Market and/or on any other non regulated market, in any case as specified in the relevant Final Terms. The relevant Final Terms may also provide that a Serie of Notes will not be admitted to trading.

Rating:

The Guarantor and the Programme are both rated Aa2 (stable outlook) by Moody's France S.A.S. ("**Moody's**") and AA (stable outlook) by Fitch France S.A.S. ("**Fitch**"). As of the date of this Base Prospectus, both Moody's and Fitch are credit rating agencies established in the European Union, registered under Regulation (EC) No. 1060/2009 of the European Parliament and of 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. Notes issued under the Programme may, or may not, be rated. The rating of Notes (if any) will be specified in the relevant Final Terms. It will not necessarily be the same as the rating of the Programme and/or the Guarantor. 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 without prior notice.

Selling Restrictions:

There are restrictions on the offer, sale of Notes and the distribution of offering material in various jurisdictions. See "Subscription and Sale". In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed in the relevant Final Terms.

The Issuer is Category 1 for the purposes of Regulation S.

Materialised Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**TEFRA 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) (the "**TEFRA C Rules**") or (ii) such Materialised Notes are issued other than in compliance with the TEFRA D Rules or the TEFRA 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.

TEFRA rules are not applicable to Dematerialised Notes.

RISK FACTORS

The Issuer and the Guarantor believe that the risk factors described below are determining factors to make a decision to invest in the Notes and/or may affect their ability to fulfil their obligations under the Notes or the Guarantee, as the case may be, towards investors. These risks are uncertain and neither the Issuer nor the Guarantor is in a position to comment on the possible occurrence of these risks.

The paragraphs that follow describe the main risk factors that the Issuer and the Guarantor consider, on the date of this Base Prospectus, to be relevant to the Notes issued under the Programme. However, these risk factors are not exhaustive. Other risks, which the Issuer or the Guarantor is not currently aware of, or does not at present regard as being determining factors, may have a significant impact on an investment in the Notes. Prospective investors should also read the detailed information set out or incorporated by reference in this Base Prospectus and reach their own views prior to making any investment decision. In particular, investors should make their own assessment as to the risks associated to the Notes and consult their own financial and legal advisers about risks associated with investments in a particular Series of Notes and the suitability of investing in the Notes in light of their particular circumstances.

The Issuer and the Guarantor believe that the Notes must be purchased only by investors who are financial institutions or other professional investors who are in position to measure the specific risks involved in investing in Notes or who act on the advice of financial institutions.

The order in which the following risk factors are presented, is not an indication of the likelihood of their occurrence.

All capitalised terms which are not defined in this chapter shall have the meaning given to them in chapter "Terms and Conditions of the Notes".

Any reference hereinafter to Condition refers to the related article in the "Terms and Conditions of the Notes."

1. Risks relating to the Issuer

The risk factors linked to the Issuer and its activity are described on pages 24 to 30 of the 2015 Issuer Annual Report (as defined hereinafter) incorporated by reference on page 19 of this Base Prospectus³, and are set out in detail in note 8 to the consolidated accounts on pages 122 to 141 of the 2015 Issuer Annual Report.

In particular, the Issuer is exposed to the principal risks described below, which are inherent in its activity:

Credit risk

Credit risk covers the risk of losses due to the inability of the Issuer's clients and other debtors to meet their financial obligations. In particular, the Issuer is exposed to credit risks on clients to which it has given guarantees or approved loans, and the beneficiaries of its innovation aid.

Exposure to credit risk is described in greater detail in section 3.3.5 of the 2015 Issuer Annual Report in the paragraph entitled "credit risks".

The Issuer's credit risk may be amplified by a number of distinct factors, such as:

- (i) concentration of risk on a particular client or debtor and/or
- (ii) significant exposure to small and medium enterprises and/or
- (iii) concentration of risk on a particular business sector or sectors and/or
- (iv) geographical concentration of risks on French companies, whereby the risk is linked to the performance of the French economy and/or
- (v) during periods of economic uncertainty, as the probability of default by small and medium enterprises may be higher.

However, limited exposure to numerous small and medium enterprises allows any losses to be managed statistically, making it easier to cover risk charges through appropriate returns on the funding provided by the Issuer to those small and medium enterprises.

³ Page 20 of the French language AMF Base Prospectus

The maximum credit risk exposure of the Issuer amounts to EUR 58 billion at 31 December 2015, against EUR 54.4 billion at 31 December 2014.

Counterparty risk on financial assets

The Issuer is exposed to counterparty risks relating to the financial transactions it undertakes on interbank markets or capital markets. The Issuer is also exposed to credit risk and to the risk of losses on its investments in bonds or other financial assets. At 31 December 2015, the Issuer's total financial assets amounted to EUR 7.4 billion against EUR 8.2 billion at 31 December 2014. The vast majority of the Issuer's financial transactions are carried out with public authorities (mainly the French government – approximately 85.5%) and credit institutions (approximately 14%) and/or French public companies.

At 31 December 2015, 90% of the Issuer's outstanding financial assets consisted of transactions with counterparties rated Aaa and Aa1.

Exposure to counterparty risk is described in more detail in section 3.3.5 of the 2015 Issuer Annual Report in paragraph entitled "risk on financial activity".

Counterparty risk on derivatives

The Issuer is exposed to counterparty risks through its derivatives transactions. These risks are often mitigated by entering into agreements for pledging assets as collateral. The residual risk on derivatives transactions is measured on the basis of a fraction of the nominal and not by the balance sheet value of these instruments. It is added to the counterparty risk on financial assets to measure the overall risk for each counterparty.

Market risk

Market risk covers the risk of losses due to variations in the prices of products in the market, volatility and correlations.

Asset liquidity is a key component of market risk. If an asset is illiquid or has limited liquidity (such as when the number of transactions has reduced or there is an imbalance in supply and demand for certain assets), it may be impossible to sell a financial instrument or any other transferable asset at its real or estimated value.

Liquidity risk

Liquidity risk covers the risk that the Issuer cannot meet its liabilities when they fall due.

At 31 December 2015, the liquidity ratio set out within the Basel III framework (LCR) is estimated at 423%.

Interest rate risk

Interest rate risk covers the risk for the Issuer of incurring losses caused by an unfavourable change in interest rates, in particular if there is an imbalance between the interest it earns on its assets and the interest due on its liabilities.

Globally managed, as defined in Regulation 90-15 of the Committee for Banking and Financial Regulation, the Issuer's rate exposure in terms of income risk and value risk at 31 December 2015 is a much lower exposure than the authorised limits.

Foreign exchange risk

Foreign exchange risk covers the risk that the Issuer may incur losses on capital borrowed or lent in currencies other than the euro. The Issuer may be exposed to risks linked to exchange rate movements between different currencies.

Foreign exchange transactions carried out by the Issuer remain in a limited number and are all hedged, which reduces the potential risks.

Risk linked to the Issuer's acquisition of participating interests in small and medium enterprises:

In the course of its financing business, the Issuer is exposed to the risk of losses linked to its direct or indirect investments in the capital of small and medium enterprises.

At 31 December 2015, the exposure to this risk is EUR 10 million.

Risk linked to the business

Risk linked to the business covers the risk that the Issuer may incur losses if its costs are greater than its revenues.

Risk linked to regulatory ratios

The Issuer is exposed to changes in the regulatory framework to which it is subject, notably in its capacity as a credit institution. The regulatory framework is subject to numerous changes, which may be instigated by French, European or international authorities and may have a significant impact on the Issuer's business. These changes are by nature unforeseeable and the Issuer has no way of controlling these regulatory changes.

At 31 December 2015, the Issuer's solvency ratio was 10.70% against 10.97% at 31 December 2014 (this ratio is calculated under Basel 2). The evolution of the Issuer's regulatory solvency ratio between 2014 and 2015 was both affected by an increase in weighted risks mainly generated by the sharp increase in "Co-financing" business and more moderate growth in the numerator due to the capital increase of EUR 298.8 million made in June 2015, offset by the reduction of additional own funds, due to the gradual end of the eligibility of guarantee funds in capital Tier 2 under the European legislation CRD IV (grandfathering period until 2022).

Operational risks (including legal, accounting, environmental, compliance and reputational risks):

Operational risks cover the risks of losses resulting from the failure of internal procedures and systems, human error or external events, accidental or otherwise. In particular, internal procedures include human resources and information systems procedures. External events include, *inter alia*, flooding, fire, earthquakes, fraud or even terrorist attacks.

Operational risks cover the risk of official, court or arbitration proceedings or sanctions. To the best of the Issuer's knowledge, on the date of this Base Prospectus there are no official, court or arbitration proceedings that could have, or have recently had, a significant impact on the Issuer's financial situation or profitability.

Risk on insurance policies

The Issuer has taken out the insurance policies amounting EUR 200 million, all risks considered, described in section 3.3.5 of the 2014 Issuer Annual Report in the paragraph entitled "the other risks".

The Issuer is exposed to credit risk vis-à-vis the parties with which it has taken out these policies, and to the risk of a delay between the date on which a loss is reported and the date on which the indemnity is paid.

Strategic risks

Strategic risks cover the risks inherent in the strategy chosen or resulting from the Issuer's inability to execute its strategy.

Political and macro-economic risks, and risks linked to specific financial circumstances in the countries in which the Issuer operates

The Issuer is subject to the risk of losses resulting from numerous adverse changes in the political, economic and legal sectors, in particular exchange rate fluctuations, social unrest, changes in government or central bank policy, expropriation, confiscation of assets and changes to the legislation governing property rights.

Effects of the banking resolution scheme

Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**Banking Resolution Directive**" or "**BRRD**") is designed to enable a wide range of actions that can be taken by the competent authorities in relation to credit institutions whose failure is known or predictable. The BRRD was adopted by the Council on 6 May 2014 and was published in the Official Journal of the European Union on 12 June 2014. The BRRD had to be implemented by Member States by 1 January 2015 with the exception of the bail-in, which were to be implemented as of 1 January 2016. The stated objective of the BRRD is to provide the resolution authorities with harmonized and effective instruments and powers in order to prevent banking crisis, preserve the financial stability and reduce to a minimum taxpayers' exposure to losses arising from the failure of credit institutions.

The powers granted to the authorities, designated by the Member States of the European Union, to apply the resolution tools and exercise the resolution powers set out in the BRRD (the "**Resolution Authorities**") include the powers to depreciate (the principal and / or the interest amount, partially or totally) of capital instruments (and other equity instrument) and eligible liabilities (such as Securities), whether or not subordinate, of a credit institution under resolution, or convert to equity (for equity instruments) or in other capital instruments ("bail in"), which could also be depreciated. After absorption of the losses by the shareholders (equity and other instruments) first, such measure of bail in reaches the creditors following the order of priority set out by their receivables. The bail-in tool ensures a recapitalisation of the institution under resolution, in order to restore its long-term viability after, where applicable, its reorganisation and restructuring.

In addition to the bail-in tool and in order to restore the long-term viability of the institution under resolution, the BRRD provides the Resolution Authorities with another wide range of powers, including among others, the powers : (i) to sale all or part of the institution's business in normal market conditions, without the consent of

shareholders and without bending the procedural requirements that would apply in normal times, (ii) transfer all or part of the activities of the institution under resolution to a "bridge institution" (publicly controlled entity), (iii) to transfer depreciated or toxic assets to a structure that can manage it and, ultimately, wind it up, (iv) to replace or substitute the establishment, as a debtor in respect of debt instruments, (v) to amend the terms of certain financial instruments (including, the due date and / or the amount of interest and / or the temporary suspension of payments) and / or (vi) to terminate the listing and the admission of securities to trading.

The BRRD was implemented in France by ordinance 2015-1024 of 20 August 2015 containing various provisions of adaptation of legislation in line with the European Union in financial matters (the "**Ordinance**"). The Ordinance amends and supplements the provisions of Law 2013-672 of 26 July 2013 on separation and regulation of banking activities (the "**French Law of Separation**").

In principle, the provisions of the Ordinance and the French Law of Separation (together, the "**French Resolution Regime**") apply to the Issuer, as a credit institution. However, the classification by the Board of Governors of the European Central Bank of the Issuer as agency for the definition of eligible assets for credit operations of the Eurosystem, can cause uncertainty on the application of the French Resolution Regime to the Issuer.

Assuming the French Resolution Regime is applicable, a measure of resolution toward the Issuer in accordance with the French Resolution Regime could affect the rights of the Securities holders, the price or value of their investment in the Notes and / or the ability of the Issuer to meet its obligations under the Notes.

2. Risks relating to the Guarantor

Article 1 of ordinance no. 2005-722 of 29 June 2005 concerning the creation of the *établissement public* OSEO and the *société anonyme* OSEO (as amended by law No. 2012-1559 of 31 December 2012 relating to the creation of the *Banque publique d'investissement* and law No. 2015-990 of 04 August 2015 amending the definition of Guarantor) classifies the Guarantor as a public institution (*établissement public*). As a result, court procedures for the prevention of business difficulties, administration, receivership and liquidation procedures shall not apply to the Guarantor because these procedures do not apply to legal persons under public law.

Furthermore, as the assets of a public institution are not subject to attachment legal processes (*voix d'exécution*) under private law cannot be used against them. However, the Government has specific prerogatives pursuant to Article 1 of Act no. 80-539 of 16 July 1980 relating to the enforcement of judgments handed down against public institutions and Decree no. 2008-479 of 20 May 2008 relating to the enforcement of Government fines, authorising it to require the Guarantor to automatically authorise the payment of sums of money where these are due pursuant to a final court judgment and the amount has been set by decision of the court.

In addition, although this practice has not been endorsed by any generally applicable legal principle in legislation or case law, if the Guarantor goes into liquidation, the rights and obligations of the Guarantor could be transferred to a new public institution or to the Government, as specified in clause 2.8 of the Form of Guarantee on page 74 of this Base Prospectus⁴.

The risk factors specific to the Guarantor and its activity are set out in note 8 of the annex to the consolidated accounts on pages 36 and 38 of the 2015 Guarantor Annual Report (as defined below) incorporated by reference on page 19 of this Base Prospectus.⁵

3. Risks relating to the Notes

3.1 The Notes may not be a suitable investment for all investors

Each prospective investor in the Notes must determine based on its personal assessment and with the help of any adviser he may find to be useful depending on the circumstances, 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 the risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement to this Base Prospectus and in the relevant Final Terms ;

⁴ Page 71 of the French language AMF Base Prospectus.

⁵ Page 20 of the French language AMF Base Prospectus

- (ii) have access to and knowledge of appropriate analytical tools to evaluate, in the context of its particular financial situation and sensitivity to the risk, 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 rates and financial markets; and
- (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 face the applicable risks.

A potential investor should not invest in Notes 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.

3.2 Risks related to the structure of a particular issue of Notes

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 and associated risks:

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.

Investors should note that in the context of a Residual Call Option as provided in Article 7(c)(iv) of the Conditions, the Issuer is not required to inform the Noteholders of a specific Series when at least 80 per cent. of the nominal amount of the Notes initially issued have been redeemed or repurchased (and consequently cancelled).

Fixed Rate Notes

Investment in Notes which bear interest at a Fixed Rate involves the risk that inflation or 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 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. If the Market Interest Rate decreases, the price of a Fixed Rate Note typically increases.

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 their Notes during the period in which the Market Interest Rate exceeds the Fixed Rate Notes.

In addition, the yield of the Fixed Rate Notes (which shall be specified in the relevant Final Terms) is calculated at the Issue Date on the basis of the issue price. It is not an indication of future yield.

Floating Rate Notes

Investment in Notes which bear interest at a floating rate comprise (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.

Besides, a key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Potential Conflicts of Interest

The Issuer or affiliates of the Issuer may from time to time advise the issuers of or obligors in respect of reference assets regarding transactions to be entered into by them, or engage in transactions involving reference assets for their proprietary accounts and for other accounts under their management. Any such transactions may have a positive or negative effect on the value of such reference assets and therefore on the value of any Notes to which they relate. Accordingly, certain conflicts of interest may arise both among the Issuer or these affiliates and between the interests of the Issuer or these affiliates and the interests of holders of Notes.

Each of the Dealers and their affiliates has or may in the future engage, in the ordinary course of business, in business relations or financial advisory with the Issuer and/or its affiliates in relation to securities issued by the Issuer. Each of the Dealers and their affiliates have or may in the future, in the ordinary course of their business, (i) engage in investment banking, trading or hedging activities including activities that may include prime brokerage business or entry into derivative transactions, (ii) act as underwriters in connection with offering of shares or other securities issued by the Issuer or (iii) act as financial advisers to the Issuer. In the context of these transactions, each of the Dealers and their affiliates has or may hold shares or other securities issued by the Issuer. Where applicable, each of the Dealers and their affiliates has or will receive customary fees and commissions for these transactions.

In addition, the Issuer and each of the Dealers may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Potential conflicts of interest may arise between the Calculation Agent and Noteholders (where a Dealer acts as Calculation Agent), in particular with respect to certain discretionary determinations, calculations and judgments that such Calculation Agent may make pursuant to the Conditions that may influence the amounts to be paid to the Noteholders during the holdings of the Notes, until their redemption.

Floating Rate Notes with a multiplier or some other leverage factor

Floating Rate Notes can be volatile investments. If they are structured to include multipliers, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Fixed to Floating Rate Notes

Fixed to Floating Rate Notes may bear interest at a rate that will automatically, or 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 conversion (whether automatic or optional) will affect the secondary market and the market value of such Notes since it may lead to a lower overall cost of borrowing. If a Fixed Rate is converted to a Floating Rate, the spread on the Fixed to 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 a Floating Rate is converted to a Fixed Rate, the Fixed Rate may be lower than then prevailing rates on its Notes.

Zero Coupon Notes and Notes issued at a substantial discount or premium

The market values of Zero Coupon Notes and any other 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 such Notes, the greater their price volatility as compared to conventional interest-bearing securities with comparable maturities.

3.3 Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification of the Conditions

The Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a Masse and a General Meeting can be held. The Terms and Conditions permit in certain cases, at a specific majority of Noteholders, to bind all Noteholders including Noteholders who did not attend and vote at the relevant General Meeting and Noteholders who voted in a manner contrary to the majority. The General Meeting may deliberate on any proposal relating to the modification of the Conditions including any proposal for settlement or transaction relating to rights in controversy or which were the subject of judicial decisions, as more fully described in Condition 12.

Change of law

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

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 innovative financial notes such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this Base Prospectus and, if applicable, any supplement related thereto, but to ask for their own tax adviser'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 section of this Base Prospectus and, if applicable, any supplement related thereto.

Payments on certain Notes may be subject to U.S. withholding tax under U.S. Foreign Account Tax Compliance Withholding ("FATCA")

The United States has enacted rules, commonly referred to as FATCA, that generally impose a new reporting and withholding regime with respect to U.S. source payments (including dividends and interest), gross proceeds from the disposition of property that can produce U.S. source interest and dividends and certain payments made by entities that are classified as financial institutions under FATCA. The United States and France entered into an intergovernmental agreement to implement FATCA (the "**French IGA**"). Under the French IGA, as currently drafted, it is not expected that the Issuer, or the Guarantor, shall be required to withholding on payments made within the scope of FATCA. However, significant aspects of whether or how FATCA will apply remain unclear, and no assurance can be given that withholding in accordance with FATCA will not become relevant with respect to payments made by the Issuer in the future. Prospective investors should consult their own tax advisors regarding FATCA.

French insolvency law

Noteholders will be automatically grouped for the defence of their common interests in a Masse. However, under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") in order to defend their common interests if a safeguard (*procédure de sauvegarde*), accelerated safeguard (*procédure de sauvegarde accélérée*), accelerated financial safeguard (*procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme and regardless of their governing law.

The Assembly deliberates on the proposed safeguard (*projet de plan de sauvegarde*), accelerated safeguard (*projet de plan de sauvegarde accélérée*), accelerated financial safeguard (*projet de plan de sauvegarde financière accélérée*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (charges) of holders of debt securities (including the Noteholders) by rescheduling payments which are due and/or partially or totally writing-off debts;

- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-third (2/3rd) majority (calculated as a proportion of the amount of debt securities held by the holders which have cast a vote at such Assembly). No quorum is required to hold the Assembly.

For the avoidance of doubt, the provisions relating to the representation of the Noteholders described in Condition 12 will not be applicable to the extent they conflict with compulsory insolvency law provisions that apply in these circumstances.

Duration of the Guarantee

The expiry date of any Guarantee granted in connection with the issue of a Tranche of Notes, will be indicated in the text of the Guarantee (i) available for inspection and copy, without charges, during normal business days and hours, at the registered office of the Issuer and at the specified office(s) of the Paying Agent(s) set out at the end of this Base Prospectus and (ii) when granted in respect of Notes admitted to trading on Euronext Paris or any other Regulated Market, published on the Issuer's website (www.bpifrance.fr).

If a Guarantee is not called before its expiry date, the rights of the Beneficiaries (as defined in the relevant Guarantee) under this Guarantee will expire and, accordingly, no action against the Guarantor under this Guarantee will be made, even if the actions against the Issuer under the relevant Notes, Receipts and Coupons will not be yet prescribed under Condition 11.

Financial transactions tax

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the "**Draft Directive**") implementing a strengthened cooperation in the field of the financial transactions tax which, if adopted, could levy a tax on the financial transactions in respect of the Notes issued (the "**Tax**"). According to the Draft Directive, the Tax shall be implemented in eleven (11) EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia (the "**Participating Member States**" and each a "**Participating Member State**").

On 8 December 2015, Estonia stated that it will not be a Participating Member State.

Pursuant to the Proposed Directive, the Tax would apply to all financial transactions where at least one party to the transaction, or person acting for the account of one party to the transaction, is established, or deemed to be established, in a Participating Member State. However, the Tax should not apply to transactions on the primary market referred to in Article 5(c) of EC Regulation 1287/2006 dated 10 August 2006, including the subscription and allocation of financial instruments upon issue. The Tax would be payable by each financial institution established, or deemed to be established, in a Participating Member State as long as it is party to a transaction, or acts for the account of a party to a transaction, or the transaction has been entered into for its own account. The taxation rate would be left to the discretion of each Participating Member State but would not be less than 0.1 per cent. for financial instruments other than derivative instruments.

Each prospective investor should bear in mind that selling or exchanging Notes would be subject to the Tax at a rate of at least 0.1 per cent. provided that the above mentioned requirements are met. As a result, each investor would either have to bear the Tax or reimburse the financial institution. Furthermore, the Tax may affect the value of the Notes.

If the proposed directive is adopted and implemented as it stands, in local legislation, Noteholders may be exposed to increased transaction costs with respect to financial transactions carried out with respect to the Notes and the liquidity of the market for the Notes may be diminished.

The Proposed Directive is still being discussed by the Participating Member States. It may therefore be modified at any time prior to any implementation the timing of which remains uncertain.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the Tax.

3.4 Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Market value of the Notes

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors, including market interest and yield rates and the time remaining to the maturity date.

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their 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 amend exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) 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 in payment less interest or principal than expected, or no interest or principal.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors described in this paragraph, 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 (upward or downward) or withdrawn at any time by the rating agency without prior notice. Any downward revision or withdrawing may adversely affect the market value of the Notes.

As the ratings of the Guarantor and the Programme are correlated with the rating of the French state, an eventual reappraisal of the sovereign rating by the credit rating agency(ies) that has (have) rated the French state may result in an adjustment of their ratings.

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 (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules. Neither the Issuer, the Dealer(s) nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus shall be read and construed in conjunction with the following documents which have been previously 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:

- (a) the French language version of the 2015 reference document of the Issuer, filed with the AMF under number D.16-0370, which includes the Issuer's audited consolidated and own annual accounts for the financial year ended 31 December 2015 and the statutory auditor's reports thereon (the "**2015 Issuer Annual Report**"), excluding the responsibility statement on page 231 of this document;
- (b) the French language version of the 2014 reference document of the Issuer, filed with the AMF under number D.15-0418, which includes the Issuer's audited consolidated and own annual accounts for the financial year ended 31 December 2014 and the statutory auditor's reports thereon (the "**2014 Issuer Annual Report**"), excluding the responsibility statement on page 222 of this document;
- (c) the French language version of the 2015 annual report of the Guarantor, which includes the Guarantor's audited consolidated and own annual accounts for the financial year ended 31 December 2015 and the statutory auditor's reports thereon (the "**2015 Guarantor Annual Report**");
- (d) the French language version of the 2014 annual report of the Guarantor, which includes the Guarantor's audited consolidated and own annual accounts for the financial year ended 31 December 2014 and the statutory auditor's reports thereon (the "**2014 Guarantor Annual Report**" and together with the 2015 Issuer Annual Report, 2014 Issuer Annual Report and 2015 Guarantor Annual Report, the "**Annual Reports**").
- (e) the section "Terms and Conditions of the Notes" set out on pages 25 to 47 of the base prospectus dated 27 July 2011 (which received visa from the AMF under number 11-344 on 27 July 2011) (the "**2011 Conditions**"), the section "Terms and Conditions of the Notes" set out on pages 25 to 47 of the base prospectus dated 21 June 2012 (which received visa from the AMF under number 12-282 on 21 June 2012) (the "**2012 Conditions**"), the section "Terms and Conditions of the Notes" set out on pages 25 to 47 of the base prospectus dated 3 June 2013 (which received visa from the AMF under number 13-256 on 3 June 2013) (the "**2013 Conditions**") and the section "Terms and Conditions of the Notes" set out on pages 26 to 50 of the base prospectus dated 17 June 2014 (which received visa from the AMF under number 14-298 on 17 June 2014) (the "**2014 Conditions**") and the section "Terms and Conditions of the Notes" set out on pages 26 to 50 of the base prospectus dated 5 June 2015 ((which received visa from the AMF under number 15-257 on 5 June 2015) (the "**2015 Conditions**") and, together with the 2011 Conditions, the 2012 Conditions, the 2013 Conditions and the 2014 Conditions, the "**Previous EMTN Programmes' Conditions**").

being specified that any statement contained or incorporated by reference herein will be deemed to be modified or replaced for the purpose of this Base Prospectus, to the extent that this statement appears to be inconsistent with a statement contained in this Base prospectus.

the Previous EMTN Programmes' Conditions are incorporated by reference in this Base Prospectus for the purpose only of further issues of Notes to be assimilated (*assimilables*) and form a single Series with Notes already issued under the relevant Previous EMTN Programmes' Conditions.

So long as any of the Notes are outstanding under the Programme, any document incorporated by reference in this Base Prospectus shall be (a) published on the website of the Issuer (www.bpifrance.fr) and (b) available for inspection and copy, without charges, during normal business days and hours, at the registered office of the Issuer and at the specified office(s) of the Paying Agent(s) set out at the end of this Base Prospectus.

The information incorporated by reference in this Base Prospectus shall be read in connection with the cross reference lists below. Any information not listed in such cross reference lists but included in the documents incorporated by reference is given for information purposes only.

Cross-reference lists related to the Annual Reports

European Regulation no. 809/2004 – Appendix XI concerning the Issuer

2014 Issuer Annual Report	2015 Issuer Annual Report
2. Statutory auditor	
2.1. Name and address of the Issuer's statutory auditors for the period covered by past financial information (also mention membership of professional bodies)	Page 232
2.2. Change in the situation of the statutory auditors	N/A
3. Risk factors	
3.1 In a "Risk factors" section, highlight the risk factors that could affect the Issuer's capacity to fulfil its obligations towards investors in respect of its securities	Pages 24-30; 122-141
4. Information about the Issuer	
4.1 Company background and development	Page 229
4.1.1. Company name and trading name of the Issuer	Page 229
4.1.2. Place of incorporation and registration number of the Issuer	Page 229
4.1.3. Issuer's date of incorporation and term	Page 229
4.1.4. Issuer's registered office and legal form, legislation governing its business activity, country of origin, address and telephone number of its statutory registered office	Pages 229-230
4.1.5. Recent event involving the Issuer and having a significant effect on the assessment of its solvency	Pages 10-12; 81-82
5. Business overview	
5.1 Principal business activities	Pages 15-21
5.2 Principal markets	Pages 15-21
6. Organisational chart	Pages 49; 70-71
7. Information about trends	
7.1. Declaration to the effect that the Issuer's prospects have not deteriorated to any significant degree	Page 230

European Regulation no. 809/2004 – Appendix XI concerning the Issuer

	2014 Issuer Annual Report	2015 Issuer Annual Report
8. Profit forecasts or estimates		N/A
9. Administrative bodies		
9.1 Principal activities carried out by the members of the administrative and management for entities other than the Issuer		Pages 7-10
9.2 Conflicts of interest involving the administrative and management bodies		Page 230
10. Principal shareholders		
10.1 Control of the Issuer		Page 5-6
10.2 Agreements relating to a change of shareholder control		N/A
11. Financial information concerning the Issuer's assets, financial situation and results		
11.1 Past financial information	Pages 6; 71-193	Pages 5; 73-79
Consolidated accounts	Pages 72-148	Pages 73-153
Balance sheet	Pages 72-73	Pages 73-74
Income statement	Page 74	Page 75
Cash flow tables	Pages 77-78	Pages 78-79
Accounting methods and explanatory notes	Pages 80-148	Pages 80-153
Annual accounts	Pages 149-193	Pages 154-200
Balance sheet	Pages 149-150	Pages 154-155
Income statement	Page 152	Page 157
Accounting methods and explanatory notes	Pages 154-193	Pages 158-200
11.2 Financial statements	Pages 72-193	Pages 73-200
11.3 Checks on past annual financial information	Pages 194-219	Pages 201-209
11.4 Date of latest financial information		31 December 2015
11.5 Intermediaries' and other financial information		N/A
11.6 Court or arbitration proceedings		Page 230
11.7 Significant change in the Issuer's financial situation		N/A

European Regulation no. 809/2004 – Appendix XI concerning the Issuer

	2014 Issuer Annual Report	2015 Issuer Annual Report
12. Major contracts		N/A
13.1 Declaration or report attributed to a person acting in the capacity of expert		N/A
13.2 Declarations by a third party		N/A
14. Documents available to the general public		
14.1 Documents available to the general public		Page 230

European Regulation no. 809/2004 – Appendix VI concerning the Guarantor (Article 3)

	2014 Guarantor Annual Report	2015 Guarantor Annual Report
3. Risk factors		Pages 36-38
5. Business overview		
5.1.1 Description of the Guarantor's principal business activities		Pages 5-6
6. Organisational chart		Pages 12-14
6.1 If the Guarantor belongs to a group, briefly describe this group and the Guarantor's position in the group		Page 12
6.2 If the Guarantor is dependent on other entities in the group, this fact must be clearly stated and the link explained.		Page 12
9. Administrative, management and supervisory bodies		
9.1 Information about the members of the administrative and management bodies		Pages 6-7
9.2 Conflicts of interest involving the administrative and management bodies		N/A
10. Principal shareholders		
10.1 Control of the Guarantor		Page 12
10.2 Agreements relating to a change of shareholder control		N/A
11. Financial information concerning the Guarantor's assets, financial situation and results		
11.1 Past financial information	Pages 14-42; 43-57-	Pages 15-52; 43-60
Consolidated accounts	Pages 14-42	Pages 15-42
Balance sheet	Pages 14-15	Pages 15-16
Income statement	Pages 16	Page 17
Cash flow tables	Pages 19-20	Pages 20-21

European Regulation no. 809/2004 – Appendix VI concerning the Guarantor (Article 3)

	2014 Guarantor Annual Report	2015 Guarantor Annual Report
Accounting methods and explanatory notes	Pages 22-42	Pages 23-42
Annual accounts	Pages 43-57	Pages 43-60
Balance sheet	Pages 43-44	Pages 45-46
Income statement	Page 46	Page 48
Accounting methods and explanatory notes	Pages 48-57	Pages 50-60
11.2 Financial statements	Pages 14-57	Pages 15-60
11.3 Checks on past annual financial information	Pages 58-63	Pages 61-66
11.4 Date of latest financial information		31 December 2015
11.5 Court or arbitration proceedings		N/A
11.6. Significant change in financial situation		N/A
12. Major contracts		N/A
13. Information obtained from third parties, experts' declarations and declarations of interests		N/A
14. Documents available to the general public		N/A

Cross-reference lists related to the Previous EMTN Programmes' Conditions

Previous EMTN Programmes' Conditions	
2011 Conditions	Pages 25 to 47 of the base prospectus dated 27 July 2011
2012 Conditions	Pages 25 to 47 of the base prospectus dated 21 June 2012
2013 Conditions	Pages 25 to 47 of the base prospectus dated 3 June 2013
2014 Conditions	Pages 26 to 50 of the base prospectus dated 17 June 2014
2015 Conditions	Pages 26 to 50 of the base prospectus dated 5 June 2015

SUPPLEMENT TO THE BASE PROSPECTUS

Any significant new factor, material mistake or inaccuracy relating to the information included or incorporated by reference in this Base Prospectus which would be capable of affecting the assessment of any Notes and would arise or be noted after the date of this Base Prospectus, shall be mentioned in a supplement to the Base Prospectus in accordance with Article 16 of the Prospectus Directive and with Article 212-25 of the General Regulation of the AMF.

Any supplement to the Base Prospectus shall be (a) published on the websites of (i) the AMF (www.amf-france.org), (ii) the Issuer (www.bpifrance.fr) and (iii), as the case may be, any relevant competent authority and (b) available for inspection and copy, without charges, during normal business days and hours, at the registered office of the Issuer and at the specified office(s) of the Paying Agent(s).

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, as completed by the provisions of the relevant Final Terms (as defined below), shall be applicable to the Notes (the "**Terms and Conditions**"). 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 the Terms and Conditions together with the relevant provisions of the Final Terms (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 Conditions will have the meanings given to them in the relevant Final Terms. References below to "**Conditions**" are, unless the context requires otherwise, to the numbered paragraphs below. References in the Conditions to "**Notes**" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are issued by Bpifrance Financement (the "**Issuer**" or "**Bpifrance Financement**") 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 the same Serie 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 and on terms identical to the terms of other Tranches of the same Series, save in respect of the issue date, the issue price, the first payment of interest and the aggregate nominal amount of the Tranche. The Notes will be issued under the Terms and Conditions of this Base Prospectus as completed by the provisions of the relevant final terms (the "**Final Terms**") relating to the specific terms of each Tranche (including, without limitation, the aggregate nominal amount, issue price, redemption price, and interest, if any, payable under the Notes).

The Notes are issued with the benefit of an amended and restated agency agreement in the French language dated 7 July 2016 (as amended, the "**Agency Agreement**") between the Issuer, the Guarantor (as defined below) and BNP Paribas Securities Services as fiscal agent, principal paying agent and calculation agent. The fiscal agent, the paying agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agent(s)**" (which expression shall include the Fiscal Agent) and the "**Calculation Agent(s)**".

The holders of the interest coupons (the "**Coupons**") relating to interest bearing Materialised Notes and, where applicable in the case of such Notes, the holders of talons for further Coupons (the "**Talons**") and the holders of the receipts for the payment of instalments of principal relating to Materialised Notes of which the principal is redeemable in instalments (the "**Receipts**") are respectively referred to below as the "**Couponholders**" and the "**Receiptholders**".

For the purposes of these Terms and Conditions, "**Regulated Market**" means any regulated market located in a Member State of the European Economic Area ("**EEA**"), as defined in the directive 2004/39/EC of 21 April 2004, as amended, appearing on the list of regulated markets of the European Securities and Markets Authority.

1. 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.* of the French *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 *Code monétaire et financier*) will be delivered in respect of the Dematerialised Notes.

Dematerialised Notes are issued, at the option of the Issuer, as set out in the relevant Final Terms, 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 (*au nominatif administré*) inscribed in the books of an Account Holder designated by the relevant holder of Notes or in fully registered form (*au nominatif pur*) inscribed in an account maintained by the Issuer or a registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the "**Registration Agent**").

For the purpose of these Conditions, "**Account Holder**" means any authorised financial

intermediary institution entitled to hold securities accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank S.A./N.V. ("**Euroclear**") and the depositary 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 Maturity Date), Coupons and Talons in these Conditions are not applicable. "**Instalment Notes**" are issued with one or more Receipts attached.

In accordance with Articles L.211-3 et seq. of the French 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 Rate Notes**", "**Fixed to Floating Rates Notes**", "**Zero Coupon Notes**", or a combination of any of the foregoing, depending on the Interest Basis and the redemption method specified in this Base Prospectus, as completed by the relevant Final Terms.

(b) **Denomination**

Notes shall be issued in the specified denomination(s) as set out in the relevant Final Terms (the "**Specified Denomination(s)**"), save that the minimum denomination of each Note admitted to trading on a Regulated Market in circumstances which require the publication of a prospectus under the Prospectus Directive will be €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 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, and where appropriate, Receipt(s), Coupons and/or a Talon attached, shall pass by delivery.
- (iii) Subject to a judicial or administrative decision ordered by a court of competent jurisdiction or as required by applicable legal or regulatory provisions, 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 such Noteholder.
- (iv) In these Conditions,

"**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, (b) in the case of Definitive Materialised Notes, the holder of any Definitive Materialised Note and the Coupons, Receipts or Talons relating to it and (c) in the case of Materialised Notes for which a Temporary Global Certificate is issued and is still in circulation, each person (other than clearing institution) which appears as the holder of such Notes or of a nominal amount of such Notes in accordance with applicable laws and regulations and the rules and procedures of the clearing institution, including, without limitation, Euroclear France, Euroclear or Clearstream, Luxembourg.

- (v) Pursuant to article L.228-2 of the French *Code de commerce*, the Issuer may require the identification of the Noteholders unless such right is expressly excluded in the relevant Final Terms.

2. **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 *Code monétaire et financier*. Any such conversion shall be effected at the cost of such holder.

(b) Materialised Notes

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

3. Guarantee

The full and punctual payment of any amount due in principal, interest and accessories in respect of any Tranche of Notes will be guaranteed by an autonomous, unconditional and irrevocable first demand guarantee of the *établissement public à caractère industriel et commercial* Bpifrance (the "**Guarantor**") to be granted, on or before the Issue Date, upon the issue of each Tranche of Notes to the beneficiaries named therein (the "**Guarantee**") and will be conformed, or substantially conformed, to the form set out in chapter "Form of Guarantee". The Guarantee granted in respect of any Tranche of Notes will be (i) available for inspection and copy, without charges, during normal business days and hours, at the registered office of the Issuer and at the specified office(s) of the Paying Agent(s) and (ii) when granted in respect of Notes admitted to trading on Euronext Paris or any other Regulated Market, published on the website of the Issuer (www.bpifrance.fr).

4. Status of Notes and Guarantee

(a) Status of Notes

The obligations of the Issuer under the Notes and, where applicable, any Receipts and Coupons constitute direct, general, unconditional, unsubordinated (subject to the provisions of Conditions 3 and 5(a)) and unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsubordinated and unsecured obligations of the Issuer.

(b) Status of Guarantee

The obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor (subject to the provisions of Condition 5(b)) and rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsubordinated and unsecured obligations of the Guarantor.

5. Negative pledge for Notes and Guarantee

(a) Undertaking of the Issuer

So long as any of the Notes or, if applicable, any Receipts or Coupons, remain outstanding (as defined below), the Issuer will not create and permit to subsist any charge, mortgage, pledge, lien or other security interest (*sûreté réelle*) upon the whole or any part of its assets or income, present or future, to secure a present or future Indebtedness (as defined below) incurred or guaranteed by the Issuer unless the Issuer's obligations under the Notes, Receipts and Coupons are equally and rateably secured therewith.

(b) Undertaking of the Guarantor

So long as any of the obligations of the Guarantor under the Guarantee will be effective, the Guarantor will not create and permit to subsist any charge, mortgage, pledge, lien or other security interest (*sûreté réelle*) upon the whole or any part of its assets or income, present or future, to secure a present or future Indebtedness incurred or guaranteed by the Guarantor unless the Guarantor's obligations under the Guarantee are equally and rateably secured therewith.

For the purposes of the Terms and Conditions:

"**outstanding**" means, in relation to Notes of any Series, all the 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, as the case may be, and any interest payable after such date) have been duly paid as provided in Condition 8, (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 the 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 or more Definitive Materialised Notes, pursuant to its provisions.

"**Indebtedness**" means any present or future indebtedness represented by, bonds or other debt securities (*titres de créance*) (including negotiable debt securities (*titres de créance négociables*)) which are (or are capable of being), admitted to trading on a Regulated Market, provided that the term "Indebtedness" does not include any indebtedness under loan agreements, any advance or other credit lines (*ouverture de crédit*).

6. Interest and other calculations

(a) Definitions

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

"**Benchmark**" means the benchmark as specified in the relevant Final Terms.

"**Business Day**" means:

- (i) in the case of Euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer System (TARGET 2) (the "**TARGET System**") or any successor thereto is operating (a "**TARGET Business Day**"), and/or
- (ii) in the case of a Specified Currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency, and/or
- (iii) in the case of a Specified Currency and/or one 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 interests on any Note for any period of time (from and including the first day to but excluding the last day of such period) (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 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if "**Actual/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 365 (or 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:
- (x) the number of complete years shall be counted back from the last day of the Calculation Period;
- (y) 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 365;
- (v) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 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 360 (the number of days to be calculated on the basis of a year of 360 days with twelve (12) 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 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 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 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 31st and the first day is neither the 30th nor the 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 360 (the number of days to be calculated on the basis of a year of 360 days with twelve (12) 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 Maturity Date, the

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 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 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.

"Euroclear France" means the central depository of French notes located 66, rue de la Victoire, 75009 Paris.

"Euro Zone" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"FBF Definitions" means the definitions set out in the 2013 FBF Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules (*Additifs Techniques*) as published by the *Fédération Bancaire Française* and as amended, as the case may be, at the issue date of the first Tranche of the relevant Series (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 the case may be, as indicated in the relevant Final Terms.

"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, as published by the International Swaps and Derivatives Association, Inc. (formerly the International Swap Dealers Association, Inc.), and as amended as the case may be, at the issue date of the first Tranche of the relevant Series .

"Issue Date" means for each relevant Tranche the closing date of the Notes for such Tranche.

"Margin" means, for an Interest Accrual Period, the percentage or number for the applicable Interest Accrual Period, as indicated in the relevant Final Terms, being specified that it may have a positive value, a negative value or equal zero.

"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 of these Terms and Conditions as completed by the relevant Final Terms.

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

"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 (TIBEUR in French), shall be the Euro-zone, in the case of LIBOR, shall be London and if the CMS Rate is the Benchmark, shall be the swap market of the Relevant Financial Centre) or, if none is so connected, Paris.

"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) calendar days after that on which notice is duly given to the holders of such Materialised Notes that, upon further presentation of the Materialised Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

"Relevant 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.

"Screen Page" means such page, section, caption, column or other part of a particular information service (including, Thomson Reuters) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate, as set out in the relevant Final Terms.

"Specified Currency" means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the 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 relevant Interest Accrual Period, ignoring any adjustment pursuant to Condition 6(d)(ii).

(b) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest, in accordance with Condition 6(h), 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 annually, semi-annually, quarterly or monthly (except as otherwise provided in the relevant Final Terms) in arrear on each Interest Payment Date as indicated in the relevant Final Terms.

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, in accordance with Condition 6(h), 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 annually, semi-annually, quarterly or monthly (except as otherwise provided in the relevant Final Terms) 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; 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 any other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the "**Floating Rate Business Day Convention**", such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the "**Following Business Day Convention**", such date shall be postponed to the next day that is a Business Day, (C) the "**Modified Following Business Day Convention**", such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the "**Preceding Business Day Convention**", such date shall be brought forward to the immediately preceding Business Day. 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 the relevant 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 accordance with the provisions below relating to either FBF Determination, ISDA Determination or Screen Rate Determination, depending upon which is specified in the relevant Final Terms.

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

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

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

Where FBF Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, unless a higher Minimum Rate of Interest is specified in

the relevant Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

In the relevant Final Terms, when the paragraph "Floating Rate" specifies that the rate is determined by linear interpolation, in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two (2) rates based on the relevant Floating Rate, one of which shall be determined as if the maturity were the period of time for which rates are available of next shorter length before the length of the relevant Interest Period, and the other of which shall be determined as if the maturity were the period of time for which rates are available of next longer length after the length of the relevant Interest Period.

(B) 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 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 (B), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the relevant Final Terms;
- (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 (B), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, unless a higher Minimum Rate of Interest is specified in the relevant Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

In the relevant Final Terms, when the paragraph "Floating Rate Option" specifies that the rate is determined by linear interpolation, in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two (2) rates based on the relevant Floating Rate, one of which shall be determined as if the maturity were the period of time for which rates are available of next shorter length before the length of the relevant Interest Period, and the other of which shall be determined as if the maturity were the period of time for which rates are available of next longer length after the length of the relevant Interest Period.

(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 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 Screen Page, subject as provided below, the Rate of Interest shall be:
 - (i) the Relevant Rate (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity) or
 - (ii) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page,

in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date as set out in the relevant Final Terms, plus or minus (as indicated in the relevant Final Terms) the Margin (if any);

- (b) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (a)(i) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the

Interest Determination Date or if sub-paragraph (a)(ii) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent, plus or minus (as indicated in the relevant Final Terms) the Margin (if any); and

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

In the relevant Final Terms, if the paragraph "Benchmark" specifies that the rate is determined by linear interpolation, in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two (2) rates based on the relevant Floating Rate, one of which shall be determined as if the maturity were the period of time for which rates are available of next shorter length before the length of the relevant Interest Period, and the other of which shall be determined as if the maturity were the period of time for which rates are available of next longer length after the length of the relevant Interest Period.

- (d) Notwithstanding the provisions of paragraphs (a) to (c) above, if the Primary Source for the Floating Rate is a Screen Page and the Reference Rate specified in the relevant Final Terms is the CMS Rate, the Interest Rate for each Interest Accrual Period will, subject as provided below, be determined by the Calculation Agent based on the annual rate applicable to a swap for a swap in the Specified Currency which maturity is the Specified Period, expressed on percentage, as it appears on the Screen Page at the Specified Time on the relevant Coupon Determination Date (the "**CMS Rate**") and increased or decreased, as the case may be (as specified in the relevant Final Terms) with the Margin.

If the Relevant Screen Page is not available, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate (as defined below) at approximately the Specified Time on the Coupon Determination Date. If at least three of the Reference Banks provide the Calculation Agent with such quotations, the CMS Rate for such Interest Accrual Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If on any Interest Determination Date less than three or none of CMS Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent on such commercial basis as considered appropriate by the Calculation Agent in its absolute discretion, in accordance with standard market practice.

For the purposes of this sub-paragraph (d):

"Relevant Swap Rate" means:

- (i) where the Reference Currency is Euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Specified Duration commencing on the first day of the relevant Interest Period and in a Representative Amount (as defined below) with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) with a Specified Duration determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions;
- (ii) where the Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on an Actual 30/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Specified Duration commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg is, in each case, calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Specified Duration is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a Specified Duration of six months or (B) if the Specified Duration is one year or less, to GBP-LIBOR-BBA with a Specified Duration of three months;
- (iii) where the Reference Currency is United States dollars, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a Specified Duration of three months; and
- (iv) where the Reference Currency is any other currency or, if the Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the relevant Final Terms.

"Representative Amount" means an amount that is representative for a single transaction in the relevant market at the relevant time.

(e) Notwithstanding the provisions of paragraphs (a) to (d) above, if the Primary Source for the Floating Rate is a Screen Page and the Reference Rate specified in the relevant Final Terms is the TEC 10 Rate, the Interest Rate for each Interest Accrual Period will, subject as provided below, be determined by the Calculation Agent based on the quotation offered (expressed on percentage per year) for the EUR-TEC10-CNO, calculated by the the *Comité de Normalisation Obligatoire* ("**CNO**"), which appears on the Screen Page which is the line "TEC10", on the Reuters Screen BDFCNOTEC10 Page, or any succeeding page, as at 10:00 a.m. (Paris time) on the Interest Determination Date in question ("**TEC10**") and increased or decreased, as the case may be (as specified in the relevant Final Terms) with the Margin. If, on any Interest Determination Date, the TEC10 does not appear on Reuters Screen BDFCNOTEC10 Page or any succeeding page, (i) it shall be determined by the Calculation Agent on the basis of the mid-market prices for each of the two Reference OATs (Obligation Assimilable du Trésor), which would have been used by the CNO for the concerned rate, estimated, in each case, by five (5) *Spécialistes en Valeurs du Trésor* at approximately 10:00 a.m. (Paris time) on the Interest Determination Date in question; (ii) the Calculation Agent will request each *Spécialiste en Valeurs du Trésor* to provide a quotation of its price; and (iii) the TEC10 will be the redemption yield of the arithmetic mean of such quotations as determined by the Calculation Agent after discarding the highest and lowest such quotations. The above mentioned redemption yield shall be determined by the Calculation Agent in accordance with the formula that would have been used by the CNO for the determination of the concerned rate.

For information purposes only, the EUR-TEC10-CNO, established in April 1996, is the percentage yield (rounded to the nearest second decimal point, 0.005 per cent. being rounded upwards) of a notional 10 year French Treasury Bond (Obligation Assimilable du Trésor, "OAT") corresponding to the linear interpolation between the yield to maturity of the two actual OATs (the "Reference OATs") whose periods to maturity are closest in duration to the notional 10 year OAT, one Reference OAT's duration being of less than 10 years and the other Reference OAT's duration being greater than 10 years. Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, unless a higher Minimum Rate of Interest is specified in the relevant Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(d) Interests of Fixed to Floating Rate Notes

Where a Change of Interest Basis is specified to be applicable in the relevant Final Terms, each Fixed to Floating Rate Note will bear interest on their outstanding nominal amount at a rate:

(a) that the Issuer may decide to convert at the switch date specified in the relevant Final Terms (the "**Switch Date**") from a Fixed Rate (as calculated in accordance with Condition 6(b) and specified in the relevant Final Terms) to a Floating Rate (as calculated in accordance with Condition 6(c) and specified in the relevant Final Terms) or from a Floating Rate to a Fixed Rate (the "**Change of Interest Basis**"). The Change of Interest Basis by the Issuer will be applicable by giving notice to the Noteholders within the period specified in the relevant Final Terms in accordance with Condition 15; or

(b) which shall be automatically converted from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate at the Switch Date specified in the relevant Final Terms (the "**Automatic Change of Interest Basis**").

(e) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon and, if so specified in the relevant Final Terms, is repayable prior to the Maturity Date pursuant to an Issuer's optional redemption in accordance with the provisions of Condition 7(c), pursuant to Condition 7(e) or otherwise specified in these Terms and Conditions and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount. As from the 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 7(e)(i)).

(f) 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 judgement) at the Rate of Interest in the manner provided in this Condition 6 to the Relevant Date.

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

(a) If any Margin or Rate Multiplier is specified in the relevant Final Terms, either (x) generally or (y) in relation to one or more Interest Accrual Periods, an adjustment shall be made to all Rates of Interest in the case of (x), or to the Rates of Interest for the specified Interest Accrual Periods in the case of (y), calculated in accordance with Condition 6(c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.

(b) 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.

(c) For the purposes of any calculations required pursuant to these Conditions, (w) if FBF Determination is specified in the relevant Final Terms, all percentages resulting from such calculations shall be rounded, if necessary, to the nearest ten-thousandth of a percentage point (with halves being rounded up), (x) otherwise all percentages resulting from such calculations shall be rounded, if necessary, to the nearest fifth decimal (with halves being rounded up), (y) all figures shall be rounded to seven (7) figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For the

purpose of this Condition "**unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(h) Calculations

The amount of interest payable in respect of any 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. Where any Interest Period comprises two 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.

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

The Calculation Agent, as soon as practicable on such date after the Relevant Time as it 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, shall 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 holders of Notes, any other 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 admitted to trading on a Regulated Market and the rules of such Regulated Market so require, such Regulated Market as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such Regulated Market of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 6(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) Calculation Agent and Reference Banks

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined above). 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 Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, 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 Calculation Agent (acting through its principal Paris office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid. So long as the Notes are admitted to trading on a Regulated Market and the stock exchanges rules so require, notice of any change of Calculation Agent shall be given in accordance with Condition 15.

7. **Redemption, purchase and options**

(a) **Final redemption**

Unless previously redeemed or purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) specified in the relevant Final Terms or, in the case of a Note falling within Condition 7(b) below, its final Instalment Amount.

(b) **Redemption by Instalments**

Unless previously redeemed or purchased and cancelled as provided in this Condition 7 or the relevant Instalment Date (being one of the dates so specified in the relevant Final Terms) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 7(c) or (7)(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**

(i) **Call Option or exercise of Issuer's options**

If a Call option is specified in the relevant Final Terms, the Issuer may, subject to compliance of all the relevant laws, regulations and directives applicable to the Issuer and on giving not less than fifteen (15) nor more than thirty (30) calendar days' irrevocable notice in accordance with Condition 15 to the holders of Notes (or such other notice period as may be specified in the relevant Final Terms) redeem all or, if so provided, some of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be, as indicated in the relevant Final Terms. Any such redemption of Notes shall be at their Optional Redemption Amount together, as indicated in the relevant Final Terms, with interest accrued to the date fixed for redemption, in the relevant Final Terms, or, for the Zero Coupon Notes, at the Early Redemption Amount. Any redemption or partial exercise 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 on the date specified in such notice in accordance with this Condition.

(ii) **Make-Whole Redemption Option**

If a Make-Whole Redemption Option is specified in the relevant Final Terms, the Issuer may, subject to compliance with all relevant laws, regulations and directives and on giving not less than fifteen (15) nor more than thirty (30) calendar days' irrevocable notice in accordance with Condition 15 (or any other notice period specified in the relevant Final Terms) to the Noteholders, redeem the Notes then outstanding, in whole or in part, at any time or from time to time, prior to the Maturity Date as specified in the relevant Final Terms (the "**Make-Whole Redemption Date**"). Any such redemption of Notes shall be made at the Make-Whole Redemption Amount. On or no later than the Business Day immediately following the date on which the Make-Whole Redemption Amount is calculated, the Calculation Agent shall notify the Issuer, the Fiscal Agent and the Noteholders.

The Make-Whole Redemption Rate will be published by the Issuer in accordance with Condition 15.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

"**Make-Whole Redemption Amount**" means an amount calculated by the Calculation Agent and equal to the greater than:

- (i) the Final Redemption Amount of such Notes, and
- (ii) the sum of the present values of the remaining scheduled payments of principal and interest on such Notes (excluding any interest accrued on the Notes until the Make-Whole Redemption Date

(excluded)) discounted to the Make-Whole Redemption Date on an annual basis at the Make-Whole Redemption Rate plus a Make-Whole Redemption Margin,

plus in each case (i) or (ii) above, any interest accrued on the Notes until the Make-Whole Redemption Date(excluded).

For the purpose of this Condition:

"Make-Whole Redemption Margin" means the rate specified as such in the relevant Final Terms.

"Make-Whole Redemption Rate" means the sum of the Make Whole Reference Rate and the Make Whole Redemption Margin.

"Make Whole Reference Rate" means the arithmetic average of the four (4) quotations given by the Reference Dealers of the mid-market annual yield to maturity of the Reference Security on the fourth Business Day preceding the Make-Whole Redemption Date at 11:00 a.m. (Central European Time ("CET")) ("**Reference Dealer Quotation**") or (ii) the Reference Screen Rate, as specified in the relevant Final Terms.

"Reference Dealer" means each of the four (4) banks selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues, or such other banks or method of selection of such banks as specified in the relevant Final Terms.

"Reference Screen Rate" means the screen rate specified as such in the relevant Final Terms.

"Reference Security" means the security specified as such in the relevant Final Terms. If the Reference Security is no longer outstanding, a Similar Security will be chosen by the Calculation Agent at 11:00 a.m. (CET) on the third Business Day preceding the Make-Whole Redemption Date, quoted in writing by the Calculation Agent to the Issuer and published by the Calculation Agent in accordance with Condition 15.

"Similar Security" means a reference bond or reference bonds issued by the same issuer as the Reference Security having an actual or interpolated maturity comparable with the remaining term of the Notes that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

(iii) Residual Maturity Call Option three (3) months prior the Maturity Date

If a Residual Maturity Call Option three (3) months prior the Maturity Date is specified in the relevant Final Terms, the Issuer may, subject to compliance with all relevant laws, regulations and directives and giving not less than fifteen (15) nor more than thirty (30) calendar days' irrevocable notice to the Noteholders in accordance with Conditions 15, redeem all, but not some only, of the Notes then outstanding no earlier than three (3) months prior the Maturity Date. Any such redemption of Notes shall be made at the nominal amount together with interest accrued to, but excluding, the date fixed for redemption.

(iv) Clean-up Call Option

If a Clean-up Call Option is specified in the relevant Final Terms, the Issuer may, subject to compliance with all relevant laws, regulations and directives and giving not less than fifteen (15) nor more than thirty (30) calendar days' irrevocable notice to the Noteholders in accordance with Condition 15, redeem at any time all, but not some only, of the outstanding Notes in the event that at least 80 per cent. of the initial aggregate principal amount of the relevant Series have been redeemed or purchased (and consequently cancelled), other than through an Issuer's call option in accordance with Condition 7(c)(i) or a Make-Whole Redemption option in accordance with Condition 7(c)(ii) above. Any such redemption of Notes shall be made at the nominal amount together with interest accrued to, but excluding, the date fixed for redemption, or, for the Zero Coupon Notes at the Early Redemption Amount.

(v) Partial redemption

Any partial redemption pursuant to paragraphs 7(c)(i) and 7(c)(ii) above must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount (as specified in the relevant Final Terms) and no greater than the Maximum Redemption Amount (as specified in the relevant Final Terms).

- (a) In the case of a partial redemption 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 or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchanges requirements.
- (b) In the case of a partial redemption in respect of Dematerialised Notes, the redemption may be effected, at the option of the Issuer, either by:
 - (i) reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed; or
 - (ii) 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 the provisions of Article R.213-16 of the French *Code monétaire et financier* as completed by the relevant Final Terms, subject to compliance with any other applicable laws and stock exchanges requirements.

So long as the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, such Regulated Market require, the Issuer shall, each time there has been a partial redemption of the Notes, cause to be published in accordance with Condition 15 a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes, a list of any Definitive Materialised Notes drawn for redemption but not surrendered.

In case of partial redemption, the Specified Denomination, the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount, the Instalment Amount, the Make-Whole Redemption Amount and the principal of the Notes shall be adjusted accordingly.

(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) calendar 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), as indicated in the relevant Final Terms, at its Optional Redemption Amount indicated in the relevant Final Terms, together with interest accrued to the date fixed for redemption (excluded) or, for the Zero Coupon Notes, at the Early Redemption Amount.

To exercise such option, the Noteholder shall 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 7(f) or 7(i) or upon it becoming due and payable as provided in Condition 10 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 Zero Coupon Note shall be the scheduled Final Redemption Amount of such Note on the 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) compounded annually.

- (C) If the Amortised Nominal Amount payable in respect of any such Note upon its redemption pursuant to Condition 7(f) or 7(i) or upon it becoming due and payable as provided in Condition 10 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 judgement) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 6(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 7(f) or 7(i) or upon it becoming due and payable as provided in Condition 10 shall be the Final Redemption Amount together with interest accrued to the date fixed for redemption.

(f) Redemption for taxation reasons

- (i) If, by reason of any change in French law, or any change in the official application or interpretation of such law by competent French authorities, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 9(b) below, the Issuer may, at its option, on any Interest Payment Date (if the Note is a Floating Rate Note) or at any time (if the Note is not a Floating Rate Note), subject to having given not more than sixty (60) nor less than thirty (30) calendar days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.
- (ii) If the Issuer would, on the next payment of principal or interest in respect of the Notes, be prevented by French law from making payment to the Noteholders or, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 9(b) below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven (7) calendar days' prior notice to the Noteholders in accordance with Condition 15, redeem all, but not some only, of the Notes then outstanding (as defined above) at their Early Redemption Amount together with any interest accrued to the date set for redemption (A) from the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) fourteen (14) calendar days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, or, if applicable, Receipts or Coupons or, if that date is passed, as soon as practicable thereafter.

(g) 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, subject to the applicable laws and/or regulations.

The Notes so purchased by the Issuer may be held and resold in accordance with Article L. 213-1-A of the French *Code monétaire et financier*, for the purpose of enhancing the liquidity of Notes (provided that in such case the Issuer will not be entitled to hold the Notes for a period exceeding one year from their

purchase date, in accordance with Article D. 213-1-A of the French *Code monétaire et financier*).

(h) Cancellation

All Notes redeemed or purchased by or on behalf of the Issuer for cancellation, will be cancelled, 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 and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the Issuer, 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 or surrendered therewith). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(i) Illegality

If, by reason of any coming into effect of a new law or regulation in France, a change in French law or any mandatory French provision, or any change in the official judicial or administrative application or interpretation of such law by any competent French authority, becoming effective after the Issue Date, it would become unlawful for the Issuer to perform or comply with one or more of its obligations under the Notes, the Issuer will, subject to having given not more than forty-five (45) nor less than thirty (30) calendar days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption.

8. 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 holders of Notes and, (ii) in the case of Dematerialised Notes in fully registered form, to an account denominated in the relevant currency with a Bank (as defined below) designated by the relevant holder of Notes. 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, any payment in a Specified Currency will be made by credit or transfer to an account denominated in the relevant Specified Currency, or an account 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 (i) 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 (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 (i) 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 (i) 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 repayable, 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 11) or, if later, five (5) years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its 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 prior to its Maturity Date, 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

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 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 (i) any applicable fiscal or other laws, regulations and directives but without prejudice to Condition 9 and (ii) any withholding or deduction (x) required pursuant to Section 871(m) of the U.S. Internal Revenue Code of 1986, as amended (the "**U.S. Code**") or (y) pursuant to an agreement described in Section 1471(b) of the U.S. Code or (z) otherwise imposed pursuant to Sections 1471 through 1474 of the U.S. Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the holders of Notes or Couponholders in respect of such payments.

(e) Appointment of Agents

The Fiscal Agent, the Paying Agent(s) and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed at the end of this Base Prospectus. The Fiscal Agent, the Paying Agent(s) and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent expert(s) and, in each case such, may not be considered as agents in respect of any Noteholder or Couponholder (unless otherwise stated). The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, Registration Agent or Calculation

Agent and to appoint other Fiscal Agent, Paying Agent(s), Registration Agent(s) or Calculation Agent(s) or additional Paying Agent(s), Registration Agent(s) or Calculation Agent(s), provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) Paying Agent having specified offices in at least two major European cities (and ensuring the financial services of the Notes in France so long as the Notes are admitted to trading on Euronext Paris and in such other city where the Notes are admitted to trading, so long as the Notes are admitted to trading on any other Regulated Market) (iv) in the case of Dematerialised Notes in fully registered form, a Registration Agent and (v) such other agents as may be required by the rules of any other Regulated Market on which the Notes may be admitted to trading.

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 holders of Notes in accordance with Condition 15.

(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 11).

(g) Business Days for payment

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the Noteholder, Receiptholder or Couponholder 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 (subject to the provisions of Condition 6(c)(ii)). 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 Specified Currency, on which foreign exchange transactions may be carried on in such Specified Currency in the principal financial centre of the country of such currency or (ii) in the case of a payment in Euro, which is a TARGET Business Day.

(h) Bank

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

9. Taxation

(a) Withholding Tax

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 comes to be required by law.

(b) Additional amounts

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

(i) Other connection

to, or to a third party on behalf of, a Noteholder, Receiptholder or Couponholder who is liable to

such taxes or duties by reason of his having some connection with the Republic of France other than the mere holding of the Note, Receipt or Coupon; or

(ii) *More than thirty (30) calendar days after the Relevant Date*

in the case of Definitive Materialised Notes, more than thirty (30) calendar days after the Relevant Date except to the extent that the Noteholder, Receiptholder or Couponholder would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or

(iii) *Payment by another Paying Agent*

in the case of Definitive Materialised Notes presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

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

The Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA withholding**") as a result of any Noteholder, beneficial owner or an intermediary (that is not an agent of the Issuer) not being entitled to receive payments free of FATCA withholding. The Issuer shall not be liable for, or otherwise obliged to pay, any FATCA withholding deducted or withheld by the Issuer, any paying agent or any other party.

10. Events of Default

The Representative (as defined in Condition 12), acting on behalf of the Masse (as defined in Condition 12), by itself or upon request of any Noteholder may, upon written notice to the Issuer (with copy to the Fiscal Agent) given before all defaults shall have been cured, cause all the Notes (but not some only) to become immediately due and payable at their Early Redemption Amount, together with any accrued interest thereon, until the actual redemption date, if any of the following events (each, an "**Event of Default**") shall occur:

- (i) default in the payment of principal of, or interest on, any amount due by the Issuer in respect of any Note, Receipt or Coupon for more than fifteen (15) calendar days after the date on which such payment is due and payable, unless within such period, the Guarantor makes such payment on behalf of the Issuer, in which case such default will not constitute an Event of Default; or
- (ii) default in the due performance of any other obligation of the Issuer in respect of the Notes, or default in the due performance of any other obligation of the Guarantor in respect of the Guarantee, if such default shall not have been remedied within thirty (30) calendar days after receipt by the Issuer of written notice of such default given by the Representative or a Noteholder; or
- (iii) any other present or future indebtedness of the Issuer or of the Guarantor, for borrowed money in excess of Euro 100,000,000 (or its equivalent in any other currency), whether individually or collectively, shall become due and payable prior to its stated maturity as a result of a default thereunder of the Issuer or, as the case may be, the Guarantor, or in case of default of payment by the Issuer or the Guarantor under such indebtedness when it is due and payable, as the case may be, within any applicable grace period therefore, or in case of use of a security relating to such indebtedness, or in case of default of payment of any amount due under a guarantee or a pledge to undertake such a third party's indebtedness given by the Issuer or the Guarantor, unless the Issuer is contesting in good faith that such indebtedness is due and such guarantee is callable, and such dispute has been submitted to competent court, in which case such default of payment or of redemption shall not constitute an Event of Default so long as such dispute shall not have been subject to a decision from a court of first instance; or
- (iv) the Issuer is dissolved, liquidated, merged, split or absorbed or the Issuer sells, transfers or uses directly or indirectly all or substantially all of its assets prior to the repayment in full of any amount due under the Notes, except in the case of a dissolution, liquidation, merger, split or absorption or of

such a sale, transfer or use pursuant to which all of the obligations of the Issuer under the Notes are expressly assumed by the succeeding entity, if any; or

- (v) the Guarantor is dissolved, the Guarantor sells, transfers or uses directly or indirectly all or substantially all of its assets or the Guarantor ceases to be an *établissement public* prior to the repayment in full of any amount due under the Notes, except in the case where following a dissolution, such a sale, transfer or use or the loss of its status of *établissement public*, all of the obligations of the Guarantor under the Guarantee is transferred to the French State; or
- (vi) the Issuer enters into an amicable arrangement (*accord amiable*) with its creditors, or a judgement is rendered for the judicial liquidation (*liquidation judiciaire*) of the Issuer, or is subject to any other similar proceedings, or enters into a *concordat* with its creditors; or
- (vii) the Guarantee ceases to be valid or becomes ineffective, for any reason whatsoever, unless the Guarantee is immediately replaced by an equivalent guarantee of the French State.

11. Prescription

Claims against the Issuer for payment related to the Notes, Receipts and Coupons (which for this purpose shall not include Talons), and claims against the Guarantor under the Guarantee, shall be prescribed within ten (10) years (in the case of principal) or five (5) years (in the case of interest) following the date on which such amount fell due.

12. Representation of Noteholders

- (a) If the relevant Final Terms specify "Masse *Code de commerce*", the 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**") which will be fully governed by the provisions of the French *Code de commerce* (the "**Code**")

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 holders of Notes (the "**General Meeting**").

The names and addresses of the Representative and its alternative will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of a Series of Notes will be the Representative of the single Masse of all such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement, dissolution 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 will be elected by the General meeting of the Noteholders.

Pursuant to Article R.228-71 of the Code, the right of each Noteholder to participate in General Meetings must be evidenced by entries in the books of the relevant Account Holder of the name of such Noteholder at midnight (Paris time) on the second Paris Business Day preceding the date set for the relevant General Meeting.

The place where a General Meeting shall be held will be set out in the notice convening such General Meeting as provided under Condition 15.

- (b) If the relevant Final Terms specify "Contractual Masse", the Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a Masse which will be governed pursuant to article L.228-90 of the Code, by the provisions of the Code applicable to the Masse, with the exception of the articles L.228-48, L.228-59, L.228-71, R.228-63, R.228-67 and R.228-69 of the Code and shall remain subject to the following provisions:

- (i) **Legal Personality**

The Masse will be a separate legal entity and will act in part through its Representative and in part through a General Meeting.

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

Notes.

(ii) Representative

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

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

The names and addresses of the initial Representative and its alternate will be set out in the Final Terms. 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.

The Representative will be entitled to such remuneration in connection with its function or duties, if any, as set out in the relevant Final Terms.

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

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

(c) Powers of Representative

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

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

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 or more Noteholders, holding together at least one-thirtieth 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 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 15.

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

Pursuant to Article R.228-71 of the Code, the right of each Noteholder to participate in General Meetings

must be evidenced by entries in the books of the relevant Account Holder of the name of such Noteholder at midnight (Paris time) on the second Paris Business Day preceding the date set for the relevant General Meeting.

(e) Powers of the General Meeting

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the 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 Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase amounts payable by Noteholders, nor establish any unequal treatment between the Noteholders.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth 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 majority of the vote for each Noteholder present or represented in such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 15.

(f) Information to Noteholders

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

(g) Expenses

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

In respect of Article 12(a) and 12(b) above, the holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 14, shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche or Series of Notes will be the Representative of the single Masse of all such Series.

For the avoidance of doubt, in this Condition 12, the expression "outstanding" shall not include the Notes subscribed or purchased by the Issuer in accordance with Article L.213-1 A of the French *Code monétaire et financier* which are held by the Issuer and not cancelled.

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

If, in the case of any Materialised Notes, 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 stock exchanges 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.

14. 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 already issued to form a single Serie, provided such Notes already issued and the further notes carry rights identical in all respects (or identical in all respects save as to the issue date, the issue price and the first payment of interest defined in the relevant Final Terms) and that the terms of such Notes provide for such assimilation, and references in these Conditions to "Notes" shall be construed accordingly.

15. 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 postal addresses, in which case they will be deemed to have been given on the fourth (4th) Business Day after the mailing, and (ii) they are published in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*). It is specified that so long as such Notes will be admitted to trading on a Regulated Market and that the applicable rules of this Regulated Market so require, notices will only be deemed valid if they are published on the website of any relevant regulatory authority, in a leading daily newspaper with general circulation in the city/ies where such Notes is/are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos*, and by any other means required, as the case may be, by the rules applicable to such Regulated Market.
- (b) Notices to the holders of Materialised Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if published (i) in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) and (ii) so long as such Notes are admitted to trading on any Regulated Market(s) and that the applicable rules of this Regulated Market so require, notices will be published in a leading daily newspaper with general circulation in the city/ies where such Notes are admitted to trading is located, which in the case of Euronext Paris is expected to be *Les Echos*, and by any other means required, as the case may be, by the rules applicable to such Regulated Market.
- (c) If any such publication is not practicable, notice shall be validly given if published in another leading daily newspaper with general circulation in Europe, provided that so long as the Notes are admitted to trading on any Regulated Market, notices shall be published in any other manner which is required, as the case may be, by the applicable rules on this Regulated Market. Any notice given by publication 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) (*au porteur* or *au nominatif*) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publications as required by Conditions 15(a), (b) et (c) above; provided that so long as such Notes will be admitted to trading on a Regulated Market(s) and the applicable rules of that Regulated Market so require, notices shall also be published in a leading daily newspaper with general circulation in the city/ies where such Notes are admitted to trading, which in the case of Euronext Paris is expected to be *Les Echos*, and by any other means required, as the case may be, by the rules applicable to such Regulated Market.

16. Governing law, language and jurisdiction

(a) Governing law

The Notes, Receipts, Coupons and Talons and the Guarantee are governed by, and shall be construed in accordance with, French law.

(b) Language

This Base Prospectus has been prepared in the French language and the English language but only the French version which received visa from the AMF shall be regarded as binding.

(c) Jurisdiction

Any claim against the Issuer in connection with any Notes, Receipts, Coupons or Talons or against the Guarantor in connection with the Guarantee may be brought with any competent court in Paris.

Nevertheless it is specified that the assets and properties of the Guarantor are not subject to legal process (*voie d'exécution*) under private law or attachment in France.

USE OF PROCEEDS

The net proceeds of the issue of Notes will be used to support the Issuer's financing needs.

TEMPORARY GLOBAL CERTIFICATES IN RESPECT OF MATERIALISED 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 or 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 with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, a nominal amount of 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 TEFRA 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) as to non-U.S. beneficial ownership (a form of which shall be available at the specified office(s) of any of the Paying Agents) 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 Regulated Market requirements. Forms of such Definitive Materialised Notes shall be available at the specified office(s) of any of the Paying Agents.

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) calendar days after its issue date, provided that in the event any further Materialised Notes which are to be assimilated with such first mentioned Materialised Notes are issued prior to such day pursuant to Condition 14, the Exchange Date may, at the option of the Issuer, be postponed to the day falling after the expiry of forty (40) calendar 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:

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

DESCRIPTION OF THE ISSUER

1. ISSUER'S BACKGROUND AND DEVELOPMENT

Formed in 1980 from the restructuring of most of the activities of the French central hotel, commercial and industrial credit fund (*Caisse Centrale du Crédit Hôtelier Commercial et Industriel* - CCCHCI), the French government procurement fund (*Caisse Nationale des Marchés de l'État* - CNME) and the French inter-professional SME grouping (*Groupement Interprofessionnel de la Petite et Moyenne Entreprise* - GIPME), the SME equipment finance fund (*Crédit d'Équipement des PME* - CEPME) was entrusted with a public interest assignment in favour of small and medium enterprises: to contribute to the funding of investments through medium and long-term loans at subsidised rates until 1986, and to meet cash requirements relating to the execution of government procurement orders. With this goal in mind, CEPME gradually diversified its operating methods by broadening the range of products that it offers to its clients and by setting up specialised subsidiaries, in particular in the areas of leasing and equity investment.

In July 1996, by decision of the public authorities, the conditions were set for the merger of CEPME and Sofaris within the French SME development bank (*Banque du Développement des PME* - BDPME), as were the operating principles of the new entity. As BDPME could not be involved in commercial competition, from 1997 BDPME operated solely in partnership with banks and venture capital companies through co-financing facilities set up by CEPME and its specialised subsidiaries, and in the form of guarantees given by Sofaris.

In 2004 the public authorities decided to merge BDPME with Anvar under the aegis of OSEO, a public industrial and commercial institution and finance company subject to prudential supervision on a consolidated basis by the French Banking Commission (*Commission Bancaire*). To improve the group's visibility, its new name was created to reflect all the group's component entities. BDPME thus became OSEO BDPME, subsequent to the Extraordinary General Meeting of 8 March 2005.

After a transition period of almost two years, it made sense in terms of simplification and visibility of the group's operations to focus communications on the OSEO brand alone. The OSEO brand was thus combined with the names of the business lines or regions, instead of the old names of the companies in the group. OSEO BDPME thus changed its company name to OSEO financement, by decision of the Extraordinary General Meeting of 22 December 2006.

In the summer of 2007 the group embarked in a new direction. As part of its policy of promoting and developing investment in research and innovation, the French government is focusing its support for innovation on medium-sized enterprises. To achieve this ambition, the French government decided to merge France's Industrial Innovation Agency (*Agence de l'Innovation Industrielle* - AII) with OSEO and entrust the new pairing with an assignment of public interest: to provide finance and support to companies at the most critical stages of their development. By 31 December 2007 the deal had been done. After dissolving the AII, the government transferred the 'Strategic Industrial Innovation' activity to OSEO Innovation.

To improve the reactivity and effectiveness of OSEO, and thus the quality of its services, in particular by streamlining its organisation, the planned merger of the group's operational entities was launched in 2008. This was made possible by the banking and financial regulations Act no. 2010-1249 of 22 October 2010, and took the form of a merger by absorption by OSEO financement of OSEO garantie, OSEO innovation and OSEO Bretagne. The merger was approved by the General Meetings of the absorbing company and the absorbed companies that met on 6 and 7 December 2010, and became effective on 31 December 2010. Moreover, on 7 December 2010 the Extraordinary General Meeting of the shareholders of OSEO financement approved a rights issue in order to increase its equity capital and to meet the requirements of the regulatory authorities.

By decision of its Extraordinary General Meeting on 7 December 2010, OSEO financement changed its name to OSEO. The amended Articles of Association of the limited company (*société anonyme*) OSEO were approved by order no. 2010-1672 of 28 December 2010.

On 6 June 2012, France's Ministry of Economy (*le Ministre de l'Économie*) announced the creation, in 2013, of the *Banque Publique d'Investissement* (the "**BPI**"). As a State-owned group providing for the financing and development of companies, and acting in support of public policies introduced by the French State and by the Regions, the BPI is a joint holding company that unifies the activities of the Issuer, the *CDC Entreprises* and the *Fonds Stratégique d'Investissement* (the "**FSI**"). Act no. 2012-1559 of 31 December 2012 (*loi n°2012-1559 du 31 décembre 2012*), amending order no. 2005-722 of 29 June

2005 (*ordonnance n° 2005-722 du 29 juin 2005*) relating to the creation of the public institution OSEO, which has become EPIC BPI-Groupe, and of the limited company OSEO, has laid down the legal framework permitting the creation of the BPI as well as its governance arrangements. As both a limited company and financial company the limited company BPI-Groupe is held in equal parts by the French State via EPIC BPI-Groupe, and the *Caisse des Dépôts* (the "CDC"). The limited company OSEO, now called Bpifrance Financement, has become a subsidiary of the limited company BPI-Groupe, on the same basis as the entities grouping together the equity activities of CDC Entreprises and the FSI, which have become Bpifrance Investissement, which is 100% held by Bpifrance Participations.

Therefore, the reference shareholder of the Issuer becomes the limited company BPI-Groupe, which has the status of a financial company, in the place of the EPIC BPI-Groupe. The rest of the capital is principally held by banks.

Law n°2015-990 of August 6, 2015 for the growth, activity and equality of economic opportunity amended Ordinance No. 2005-722 of 29 June 2005 on the BPI and allowed harmonisation of trade names of all group entities, the EPIC BPI-groupe and BPI-groupe becoming respectively EPIC Bpifrance and Bpifrance S.A.

2. COMPANY NAME AND TRADING NAME OF THE ISSUER

Since the entry into force of decree no. 2013-637 of 12 July 2013, the name of the Issuer is Bpifrance Financement.

3. PLACE OF REGISTRATION AND REGISTRATION NUMBER OF THE ISSUER

The Issuer is registered at the Créteil Trade and Companies Register under no. 320 252 489 (APE code 6492 Z).

4. ISSUER'S DATE OF INCORPORATION AND TERM

The Issuer was incorporated on 22 December 1980 with the name Crédit d'Equipement des PME. The term of the company is set at ninety-nine years starting from 14 November 1980.

5. REGISTERED OFFICE, LEGAL FORM, LEGISLATION GOVERNING THE ISSUER'S ACTIVITIES, COUNTRY OF ORIGIN, ADDRESS AND TELEPHONE NUMBER OF THE REGISTERED OFFICE

The Issuer is a French limited company (*société anonyme*) with a Board of Directors, with share capital of EUR 839,907,320.

Its registered office is at 27-31 Avenue du Général Leclerc, 94710 Maisons-Alfort Cedex, telephone number +33 (0)1 41 79 80 00.

In accordance with Article 1 of its Articles of Association, the Issuer is governed by the legal and regulatory provisions applicable to limited companies (*sociétés anonymes*), in particular the French commercial code (*Code de commerce*), in so far as it is not exempted therefrom by specific provisions such as Act no. 83-675 of 26 July 1983 (*loi n° 83-675 du 26 juillet 1983*) on the democratisation of the public sector and Instruction no. 2005-722 of 29 June 2005 (*ordonnance n° 2005-722 du 29 juin 2005*) on the incorporation of the public institution OSEO and the limited company OSEO, as amended by banking and financial regulation no. 2010-1249 of 22 October 2010 and by its Articles of Association. The Issuer is a credit institution approved by the French Prudential Control and Resolution Authority (*Autorité de Contrôle Prudentiel et de Résolution*, "ACPR"), and as such is subject to the legal and regulatory provisions that govern credit institutions.

6. RECENT EVENTS INVOLVING THE ISSUER AND HAVING A SIGNIFICANT EFFECT ON THE ASSESSMENT OF ITS SOLVENCY

Bond issues which have taken place under this EMTN Programme amounted to EUR 3,550 million during the course of 2015, increasing the nominal outstanding amount of this Programme from EUR 10,953 million on 31 December 2014 to EUR 12,987 on 31 December 2015. The total bonds issue outstanding reached EUR 13,169 million on 31 December 2015. The term loans outstanding amounts owed from the credit institutions increased from EUR 6,489 million on 31 December 2014 to EUR 6,538 million on 31 December 2015. Meanwhile, the negotiable debt securities outstanding also increased from EUR 2,530 million on 31 December 2014 to EUR 3,782 million on 31 December 2015, an increase of

49% essentially due to the development of BMTN issues. The term borrowings with customers outstanding amounts to EUR 2,925 million on 31 December 2015, an increase of EUR 751 million compared to the end of December 2014.

The increase of EUR 2 billion of term debt registered at April 30, 2016 compared to December 31, 2015 reflects, in essence, the development of the activity, on the one hand and the increase in shareholders' advances granted by Bpifrance SA to its subsidiary under the guarantee activities, on the other hand.

The BPI, according to a report on the reason behind act no. 2012-1559 of 31 December 2012 creating the BPI (*exposé des motifs de la loi n°2012-1559 du 31 décembre 2012*), is designed to act as a platform for the development of companies, particularly very small enterprises (VSEs), small and medium enterprises (SMEs) and intermediate size enterprises (ISEs), which the French economy, according to the report, is in need of.

Following the completion on 12 July 2013 of the disposals by the State, EPIC Bpifrance and of the CDC in the Issuer, the FSI and CDC Entreprises, the structure of the group has changed.

Effectively, the limited company Bpifrance now contains two separate structures:

- The Issuer, a credit institution with outstanding loans of EUR 29 billion on its balance sheet financing the investments and certain trade and operating receivables of SMEs and the ISEs; and
- Bpifrance Participations, an investment company, whose subsidiary, Bpifrance Investissement, operates a management and consulting business for funds and vehicles that invest equity or quasi-equity capital in listed or unlisted companies.

The increase in equity of the Issuer EUR 407 million between 31 December 2014 (EUR 2.835 billion) and 31 December 2015 (EUR 3.242 billion) was mainly due to a capital increase of EUR 79.9 million together with a premium of EUR 218.9 million made in June 2015 and the result of the 2015 financial year (EUR 119 million).

7. ISSUER'S PRINCIPAL BUSINESS ACTIVITIES

Pursuant to Act no. 2012-1559 of 31 December 2012 the Issuer's object is to carry out the following assignments of public interest:

- Promoting growth through innovation and the transfer of technologies (this activity to be carried out separately from its other activities);
- Contributing to economic growth by assuming part of the risk relating to loans granted to small and medium enterprises; and
- Contributing to the specific funding requirements of the investments and trade debtors of small and medium enterprises.

The Issuer is authorised to carry out any activity in France or abroad that relates directly or indirectly to its object as defined by the law and any other activity provided for in its Articles of Association, either in its own right or through its subsidiaries or the companies in which it holds a participating interest.

The French government, pursuant to a unilateral instrument or individual agreement, and local authorities and their public institutions, pursuant to an individual agreement, may entrust the Issuer with other assignments of public interest that are compatible with its object.

The Issuer combines various financing techniques in order to come up with solutions that fill gaps in the market. This is the case with seed capital funding, banking services to finance innovating projects by loans or introducing innovative SMEs to major accounts. The group's involvement consists in bringing its influence to bear on SME and innovation private finance providers while simultaneously leveraging the available public resources.

For SMEs, the Issuer is both a development bank and an innovation promotion agency. It operates through programmes designed to achieve two specific objectives:

- assisting companies with major, long-term fixed capital investments in light of their financial capacities (large real estate projects, heavy plant, etc.) by putting suitable financing facilities in place; and

- measures targeting national priorities (business start-ups and buy-outs, innovation, export, etc.), in particular to help companies finance their intangible investments via mezzanine products (repayable advances, start-up loans, development loans).

The ultimate goal of these objectives is to strengthen economic fabric and to create local jobs.

7.1 Support for innovation

The Issuer's role is to contribute to economic growth by encouraging innovation through repayable advances and subsidies funded principally by the government, and by offering companies with innovative projects tailored structures and finance, with a view to:

- helping innovative SMEs with high growth potential,
- encouraging the creation of innovative businesses,
- developing the innovative potential of existing SMEs,
- facilitating relations between SMEs and research laboratories by helping with the transfer of technology,
- helping to set up national and international technology projects and facilitating access to European programmes,
- helping SMEs to find partners and additional funding (equity capital and regional, national and European aid).

Internationally, the Issuer is the SME's point of contact, using labelling to help them obtain aid for innovation, especially aid available through EU projects.

In connection with the "Future Investment" programme, the Issuer has been commissioned to fund programmes to create competitiveness clusters and strengthen the competitiveness of SMEs and strategic industrial networks.

The financing activities of Bpifrance relating to innovation are designed to address the financing needs of private or collaborative innovative projects. Where traditional funding has failed, it can help to bring an idea all the way to market. In 2015, the Issuer granted EUR 1,307 million of innovation support (nearly 20% increase over 2014), of which 41% for collaborative projects involving different partners on common projects.

7.2 Guarantee

On the back of guarantee funds provided mainly by the government, the Issuer guarantees bank facilities and, to a more limited extent, the involvement of equity capital organisations. This guarantee covers risks related to all the different development stages of companies, and has the following characteristics:

- in the case of business start-ups, the guarantee mainly covers the unsecured loans granted to entrepreneurs by new business support networks,
- in the case of innovation, the guarantee also covers Innovation Development Agreements provided by the Issuer which are intended for innovating SMEs more than three years old,
- in the case of development, the guarantee covers the investment financing of SMEs, both in France and abroad,
- in the case of buy-outs, the guarantee may be provided to finance a holding company, notably in connection with LBO or LBI transactions and
- Internationally, the guarantee applies to bank guarantees on export markets and the risk of failure by branches of French subsidiaries abroad,

The ratio is between 40% and 60%. It may be as much as 70% when backed by regional guarantee funds set up with the Issuer.

EUR 4.984 billion of risks were covered by the Issuer in 2015, bringing the total amount of risks covered to EUR 13.9 billion, a growth of 3.4% compared to the previous year. Nearly 5,300 businesses received funding to assist with the riskiest phases of their existence, i.e. start-up, transfer or buy-out, internationalisation, increase of equity financing.

7.3 Financing

In partnership with banks and financial institutions, the Issuer contributes to the financing of:

- tangible and intangible assets, through facilities in the form of medium or long-term loans and real estate leasing, equipment leasing or finance leases,
- intangible assets as well as financing the working capital requirement through financing provided in the form of Non Guaranteed Loans (growth, international, robotics, sustainable development, investment and transmission) and Equity Loans (development and start-ups).

In connection with the "Future Investment" programme, the Issuer has been commissioned to develop financing for investment to develop the automation of the production (Robotic Loan) as well as the industrialisation of clusters of competitiveness (Loans for the industrialisation and growth) and accompany the companies in the energy and ecological transition (Green Loans).

In 2015, EUR 6.4 billion of new financing have been provided by the Issuer for productivity investment by SMEs and ISEs. This amount was up nearly 12% compared to 2014. Development loans, which are financings without a guarantee and with a significant grace period in order to reinforce the financial situation of growing companies, remained as a priority for 2015. These commitments amounted to EUR 2.3 billion, a growth of 18%. On the contrary, the growth of other financings has been less important: 17% for loans and 7.4% for leasing.

The Issuer also contributes to the financing of the operating cycle:

- It uses cash advances to finance the working capital requirements of small and medium enterprises that are clients of large public and corporate buyers; and
- For the procurement contracts it finances, it provides commitments by signing sureties, or first demand guarantees.

Set up in 2013, the *Crédit Impôt Compétitivité Emploi* (the "**CICE**") increased significantly in 2015: the authorisations went from EUR 2.3 billion in 31 December 2014 to EUR 3.5 billion in 31 December 2015, an increase of 51%. The total financing of the short term loans amounts to EUR 7.2 billion at 31 December 2015, a growth of 22%.

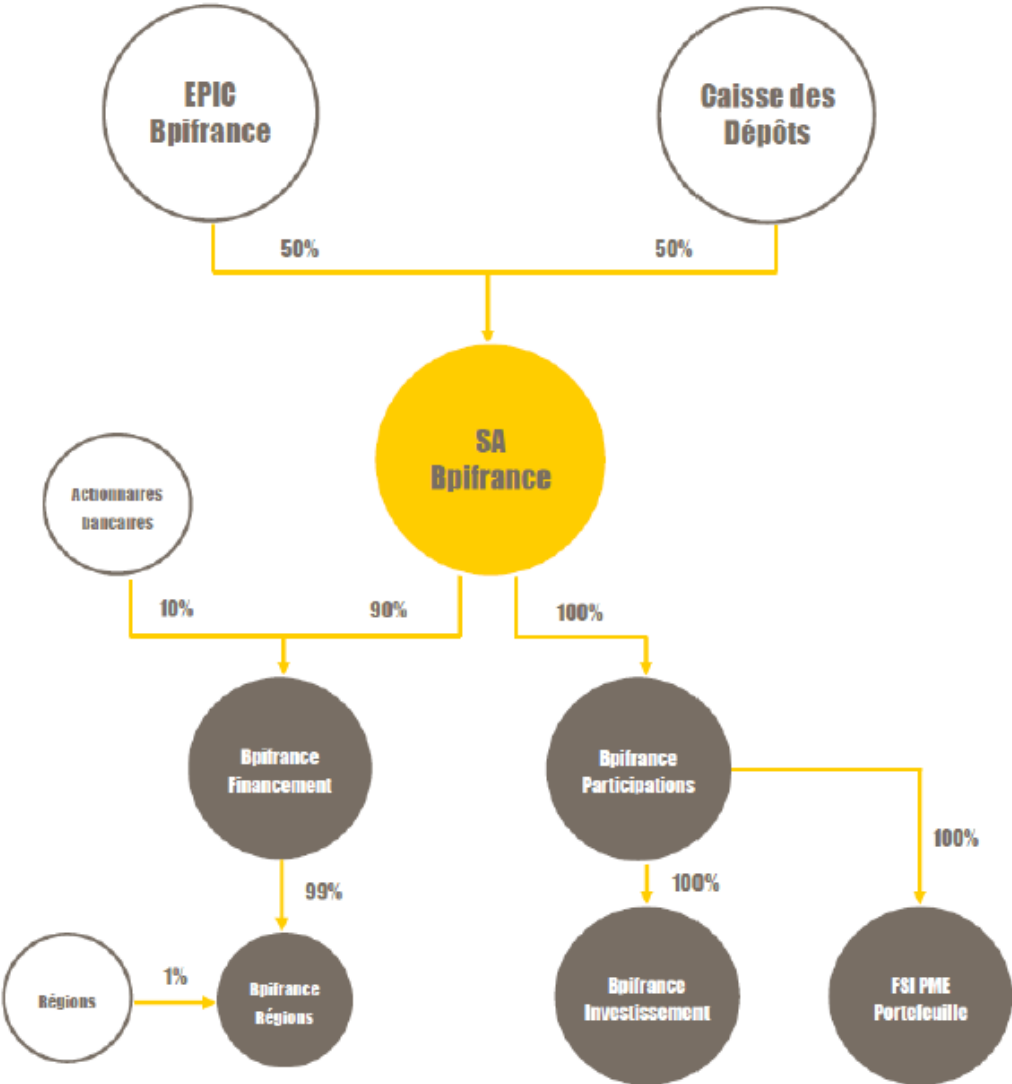
The procedure factoring receivables, in partnership with a credit insurance company which allows the French exporting enterprises to factor their commercial receivables of any kind is complemented in 2015 by the set-up of export financings in the form of buyer credit or supplier credit.

Loans are provided in the form of co-financing, i.e. facilitating SME access to credit by offering them credit facilities in conjunction with those offered by the banks. This partnership effectively dilutes the banks' risk while providing them with independent expertise.

This partnership with the French commercial banks is supplemented by bilateral relations with international financial institutions such as KfW, the EIB and the ECB, which take part in the partial refinancing of the Issuer's activity.

8. ORGANISATIONAL CHART AND MAIN SHAREHOLDERS

At 31 December 2015, the organisational chart of the Issuer was as follows:



At 31 December 2015, the breakdown of the Issuer's capital and the voting rights was as follows:

	Number	Amount (€)	Breakdown of capital	Share of voting rights
SA Bpifrance	95,100,467	760,803,736	90.58 %	90.60 %
Agence Française de Développement	1,560,631	12,485,048	1.49 %	1.49 %
Banks and others	8,327,317	66,618,536	7.93 %	7.91 %
Total	104,988,415	839,907,320	100%	100%

At 31 December 2015, the share capitalisation of the Issuer stood at EUR 839,907,320 divided into 104,988,415 shares having a nominal value of EUR 8.

The limited company Bpifrance holds 90.58% of the share capital and 90.60% of the voting rights of the Issuer. It has the status of a financial holding company and as such is subject to the prudential regulation on a consolidated basis of the ACPR.

9. ADMINISTRATIVE AND MANAGEMENT BODIES

The administrators' company address is 27-31, avenue du Général Leclerc, 94710 Maisons-Alfort Cedex.

At 31 December 2015, the Issuer's Board of Directors is comprised of the following members:

Chairman and Chief Executive

Nicolas DUFOURCQ

Chairman and Chief Executive of Bpifrance Financement

Representatives of the French government

Francois JAMET

Head of the Enterprise, Technology Transfer and Regional Action Department at the Ministry of Higher Education and Research (Chef de Service des Entreprises, du Transfert de Technologie et de l'Action régionale à la Direction Générale pour la Recherche et l'Innovation du Ministère de la Recherche)

Sebastien RASPILLER

Assistant Director, "Financing of Companies and Financial Market", at the Treasury General Directorate (Direction Générale du Trésor)

Alain SCHMITT

Head of the SME Competitiveness and Development Department at the Enterprises General Directorate (Direction Générale et des Entreprises- DGE)

Representatives of Caisse des Dépôts

Delphine de CHAISEMARTIN

Head of the Financial Institutions at the Development, Subsidiaries and Investment Department at the Caisse des Dépôts

Pierre-François KOEHL

*Joint Head of Financial Management of the General Section at the Caisse des Dépôts
Joint Head of Financial Management*

Catherine HALBERSTADT

Chief Executive, Banque Populaire du Massif Central

Marie-Christine LEVET

Joint Director of JAANA Capital

Jean-François ROUBAUD

Chairman of the General Confederation of SMEs (Confédération Générale des PME - CGPME)

Sabine SCHIMEL

Advisor of the Director of the Caisse des Dépôts

Independent directors

Claire DUMAS⁶

Chief Financial Officer of the retail banking networks in France at Société Générale

Catherine HALBERSTADT

Director of the Human Resources and Internal Communications, groupe BPCE

Director appointed on the proposal of minority shareholders of the Issuer

François ASSELIN⁷

Chairman of the General Confederation of SMEs (Confédération Générale des PME – CGPME)

Directors representing employees

Elisabeth HENRI PEREZ

Head of Litigation at Bpifrance Financement

Eric VERKANT

Head of Investment / Innovation in Regional Partnerships Directorate and Regional Action of Bpifrance

Non-voting Members

Hugues FAUVE

Head of Legal at the Management, Middle-Long Term Financement Department of Bpifrance

Arnaud JULLIAN

Assistant Director, 3rd Vice Directorate at the Budget Directorate (Direction du Budget)

Edouard LEHER

Head of Credit at the Alsace Regionale Directorate for Bpifrance Financement

Marie-Christine LEVET⁸

Chairman of MCL Consulting

Hugues MAISONNIER

Director of the Department of Credit Risks France for BNP Paribas

Bruno METTLING

Joint Head of Human Resources at Groupe ORANGE

Régis BARBANT⁹

Project Manager at the Pilot Group Department – Caisse des Dépôts

Jean-Luc PETITHUGUENIN

Chairman and Chief Executive Officer, PAPREC France Group.

Pierre PRIEUX

Chief Executive Officer of ALCEN

Hervé SCHRICKE

Chief Executive Officer of SOFIA FIDES

L'Agence Française de Développement (AFD), represented by Anne PAUGAM

Executive Director of the AFD

Government Commissioners

⁶ Coopted on 17 December 2015 to replace Marie-Christine Levét.

⁷ Coopted on 26 March 2015, replacing Jean-François Roubaud.

⁸ Appointed on 17 December 2015.

⁹ Appointed on 26 March 2015, replacing Anatole Nef.

Alain NOURISSIER¹⁰

Head of the economic and financial Control taskforce and Government Commissioner of Bpifrance

Olivier BUQUEN

Supervisor of Economics and Finance and Joint Government Commissioner of Bpifrance

Statutory Auditors

Mazars, represented by Charles de Boisriou

KPMG Audit, Department of KPMG SA, represented by Marie-Christine Ferron-Jolys

For the purposes of their offices, the members of the Issuer's Board of Directors and Executive Management are domiciled at the Issuer's registered office.

10. CONFLICTS OF INTEREST

To the best of the Issuer's knowledge, there are no conflicts of interest between the duties of any of the members of the Board of Directors, vis-à-vis the Issuer, and their personal interests and/or other duties.

¹⁰ Appointed by Decree dated 28 July 2015, replacing Jean-François Guthmann.

11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS, FINANCIAL SITUATION AND RESULTS

Key figures:

	2014	2015	Change 2015
ACTIVITY			
Innovation aid (AI, ISI, FIS, PSPC, FSN, CMI, FNI, PIAVE)	877	1002	14%
Loan collateral (excluding internal funds)	3 482	3 458	-1%
Loan collateral provided by Bpifrance Régions	245	245	0%
Investment co-financing	5 752	6 438	12%
Factoring receivables	3 557	3 668	3%
CICE (advances)	2 350	3 551	51%
RESULTS (in standard IFRS) € M			
	2014	2015	Change 2015
Net banking income	550	615	11,8%
Charges for the year	-331	-355	7,3%
Gross operating income	218	259	18,8%
Cost of risk	-58	-72	24,1%
Declared risks	-25	-36	44,0%
Collective and sector provisions	-32	-36	12,5%
Pre-tax operating result	162	197	21,6%
Group share of net income	99	119	20,2%
Operating coefficient	60%	58%	
PERSONNEL (*)	1717	1803	
CONSOLIDATED PRUDENTIAL RATIOS			
Solvency ratio	10,97%	10,70%	
–including original own funds	9,10%	9,60%	

(*) Average personnel on open ended contracts, paid as full time equivalent on 31 December
Source: 2015 Issuer Annual Report

The results recorded in 2015 show a significant growth of income statement balances:

- Net banking income increased from EUR 549.5 million in 2014 to EUR 614.5 million in 2015. This increase is mainly driven by the financing activities served by a sustained production of new transaction on medium-long term loans and the pursuit of the activities of short term financings including financing of CICE;
- Operating expenses (personnel and operating costs and investment charges) amounted to EUR 355.1 million, up by 7% compared to 2014;
- Net risk charges amount to EUR 72.4 million in 2015. They included an allocation to collective depreciation of EUR 36.4 million and EUR 36 million in risk charges on individual transactions representing an increase of 43%, particularly due to the increasing risk of short-term financing transactions; and
- The reported group share of net income is EUR 119.2 million, an increase of EUR 20.1 million.

The Issuer's consolidated balance sheet amounts to EUR 44.6 billion on 31 December 2015 compared to EUR 40.2 billion on 31 December 2014, an increase of EUR 4.4 billion. With a growth of 11% in 2015, the consolidated balance sheet increased by EUR 10 billion in two years. The strong growth of activity continued: with a production of loans, which increased from EUR 11.4 billion in 2014 to EUR 13.1 billion in 2015, corporate loans rose by EUR 4.5 billion (+18%) whereas financial assets recorded a slow down 6.4% against 10.4% in 2014.

On 31 December 2015, the breakdown of medium and long-term funding of the Issuer's customer loans, i.e., EUR 23.2 billion of outstanding credit, is as follows:

- EUR 14.7 billion, equivalent to 64%, resources recruited in the capital markets under the EMTN program (EUR 13.2 billion) and BMTN (EUR 1.5 billion);
- EUR 5 billion, equivalent to 21% in the form of loan agreements with international financial institutions, using resources coming from the LDD deposits;
- EUR 1.4 billion, equivalent to 6% of public resources mainly from the programme for investments for the future (*Programme "Investissements d'Avenir"*) through the intermediary of EPIC Bpifrance;
- EUR 1.1 billion, equivalent to 5% of resources from the international financial institutions; and
- EUR 1 billion, equivalent to 4%, in Targeting Longer-Term Refinancing Operations (TLTROs).

The aggregate global amount of the Issuer's securities portfolio relating to the activity "Financing" for the management of the interest rate position and cash investments was EUR 6.293 million on 31 December 2015. This is mainly made up of OAT and BTAN (EUR 6.161 million, equivalent to 98%) and contains among others bonds issued by public bodies (EUR 36 million) or big European commercial banks (EUR 21 million) and covered bonds (EUR 71 million).

The total amount of financial assets backing the "Guarantee Fund" of the Issuer and Bpifrance Regions totalled an amount of EUR 4.011 billion as at 31 December 2015, a decrease of EUR 308 compared in late December 2014.

The increase in the Issuer's share capital of EUR 407 million between 31 December 2014 (EUR 2.835 million) and 31 December 2015 (EUR 3.242 million) is essentially due to the result of the financial year. For the rest, the increase is due to a share capital increase of EUR 79.9 million with a premium of EUR 218.9 conducted in June 2015 and the result of the 2015 financial year of EUR 119 million.

DESCRIPTION OF THE GUARANTOR

1. COMPANY NAME AND TRADING NAME OF THE GUARANTOR

Law no. 2015-990 of 6 August 2015, published on 7 August 2015 in the Official Journal of the French Republic has changed the trade name of the Guarantor "EPIC BPI-Group" into "EPIC Bpifrance".

2. PLACE OF REGISTRATION AND REGISTRATION NUMBER OF THE GUARANTOR

The Guarantor is registered at the Créteil Trade and Companies Register under no. 483 790 069 (APE code 8413 Z).

3. DATE OF INCEPTION OF THE GUARANTOR

The Guarantor was created pursuant to Order no. 2005-722 of 29 June 2005 relating to the creation of the public institution OSEO (now relating to the *Banque publique d'investissement*).

4. REGISTERED OFFICE, LEGAL FORM, LEGISLATION GOVERNING THE GUARANTOR'S ACTIVITIES, COUNTRY OF ORIGIN, ADDRESS AND TELEPHONE NUMBER OF THE REGISTERED OFFICE

The Guarantor is a French industrial and commercial public institution (*établissement public à caractère industriel et commercial* - "EPIC").

Its registered office is at 27-31 Avenue du Général Leclerc, 94710 Maisons-Alfort Cedex, telephone number +33 (0)1 41 79 80 00, fax number +33 (0)1 41 79 80 01.

Pursuant to Article 5 of Order no. 2005-722 of 29 June 2005, as amended by Article 61 of the banking and financial regulation Act no. 2010-1249 of 22 October 2010, and by article 8 of law no. 2012-1559 of 31 December 2012, the Guarantor is subject to the financial management and accounting rules that govern industrial and commercial companies.

Pursuant to Article 1 of Act no. 80-539 of 16 July 1980 relating to the enforcement of judgements handed down against public institutions and Decree no. 2008-479 of 20 May 2008 relating to the enforcement of Government fines, the Government (the authority responsible for supervision of the Guarantor) automatically authorises the payment of sums of money where these are due pursuant to a final court judgment and the amount has been set by decision of the court. Court procedures for the prevention of business difficulties, administration, receivership and liquidation referred to in Book VI of the French Commercial Code (*Code de Commerce*) shall not apply to the Guarantor in its capacity as an EPIC (in so far as it is a public legal entity).

5. GUARANTOR'S PRINCIPAL ACTIVITIES

Pursuant to Article 1 of Order no. 2005-722 of 29 June 2005, as amended by Article 1 of the Order no. 2013-760 of 22 August 2013, and Article 197 of Law no. 2015-990 of 6 August 2015, the Guarantor operates directly or, under the framework of conventions concluded to this end, through its subsidiaries, companies in which the Guarantor holds ownership or any company in which the State holds, directly or indirectly, at least 50% of the share capital with the object of:

- promoting and supporting innovation, especially of a technological nature, and contributing to the transfer of technologies, and
- encouraging the development and financing of small and medium enterprises.

Pursuant to Article 4 of Order no. 2005-722 of 29 June 2005, as amended by Article 8 of Regulation no. 2012-1559 of 31 December 2012, the public institution's resources consist of:

- the fees paid by its subsidiaries, companies in which it holds ownership or any company in which the State holds, directly or indirectly, at least 50% of the share capital for the services that it provides on their behalf;
- dividends and other income from the participating interests it holds in its subsidiaries or in companies in which it holds ownership;
- fees for the assignments that it carries out directly in its own name and on behalf of other parties;

- funding provided by the government and local authorities or their public institutions; and
- any other funding.

The public institution may carry out a public offering of financial securities and may issue any security representing a creditor's right.

6. ORGANISATIONAL CHART

At 31 December 2015, the Guarantor held 50% of the share capital of the limited company Bpifrance, which itself hold 90% of the Issuer's share capital, as indicated in the organisational chart in the section describing the Issuer.

7. ADMINISTRATIVE AND MANAGEMENT BODIES

The administrators' company address is 27-31, avenue du Général Leclerc, 94710 Maisons-Alfort Cedex.

As at 31 December 2015, the Guarantor's Board of Directors is comprised of the following members:

Chairman of the Board

*Pierre LEPETIT*¹¹

Administrator representatives of the French government

Benjamin GALLEZOT

Joint Chief Executive of Competitiveness, Industry and Services at the Competitiveness, Industry and Services General Directorate (General Directeur Général Adjoint de la Compétitivité, de l'Industrie et des Services à la Direction Générale des Entreprises (DGE))

François JAMET

Head of the Department of Companies, Transfer of Technology and Regional Action at the General Directorate for Research and Innovation of the Ministry of Research (Chef de Service des Entreprises, du Transfert de Technologie et de l'Action régionale à la Direction Générale pour la Recherche et l'Innovation du Ministère de la Recherche)

Arnaud JULLIAN

Assistant Director, 3rd vice-directorate at the Budget Directorate (Direction du Budget)

*Françoise LOMBARD*¹²

Joint Director of Participations at the Agency state participation

*Sébastien RASPILLER*¹³

Assistant Director "Financing the Business and Financial Market" at the Treasury General Directorate

Guests

*Alain NOURISSIER*¹⁴

Head of the Economic and Financial Control Task Force and Government Commissioner of Bpifrance

Olivier BUQUEN

Economic and Financial General Controller and Joint-Government Commissioner of Bpifrance

¹¹ Appointed by ministerial decision 30 September 2014, replacing Michel Colin and by decree of the President of the Republic on 4 December 2015.

¹² Appointed by decree dated 10 April 2015 in replacement of Juliette d'Aboville.

¹³ Appointed by decree dated 6 July 2015 to replace Delphine d'Amarzit

¹⁴ Designated by order dated 28 July 2015, replacing Jean-François Guthmann

Statutory Auditors

*Mazars, represented by Matthew BROWN and Charles de BOISRIOU
KPMG Audit FS I, represented by Marie-Christine JOLYS*

The Guarantor's statutory auditors are members of the Versailles order of chartered accountants (compagnie régionale des Commissaires aux Comptes de Versailles).

Chief Executive

Pierre LEPETIT

For the purposes of their offices, the members of the Guarantor's Board of Directors and Chief Executive are domiciled at the Guarantor's registered office.

To the best of the Guarantor's knowledge, there are no conflicts of interest between the duties of any of the members of the Board of Directors, vis-à-vis the Guarantor, and their personal interests and/or other duties.

8. FINANCIAL INFORMATION ABOUT THE GUARANTOR'S ASSETS, FINANCIAL SITUATION AND RESULTS

The group Bpifrance was formed in the following these stages:

- a contribution from the State to Bpifrance of its FSI shares (renamed Bpifrance Participations) and of shares destined for the financing activities of the group;
- a contribution from EPIC Bpifrance of its OSEO shares (renamed Bpifrance Financement);
- a contribution from the CDC to Bpifrance of its shares in the FSI, OSEO, CDCE (renamed Bpifrance Investissement) and of a collection of shares destined for the investment and financing activities of the group;
- an increase in the capital of Bpifrance reserved for the CDC of EUR 231.5 million;
- an increase in the capital of Bpifrance in equal parts between CDC and the EPIC BPI-Groupe of EUR 3,066 million;
- a contribution to Bpifrance of the shares destined for the investment activities of the group for Bpifrance Participations (ex-FSI); and
- an increase in the capital of Bpifrance Participations by a contribution in cash of EUR 2,730.8 million and a contribution in kind of EUR 323.4 million.

Additionally, the State transferred its shares in Bpifrance to the EPIC BPI-Groupe on 21 October 2013.

In this context, the scope of the consolidation of the EPIC Bpifrance (formerly Bpi-Groupe) has evolved considerably between the 31 December 2012 and the 31 December 2013. Effectively, as at 31 December 2012, the former OSEO SA, a credit institution, was fully consolidated within EPIC Bpifrance (formerly Bpi-Groupe) (the parent company), which held 62.8% of the company. As at 31 December 2013 however, EPIC Bpifrance uses the equity method to consolidate its control over EPIC Bpifrance (formerly Bpi-Groupe) the holding company which holds the operating subsidiaries of the group (Bpi Financement, Bpifrance Participations and Bpifrance Investissement).

In this way, the contributions to the consolidated accounts of EPIC Bpifrance concern:

- as at 31 December 2015, the consolidated accounts of Bpifrance by the equity method accounting and the accounts of the parent entity;
- as at 31 December 2013 and 31 December 2014, the parent company accounts and the equity method accounting of the groupe Bpifrance (the balance sheet and the income statements related to the equity method)

- as at 31 December 2012, the complete integration of the groupe OSEO SA (the balance sheet and income statements specific to banking activity)

Key figures:

RESULTS			
<i>(in € millions)</i>	2014	2015	change 2015
Equity, Group share	10.571	10.886	
Operating income	-26.5	-21.2	-20%
Proportionate share of net income from equity affiliates	540.4	332.8	-38%
Financial income and expenses	-11.1	13.8	24%
Net income	525.0	325.4	-38%
Group share of net income	525.0	325.4	-38%
Operating coefficient (1)	60%	58%	
PERSONNEL (2)	1717	1803	

(1) The operating coefficient is this of Bpifrance Financement, Issuer beneficiary of the guarantee of Epic Bpifrance.

(2) Average open-ended contracts paid as full-time equivalent on 31 December.

Source: 2015 Guarantor Annual Report and 2015 Issuer Annual Report

As at 31 December 2014, EPIC Bpifrance's balance sheet total was EUR 18 billion and off-balance sheet commitments, in the form of guarantees of the refinancing undertaken by the Issuer, stood at EUR 26.4 billion, of which EUR 5.4 billion were committed to bank financing, EUR 13 billion to bond issues and EUR 8 billion to deposit certificates (CD) and medium-term negotiable notes (BMTN).

The increase of EUR 200 million of the Guarantor's term debt between 31 December 2015 and 30 April 2016 is due to a loan set out by the French State under the Programs Investments Future; the sums received were lent back to the Issuer, in the same terms, to refinance loans granted to enterprises as part of this program.

9. RECENT EVENTS SPECIFIC TO THE GUARANTOR AND SIGNIFICANTLY AFFECTING ASSESSMENT OF ITS SOLVENCY

The Guarantor holds an Aa2 (stable outlook) rating from Moody's and an AA (stable outlook) from Fitch.

RECENT EVENTS

- 1- On 31 December 2015, the Issuer has published the following press release

**Publication of mandatory information on the capital requirements of Bpifrance Financing,
in accordance with Article 438 of Regulation (EU) No 575/2013
of the European Parliament and of the Council**

<i>(in € millions)</i>	31/12/2015
Regulatory own funds	3.535
<i>Tier 1</i>	3.172
<i>Additional capital (1)</i>	362
Risk-weighted assets*	33.049
including credit risks**	31.921
<i>balance sheet items</i>	23.217
<i>off balance sheet items (2)</i>	8.704
including operating risks***	1.079
including Credit Value Adjustment (CVA)	48
Total own funds ratio	10.70 %
CET1 capital ratio	9.60 %
Leverage ratio	5.36 %
<i>(1) including :</i>	
<i>Guarantee fund</i>	230
<i>Reserve fund</i>	132
<i>(2) including forward financial instrument</i>	
	33

Bpifrance Financement does not have trading book, the institution is not subject to prudential requirements related to market risk

*** Credit Risk calculated under the terms of the Standard approach CRR / CRD IV*

**** Operational Risk calculated under the terms of the Basic approach CRR / CRD IV*

Entities subject to prudential requirements:

Bpifrance Financement is a licenced credit institution and is subject to prudential requirements applicable to credit institutions and investment firms (CRR / CRD IV).

Bpifrance Regions is a credit institution and a subsidiary of Bpifrance Financement, which is exempt from prudential requirements on an individual basis (its status changes into *Société de Financement* in 2016).

Prudential consolidation scope Bpifrance Financing to 31/12/2015:

Entity	Consolidation method	Interest rate %	Balance sheet (EUR M)
Auxi-Finances	Global	100.00%	79.52
Compagnie Auxiliaire Bpifrance	Global	100.00%	31.16
Auxi-Conseil	Global	100.00%	3.51
FCT Proximité PME	Global	50.00%	207.37
SCI Bpifrance	Global	100.00%	30.32
Bpifrance Financement	Global	100.00%	44.005,50
Bpifrance Regions	Global	98.99%	611.32
Alsabail	Equivalence	40.69%	23.77
Gras Savoye Bpifrance	Equivalence	34.00%	1.81

At 31 December 2015, there is no difference between the scope of consolidation and the scope of prudential consolidation of Bpifrance Financement.

2- On 18 April 2016, the Issuer has published the following press release:

Coface and Bpifrance are finalising the terms of transfer of the government guarantees for export

Coface and Bpifrance today sign an agreement for the transfer to Bpifrance of the management of public guarantees carried out by Coface, following the preliminary protocol that was entered into with the French State on 29 July 2015.

Under the agreement, the state guarantees management business will be sold to Bpifrance Export Insurance, a new subsidiary created for this purpose, subject to the fulfilment of conditions precedent as applicable for this type of operation. All employees and the information system dedicated to this activity will, in this context, be transferred to Bpifrance Export Insurance.

This transfer, which comes as part of a legal system of public guarantees for export as streamlined and simplified by the Amending Finance Act of 29 December 2015, which aims to further strengthen the competitiveness of the state guarantees system in the export, which constitutes one of the pillars of the policy of supporting the development of French companies.

This agreement defines the terms of cooperation between Coface and Bpifrance to maintain complete continuity of service for all insured and exporters. Bpifrance will work, in particular, in strengthening the range of offer to SMEs and ETI, in coherence with its financing activities.

The actual transfer of the business and teams is expected by the end of 2016.

Meanwhile, Coface and Bpifrance announced they have been considering the establishment of a solid and lasting collaboration to better serve French companies in their projects, without waiting for completion of the transfer operation.

This partnership will be built on 70 years of Coface's expertise in hedging of worldwide commercial risks and enriched information system. It will thus offer additional security to Bpifrance under the financial support of French companies and a reliable and unique take on the quality of foreign buyers.

Xavier Durand, CEO of Coface Group, said: *"After running for 70 years as public guarantees in France, Coface turns an important page of its history, however, we will continue, as part of a future partnership with Bpifrance, to support French exports by providing companies the expertise gained as credit insurance leader in export with a presence in over 60 countries, our ambition is to further strengthen the support we offer to companies worldwide in their trade."*

Nicolas Dufourcq, CEO of Bpifrance, said: *"We are delighted to welcome nearly 240 employees who have extensive experience in their field and that we will integrate quickly to the heart of our mission which consist of assisting exporters. Beyond this transfer, our partnership with Coface seems promising to expand our range of innovative solutions to support French companies in their projection through the world."*

THIS DOCUMENT IS A FREE NON BINDING TRANSLATION, FOR INFORMATION PURPOSES ONLY, OF THE FRENCH LANGUAGE GARANTIE AUTONOME A PREMIERE DEMANDE INCONDITIONNELLE ET IRREVOCABLE DE L'EPIC BPIFRANCE DATED [●] (THE "GARANTIE"), A FORM OF WHICH IS INCLUDED IN THE PROSPECTUS DE BASE DATED 7 JULY 2016 WHICH RECEIVED VISA NO. 15-300 FROM THE AUTORITE DES MARCHES FINANCIERS (THE "AMF") ON 7 JULY 2016 (THE "AMF BASE PROSPECTUS"). ONLY THE AMF BASE PROSPECTUS WHICH INCLUDES THE FORM OF THE GARANTIE WAS GRANTED A VISA BY THE AMF. IN THE EVENT OF ANY AMBIGUITY OR CONFLICT BETWEEN CORRESPONDING STATEMENTS OR OTHER ITEMS CONTAINED IN THE GARANTIE AND THIS DOCUMENT, THE RELEVANT STATEMENTS OR ITEMS OF THE GARANTIE SHALL PREVAIL. FOR THE AVOIDANCE OF DOUBT, REFERENCES IN THIS DOCUMENT TO THE "BASE PROSPECTUS" OR THE "GUARANTEE" ARE RESPECTIVELY TO THE "AMF BASE PROSPECTUS" OR THE "GARANTIE" AND DO NOT INCLUDE THEIR ENGLISH TRANSLATION.

FORM OF GUARANTEE

The following is the form of guarantee to be granted by EPIC Bpifrance towards the Noteholders upon the issue of each Tranche of Notes in accordance with Condition 3. The Guarantee will be (i) available for inspection and copy, without charges, during normal business days and hours, at the registered office of the Issuer and at the specified office(s) of the Paying Agent(s) set out at the end of this Base Prospectus and (ii) when granted in respect of Notes admitted to trading on Euronext Paris or any other Regulated Market, published on the website of the Issuer (www.bpifrance.fr).

AUTONOMOUS, UNCONDITIONAL AND IRREVOCABLE FIRST DEMAND GUARANTEE OF EPIC BPIFRANCE

1. PREAMBLE

- (A) **Bpifrance Financement**, a *société anonyme*, registered with the Trade and Companies Register of Créteil under number 320 252 489, whose head office is located at 27-31 avenue du Général Leclerc, 94710 Maisons-Alfort Cedex, France (the "**Issuer**") proposes, under the programme (the "**Programme**") described in the French language base prospectus dated 7 July 2016 (which received the visa from the *Autorité des marchés financiers* (the "**AMF**") number 16-300 dated 7 July 2016) [as completed by the supplement(s) to the base prospectus dated [●] (which received the visa from the AMF number [●] dated [●]) ([together,]the "**Base Prospectus**"), to proceed to the issue of the following notes (the "**Notes**"), the conditions of which (the "**Conditions**") are set out in the Base Prospectus as supplemented by the final terms of the Notes dated [●] (the "**Final Terms**"):

[Brief description and amount of Notes]

- (B) The Notes are issued under (i) the amended and restated dealer agreement in the French language dated 5 June 2015 entered into between the Issuer, the Guarantor, HSBC France as Arranger, BNP Paribas, Crédit Agricole Corporate and Investment Bank, HSBC France and Natixis as Permanent Dealers in respect of the Programme (as amended or supplemented, the "**Dealer Agreement**") as amended and/or supplemented by, and subject to, the subscription agreement dated [●] entered into between the Issuer, the Guarantor, [●], [●] and [●] as Managers (the "**Subscription Agreement**") and (ii) the amended and restated agency agreement in the French language dated 5 June 2015 entered into between the Issuer, the Guarantor and BNP Paribas Securities Services, as a Fiscal Agent, Principal Paying Agent and Calculation Agent in respect of the Programme (as amended or supplemented, the "**Agency Agreement**" and, together with the Dealer Agreement and the Subscription Agreement, the "**Agreements**").
- (C) Unless otherwise stated, terms defined in this Guarantee (as defined below) shall have the meanings given to them in the Conditions, however, references in the Conditions to "**Notes**", "**Guarantee**" and "**Dealers**" shall be considered as references to the Notes, the Guarantee and the Managers, respectively, for the purposes of this Guarantee.

2. TERMS AND CONDITIONS OF THE GUARANTEE

Bpifrance, an *établissement public industriel et commercial*, registered in the Trade and Companies Register of Créteil under number 483 790 069, whose head office is located at 27-31 avenue du Général Leclerc, 94710 Maisons-Alfort Cedex, France (the "**Guarantor**" or "**EPIC Bpifrance**"), acting under the resolution of its Board of directors (*Conseil d'administration*) dated 18 December 2015, after having read the Conditions, and the terms and conditions of the Agreements, grants irrevocably and

unconditionally an autonomous first demand guarantee (the "**Guarantee**") to the Beneficiaries (as defined below) according to the terms and conditions defined below. Acceptance of the Guarantee by the Beneficiaries will result from the mere subscription or subsequent acquisition of the Notes [, Receipts or Coupons].

For the purposes hereof, "**Beneficiaries**" means any Noteholder [, holder of Receipts or Coupons] and their successive assignees, successors and *ayants droit*, in their capacity as beneficiaries of the Guarantee, and "**Beneficiary**" means individually, the any of them.

2.1 Guarantee

- (a) The Guarantor hereby irrevocably and unconditionally undertakes, at first demand and independently in accordance with article 2321 of the French *Code civil*, to pay to the Fiscal Agent on behalf of the Masse or to the Noteholder, in one or several times, any amount, up to a maximum amount of € [●] (the "**Limit**"), that the Representative on behalf of the Masse or the Noteholder, as the case may be, claims and corresponding to amounts, in principal, interests or accessories, due by the Issuer under any Note [, Receipts or Coupon] in accordance with the Conditions.
- (b) The Limit will be progressively reduced up to the actual amount of monies paid by the Issuer to the Fiscal Agent on behalf of the Masse or the Noteholder in accordance with the provisions of article 2.2 below.
- (c) This Guarantee is an independent and autonomous guarantee within the meaning of article 2321 of the French *Code civil*, and accordingly the Guarantor agrees to waive or assert, to the extent permitted by law, any recourse (*exception*) or objection of any nature whatsoever against Beneficiaries, including any recourse (*exception*) or objection that the Issuer might have against them. In particular, the Guarantor will not be discharged of its obligations if those of the Issuer under the Notes [, Receipts or Coupons] would be affected by invalidity or would not be likely to be enforced for any reason relating to the capacity of the Issuer or to any lack of authority or corporate authorisation or individuals supposed to have acted on its behalf.

The Guarantor waives also the *bénéfice de discussion et de division* and the *bénéfice du terme*.

- (d) Similarly, the disappearance of any legal or factual link between the Guarantor and the Issuer shall not, in any way, affect the existence, the scope or the call of this Guarantee and payment of the amounts called as a guarantee. In addition, all provisions of this Guarantee shall remain in full force and effect regardless of any changes in financial, legal or other situation of the Issuer or the Guarantor. In particular, the Guarantee shall remain in full force and effect if the Issuer applies for the appointment of a *conciliateur* or *mandataire ad hoc* (or would be the subject of such request) or enters into an amicable arrangement (*accord amiable*) with its creditors, or a judgement is rendered for the judicial liquidation (*liquidation judiciaire*) of the Issuer, or, to the extent permitted by applicable law, is subject to a safeguard procedure (*plan de sauvegarde*) or to any other similar proceedings, or enters into a *concordat* with its creditors.

2.2 Implementation

The Guarantee may be called, by written notification to the Guarantor (with a copy to the Fiscal Agent) by registered letter with acknowledgment of receipt, by the Representative acting on behalf of the Masse, by itself or at the request of any Noteholder or, in the absence of Masse, by any Noteholder.

This Guarantee may be called by the Representative on behalf of the Masse or a Noteholder, as the case may be, in one or several times.

Any amount due under the Guarantee will be payable within five (5) Business Days following receipt of the notification under the previous paragraph, by bank transfer to the Fiscal Agent on behalf of the Masse or the Noteholder, as the case may be.

2.3 Duration of Guarantee

The Guarantee will enter into force on the Issue Date and will expire one (1) year after [●]. However, the payment by the Guarantor of any amount due under the Guarantee may be made after such date should the receipt by the Guarantor of the notification referred to in article 2.2 above occur before such date.

2.4 Taxation

- (i) All payments due by the Guarantor 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.
- (ii) If French law should require that payments due by the Guarantor under the Guarantee be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Guarantor will, to the fullest extent then permitted by law, pay such additional amounts or, if applicable, the Beneficiaries, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable, in the case

a Beneficiary or a third party on its behalf, who is liable to such taxes or duties by reason of his having some connection with France other than the mere holding of the Note [, Receipt or Coupon] and the benefice of the Guarantee.

- (iii) The Guarantor shall be permitted to withhold or deduct any amounts required by the rules of U.S. Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service as a result of any Noteholder, beneficial owner or an intermediary (that is not an agent of the Issuer) not being entitled to receive payments free of FATCA Withholding. The Guarantor shall not be liable for, or otherwise obliged to pay, any FATCA withholding deducted or withheld by the Issuer, any paying agent or any other party.

2.5 Recourse against the Issuer

The Guarantor waives all claims it may have against the Issuer which would result in bringing it in competition with the Beneficiaries, so long as such Beneficiaries have not been paid of any amount due under the Notes [, Receipts or Coupons]. The Guarantor undertakes to assign priority to the payment of sums due under the Guarantee, any amounts that he could recover from the Issuer in connection with bankruptcy proceedings or otherwise.

2.6 Indemnification

Any payment under the Guarantee will be discharged only if it is made in the currency in which it shall be in accordance with the Conditions. If a payment is made in another currency, following a court decision or for any other reason, and where the beneficiary would receive an amount, after conversion of the amount received in the currency in which payment is due, lower than the one that he is entitled, the Guarantor will be required to indemnify the Beneficiary of the difference between the amount due and the amount actually received.

2.7 Rank of Guarantee

- (a) The obligations of the Guarantor under the Guarantee are direct, unconditional, unsubordinated and unsecured (subject to article 2.7 (b) below), ranks equally among themselves and (save for certain exceptions required to be preferred by French law) equally with all other present or future unsubordinated and unsecured indebtedness, obligations and guarantees of the Guarantor.
- (b) So long as the obligations of the Guarantor under the Guarantee remain outstanding, the Guarantor will not create and will not grant any charge (*gage*), mortgage (*hypothèque*), pledge (*nantissement*), privilege or other form of security interest (*sûreté réelle*) on all or part of its present or future assets or income, to guarantee an indebtedness subscribed or guaranteed by the Guarantor unless the obligations of the Guarantor under the guarantee do not benefit from an equivalent security and from the same rank.

For the purposes of the previous paragraph, "**Indebtedness**" means any present or future debt represented by bonds or other debt securities (*titres de créance*) (including negotiable debt securities) that are (or are likely to be) admitted to negotiation on a Regulated Market, provided that the term "Indebtedness" does not include any debt under loan agreements, any advance or other credit lines (*ouvertures de crédit*).

2.8 Successors of the Guarantor

If, following (i) the dissolution of the Guarantor, (ii) the sale, transfer or disposition, directly or indirectly of all or a substantial part of the assets of the Guarantor or (iii) loss of status of public institution (*établissement public*) of the Guarantor, the rights and obligations of the Guarantor are transferred to a new public institution (*établissement public*) or the French State, all the obligations of the Guarantor under the Guarantee shall be deemed transferred to this new public institution (*établissement public*) or the French State and any reference to the Guarantor in this Guarantee shall include any successor under this article.

3. MISCELLANEOUS

- (a) This Guarantee is governed by, and shall be construed in accordance with French law.
- (b) The guarantee has been prepared in the French language and in the English language but only the French version shall be regarded as binding.
- (c) Any claim against the Guarantor in connection with the Guarantee must be brought before any competent court in Paris. Nevertheless, it is specified that the assets and properties of the Guarantor are not subject to legal process (*voie d'exécution*) under private law or attachment in France.

Executed in [●] on [●], in two (2) copies, one for the Guarantor and one for the Fiscal Agent.

On behalf of EPIC Bpifrance :

By : _____
Duly authorised attorney

THIS DOCUMENT IS A FREE NON BINDING TRANSLATION, FOR INFORMATION PURPOSES ONLY, OF THE FRENCH LANGUAGE *CONDITIONS DEFINITIVES* DATED [●] (THE "*CONDITIONS DEFINITIVES*"), A FORM OF WHICH IS INCLUDED IN THE *PROSPECTUS DE BASE* DATED 7 JULY 2016 WHICH RECEIVED VISA NO. 16-300 FROM THE *AUTORITE DES MARCHES FINANCIERS* (THE "AMF") ON 7 JULY 2016 (THE "AMF BASE PROSPECTUS"). ONLY THE AMF BASE PROSPECTUS WHICH INCLUDES THE FORM OF THE *CONDITIONS DEFINITIVES* WAS GRANTED A VISA BY THE *AUTORITE DES MARCHES FINANCIERS*. IN THE EVENT OF ANY AMBIGUITY OR CONFLICT BETWEEN CORRESPONDING STATEMENTS OR OTHER ITEMS CONTAINED IN THE *CONDITIONS DEFINITIVES* AND THIS DOCUMENT, THE RELEVANT STATEMENTS OR ITEMS OF THE *CONDITIONS DEFINITIVES* SHALL PREVAIL. FOR THE AVOIDANCE OF DOUBT, REFERENCES IN THIS DOCUMENT TO THE "BASE PROSPECTUS" OR THE "FINAL TERMS" ARE RESPECTIVELY TO THE "AMF BASE PROSPECTUS" OR THE "*CONDITIONS DEFINITIVES*" AND DO NOT INCLUDE THEIR ENGLISH TRANSLATION.

FORM OF FINAL TERMS

Final Terms dated [●]



Bpifrance Financement

(société anonyme, duly licensed French établissement de crédit)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €20,000,000,000
Euro Medium Term Note Programme

**benefiting from the autonomous, unconditional and irrevocable
first demand guarantee of EPIC Bpifrance**
(établissement public à caractère industriel et commercial)

[brief description and amount of 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 conditions set forth in the base prospectus dated 7 July 2016 (that received the visa from the *Autorité des marchés financiers* (the "AMF") number 16-300 dated 7 July 2016) [as supplemented by the supplement(s) to the base prospectus dated [●] (that received the visa from the AMF number [●] dated [●])] ([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**") of 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, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Guarantee (as defined below) and the Base Prospectus. These Final Terms and the Base Prospectus are published (a) on the website of the AMF (www.amf-france.org) and (b) with the Guarantee, on the website of the Issuer (www.bpifrance.fr), and are available for viewing during normal business days and hours at the registered office of the Issuer and at the specified office(s) of the Paying Agent(s) where copies may be obtained.[In addition, these Final Terms and the Base Prospectus are available for viewing [on/at] [●].]¹⁵

"**Prospectus Directive**" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended and includes any relevant implementing measure of such directive in each relevant Member State of the European Economic Area.

[The following alternative language applies to the issue of Notes to be assimilated 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 "**Conditions**") that are the [2011/2012/2013/2014/2015] Conditions and that are incorporated by reference in the base prospectus dated 7 July 2016 (that received the visa from the *Autorité des marchés financiers* (the "AMF") number 16-300 dated 7 July 2016) [as supplemented by the supplement(s) to the base prospectus dated [●] (that received the visa from the AMF number [●] dated [●])] ([together,]the "**Base Prospectus**") which constitute[s] [together] a base prospectus for the purposes of the Prospectus Directive (as defined below).

This document constitutes the final terms (the "**Final Terms**") of the Notes to be assimilated in accordance with Condition 14 of the [2011/2012/2013/2014/2015] Conditions (the "**Notes**") and described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus (excluding the chapter "Terms and Conditions of the Notes" which is replaced by the [2011/2012/2013/2014/2015] Conditions). Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms, the [2011/2012/2013/2014/2015] Conditions, the Guarantee (as defined below) and the Base Prospectus (excluding the chapter "Terms and Conditions of the Notes"). These Final Terms and the Base Prospectus are published (a) on the website of the AMF (www.amf-france.org) and (b) with the Guarantee, on the website of the Issuer (www.bpifrance.fr), and are available for viewing during normal business days and hours at the registered office of the Issuer and at the specified office(s) of the Paying Agent(s) where copies may be obtained.[In addition, these Final Terms and the Base Prospectus are available for viewing [on/at] [●].]¹⁶

"**Prospectus Directive**" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended and includes any relevant implementing measure of such directive in each relevant Member State of the European Economic Area.

[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.]

¹⁵ If the Notes are admitted to trading on a Regulated Market other than Euronext Paris.

¹⁶ If the Notes are admitted to trading on a Regulated Market other than Euronext Paris.

1. **Issuer:** Bpifrance Financement ("**Bpifrance Financement**").
2. **Guarantor** *Etablissement public à caractère industriel et commercial Bpifrance ("EPIC Bpifrance").*
The full and punctual payment of any amount due in principal, interest and accessories under the Notes is guaranteed by an autonomous, unconditional and irrevocable first demand guarantee of EPIC Bpifrance granted on [●] to the beneficiaries named therein, published on the website of the issuer (www.bpifrance.fr) and available for inspection and copy, without charges, during normal business days and hours, at the registered office of the Issuer and at the specified office(s) of the Paying Agent(s) set out at the end of the Base Prospectus (the "**Guarantee**").
3. (i) **Series Number:** [●]
(ii) **Tranche Number:** [●]
[(iii) **Date on which the Notes become fungible (Condition 14):** [The Notes shall, upon admission to trading/issue, be fully assimilated, and form a single series, with *[insert description of the Series]* issued by the Issuer on *(insert date)* (the "**Existing Notes**") as from *(insert date)*.]
4. **Specified Currency or Currencies:** [●]
5. **Aggregate Nominal Amount of Notes:** [●]
[(i) **Series:** [●]
[(ii) **Tranche:** [●]]
6. **Issue Price:** [●] per cent. of the Aggregate Nominal Amount of the Tranche [plus accrued interest from *[insert date]* *(if applicable)*]
7. **Specified Denomination(s):** [●]
(one (1) denomination only for Dematerialised Notes) (Not less than €100,000 or its equivalent in any other currency at the Issue Date, when the Notes are admitted to trading on a Regulated Market)
8. (i) **Issue Date:** [●]
(ii) **Interest Commencement Date:** [[●] (*Specify*)/Issue Date/Not Applicable]
9. **Maturity Date:** [●] (*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*)
10. **Interest Basis:** [[●] per cent. Fixed Rate *per annum*]
[[*EURIBOR (TIBEUR in French), LIBOR, CMS Rate, TEC10¹⁷ or other*] +/- [●] per cent. Floating Rate]

¹⁷ Note that all users of the licence CNO-TEC n must first enter into a trademark license agreement available from the *Comité de Normalisation Obligatoire*.

[Zero Coupon Notes]

(further particulars specified below)

11. Redemption Basis:

[Unless previously redeemed or purchased and cancelled, the Notes will be redeemed on the Maturity Date at [100] per cent. of their Specified Denomination.]

[Instalment]

(further particulars specified below)

12. Redemption Options:

[Noteholder Put]

[Issuer Call]

[Make-Whole Redemption Option]

[Residual Call Option]

[Clean-up Call Option]

(further particulars specified below)

[Not Applicable]

13. (i) Date of the corporate authorisation for issuance of Notes:

Decision of the Board of directors of the Issuer dated [●]

(ii) Date of the corporate authorisation of the Guarantee:

Decision of the Board of directors of the Guarantor dated [●]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14 Fixed Rate Notes Provisions:

[Applicable/Applicable before the Switch Date/Applicable after the Switch Date/Not Applicable]

(If not applicable, delete the sub-paragraphs of this paragraph)

(i) Rate(s) of Interest:

[●] per cent. per annum [payable [annually / semi-annually / quarterly / monthly / other (specify)] in arrear]

(ii) Interest Payment Date(s):

[[●] in each year/ [●] and [●] in each year/ [●], [●], [●] and [●] in each year] up to and including the Final Maturity Date *(to be amended, as the case may be)*

(iii) Fixed Coupon Amount(s):

[●] per [●] in Specified Denomination

(iv) Broken Amount(s):

[[●] *(Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s) and the Interest Payment Date(s) to which they refer)*/Not Applicable]

(v) Day Count Fraction:

[Actual/365]

[Actual/365–FBF]

[Actual/Actual–ISDA]

[Actual/Actual–ICMA]

[Actual/Actual–FBF]

[Actual/365 (Fixed)]

- [Actual/360]
 [30/360]
 [360/360]
 [Bond Basis]
 [30/360–FBF]
 [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)
- 15. Floating Rate Notes Provisions:** [Applicable/Applicable before the Switch Date/Applicable after the Switch Date/Not Applicable]
(If not applicable, delete the sub-paragraphs of this paragraph)
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [[●] in each year/ [●] and [●] in each year/ [●], [●], [●] and [●] in each year] up to and including the Final Maturity Date *(to be amended, as the case may be)*
- (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: [FBF Determination/ ISDA Determination/ Screen Rate Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): [[●] *(specify)*]/Not Applicable]
- (ix) FBF Determination: [Applicable/Not Applicable]
 - Floating Rate (*Taux Variable*): [●] *(specify Benchmark [EURIBOR (TIBEUR in French), LIBOR, CMS Rate, TEC10 or other] and months [e.g. EURIBOR 3 months]) (additional information if necessary)*
(if the Rate of Interest is determined by linear

- interpolation in respect of the first and/or last long or short Interest Period, insert the relevant interest period(s) and the relevant two rates used for such determination)*
- Floating Rate Determination Date
(*Date de Détermination du Taux Variable*): [●]
 - (x) ISDA Determination: [Applicable/Not Applicable]
 - Floating Rate Option: [●]

(if the Rate of Interest is determined by linear interpolation in respect of the first and/or last long or short Interest Period, insert the relevant interest period(s) and the relevant two rates used for such determination)
 - Designated Maturity: [●]
 - Reset Date: [●]
 - Interest Determination Date(s): [●]
 - (xi) Screen Rate Determination: [Applicable/Not Applicable]
 - Benchmark: [●] (*specify Benchmark [EURIBOR (TIBEUR in French), LIBOR, CMS Rate, TEC10 or other] (additional information if necessary)*)

(if the Rate of Interest is determined by linear interpolation in respect of the first and/or last long or short Interest Period, insert the relevant interest period(s) and the relevant two rates used for such determination)
 - Reference Rate: [●]
 - Relevant Time: [●]
 - Interest Determination Date(s): [●] – [TARGET] Business Days [specify the city] for [specify the currency] prior to [●]
 - Primary Source: [Screen Page/Reference Banks]
 - Screen Page (if Primary Source for Floating Rate is "Screen Page"): [●] (*specify the relevant screen page*)
 - Reference Banks (if Primary Source for Floating Rate is "Reference Banks"): [●] (*Specify four*)
 - Relevant Financial Centre: [Euro Zone/[●]] (*specify the financial centre most closely connected to the Benchmark*)
 - Representative Amount: [●] (*Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount*)
 - Effective Date: [●] (*Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period*)
 - Specified Duration: [●] (*Specify period for quotation if not duration of Interest Accrual Period*)
 - (xii) Margin(s): [+/-] [●] per cent. per annum
 - (xiii) 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:	[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]
16. Change of Interest Basis:	[Applicable/Not Applicable] <i>(If not applicable, delete the sub-paragraphs of this paragraph)</i>
(i) Change of Interest Basis by the Issuer:	[Applicable/Not Applicable]
(ii) Automatic Change of Interest:	[Applicable/Not Applicable]
(iii) Rate of Interest applicable to the Interest Periods before the Switch Date (excluded):	Determined in accordance with [Condition 6(b), provided that the Notes are Fixed Rate Notes/Condition 6(c), provided that the Notes are Floating Rate Notes, as described in item [14/15]of these Final terms
(iv) Rate of Interest applicable to the Interest Periods after the Switch Date (included):	Determined in accordance with [Condition 6(b), so long as the Notes will be Fixed Rate Notes/Condition 6(c), so long as the Notes will be Floating Rate Notes, as described in item [14/15]of these Final terms
(v) Switch Date:	[●]
(vi) Notice period for the Issuer to inform the Noteholders:	[[●] Business Days before the Switch Date (<i>in case of an Automatic Change of Interest</i>)/Not Applicable]
17. Zero Coupon Notes Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the ub-paragraphs of this paragraph)</i>
(i) Amortisation Yield:	[●] per cent. per annum
(ii) Day Count Fraction:	[Actual/365] [Actual/365–FBF]

[Actual/Actual–ISDA]
 [Actual/Actual–ICMA]
 [Actual/Actual–FBF]
 [Actual/365 (Fixed)]
 [Actual/360]
 [30/360]
 [360/360]
 [Bond Basis]
 [30/360–FBF]
 [Actual 30A/360 (American Bond Basis)]
 [30E/360]
 [Eurobond Basis]
 [30E/360–FBF]

PROVISIONS RELATING TO REDEMPTION

- 18. Call option:** [Applicable/Not Applicable]
(If not applicable, delete the sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
 - (ii) Optional Redemption Amount(s) of each Note: [●] per Note of [●] Specified Denomination
 - (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [[●] per Note of [●] Specified Denomination/Not Applicable]
 - (b) Maximum Redemption Amount: [[●] per Note of [●] Specified Denomination/Not Applicable]
 - (iv) Option Exercise Date(s): [●]
 - (v) Notice period (if different from the notice period specified in the Terms and Conditions): [●]
- 19. Make-Whole Redemption Option:** [Applicable/Not Applicable]
(If not applicable, delete the sub-paragraphs of this paragraph)
- (i) Make-Whole Redemption Margin: [●]
 - (ii) Make Whole Reference Rate: [●] per Note of [●] Specified Denomination
 - (iii) Reference Security [●]
 - (iv) Reference Screen Rate [[●]/Not Applicable]
 - (v) Notice period (if different from the notice period specified in the Conditions): [[●]/Not Applicable]

- 20. Residual Maturity Call Option three (3) months prior the Maturity Date:** [Applicable/Not Applicable]
(If not applicable, delete the sub-paragraphs of this paragraph)
- Date from which the Residual Maturity Call Option may be exercised: [●]
- 21. Clean-up Call Option:** [Applicable/Not Applicable]
- 22. 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 Note of [●] Specified Denomination
- (iii) Option Exercise Date(s): [●]
- (iv) Notice period (if different from the notice period specified in the Terms and Conditions): [●]
- 23. Final Redemption Amount of each Note:** [●] per Note of [●] Specified Denomination
- 24. Redemption by Instalments:** [Applicable/Not Applicable]
(If Not Applicable, delete the following sub-paragraphs)
- (i) Instalment Date(s): [●]
- (ii) Instalment Amount(s) in respect of each Note: [●] by Note of [●] of Specified Denomination
- (iii) if partially redeemable:
- (a) Minimum Instalment Amount to be redeemed [●] per Note of [●] Specified Denomination/Not Applicable]
- (b) Maximum Instalment Amount to be redeemed [●] per Note of [●] Specified Denomination/Not Applicable]
- 25. Early Redemption Amount:**
 Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 7(f)) or on event of default (Condition 10) or other early redemption set out in the Terms and Conditions: [●] by Note of [●] of Specified Denomination

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 26. Form of Notes:** [Dematerialised Notes/ Materialised Notes]
(Materialised Notes are only in bearer form)
(Delete as appropriate)
- (i) Form of Dematerialised Notes: [Not Applicable/In bearer form (*Au porteur*)/ In registered form (*Au nominatif*)]
- (ii) Registration Agent: [Not Applicable/if applicable give name and

address] *(Note that a Registration Agent can be appointed in relation to Dematerialised Notes in fully registered form only)*

(iii) Temporary Global Certificate:

[Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Notes on [●] (the "**Exchange Date**"), being forty (40) calendar days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]

(v) Exclusion of the possibility to request identification information of the Noteholders as provided by Condition 1(c)(v):

[Applicable] *(If the possibility to request identification information of the Noteholders as provided by Condition 1(c)(v) is contemplated, delete this paragraph)*

27. Financial Centre(s) or other special provisions relating to payment dates for the purposes of Condition 8(g):

[Not Applicable/Give details. Note that this paragraph relates to the date and place of payment, and not interest period and dates, to which sub-paragraphs 13 (ii) and 15(ii) relate]

28. 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)*

29. Masse (Condition 12):

[Masse Code de commerce / Masse Allégée]

Initial Representative

[●] *(specify name and details)*

Alternative Representative

[●] *(specify name and details)*

Remuneration

[Applicable/Not Applicable] *(if applicable, specify the amount and the payment date)*

GENERAL

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

[●]

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms. [(*Relevant third party information*) has been extracted from (*specify source*). The Issuer and the Guarantor confirm that such information has been accurately reproduced and that, so far as the Issuer or, as the case may be, the Guarantor 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.]¹⁸

Signed on behalf of Bpifrance Financement:

By:

Duly authorised

Signed on behalf of EPIC Bpifrance

By:

Duly authorised

¹⁸ Include if third party information is provided.

PART B – OTHER INFORMATION

1. ADMISSION TO TRADING

- (i) 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 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 (*specify relevant Regulated Market*) with effect from [●].] /Not Applicable
- (Where documenting a fungible issue need to indicate that Existing Notes are already admitted to trading.)
- (ii) Estimate of total expenses related to admission to trading: [[●] [(including the AMF fees)]/Not Applicable]

2. RATINGS

- Ratings: [The Notes to be issued have been rated:
[Moody's France S.A.S.: [●]]
[Fitch France S.A.S.: [●]]
[[Other]: [●]]
[[●] / [Each of the above agencies] is a credit rating agency established in the European Union, registered under the Regulation (EC) No. 1060/2009 of the European Parliament and of 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.]
[The Notes have not been rated]

3. [NOTIFICATION

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

4. [OTHER ADVISORS

If advisors are mentioned in these Final Terms, include a declaration which specifies 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 indicated in chapter "Subscription and Sale" of the Base Prospectus, 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: per cent. *per annum*
The yield is calculated at the [Issue Date] on the basis of the [Issue Price]. It is not an indication of future yield.]

7. 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)

Name and address of the Calculation Agent designated in respect of the Notes:

8. DISTRIBUTION

Method of distribution: [Syndicated/Not syndicated]

(i) If syndicated, names of the Managers: [Not Applicable/specify names]

(ii) Stabilising Manager(s): [Not Applicable/specify names]

(iii) If non syndicated, name of the Dealer: [Not Applicable/specify names]

(iv) Additional selling restrictions: [Not Applicable/give details]

(v) U.S. selling restrictions: Reg. S Compliance Category 1; [[TEFRA C/TEFRA D/TEFRA Rules] [Applicable/Not Applicable]].

(TEFRA Rules are not applicable to Dematerialised Notes)

TAXATION

The following is an overview limited to certain tax considerations in France relating to payments made with respect to the Notes that may be issued under this 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 as applied by the tax authorities, such laws being subject to any changes or differences in their interpretation. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the 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 disposition of the Notes in light with its personal situation.

1. Withholding tax in France

The following is an overview of certain tax considerations that may be relevant to Noteholders who do not concurrently hold shares of the Issuer.

Payments of interest and other revenues made by the Issuer with respect to Notes are not subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *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 to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Notwithstanding the foregoing, the 75% withholding tax set out under Article 125 A III of the French General Tax Code will not 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 revenues to be made in a Non-Cooperative State (the "**Exception**").

Pursuant to *Bulletin Officiel des Finances Publiques-Impôts* published on 11 February 2014 (BOI-INT-DG-20-50-20140211, paragraph no. 990), an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such 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 *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 or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

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 Articles 109 *et seq.* 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% (subject to the more favorable provisions of any applicable double tax treaty).

However, neither the non-deductibility set out under article 238 A of the French General Tax Code (*Code général des impôts*) (as further specified by the official regulation published by French tax authorities on 11 February 2014 (*Bulletin Officiel des Finances Publiques-Impôts* – BOI-INT-DG-20-50-20142011, Section No. 550)), nor the withholding tax set out in article 119 *bis* 2 of the French General Tax Code (*Code général des impôts*) will apply in respect of the issue of Notes if the Issuer can prove that it can benefit from the Exception and that the relevant interest or revenues relate to genuine transactions and are not an abnormal or exaggerated

amount. Pursuant to the official guidelines published by French tax authorities on 11 February 2014 (*Bulletin Officiel des Finances Publiques – Impôts – BOI-INT-DG-20-50-20142011*, Section No. 550), an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes, if such Notes qualify to one of the three above-mentioned classifications.

2. Payments made to French resident individuals

Pursuant to articles 125 A and 125 D 9 of the French *Code général des impôts*, as amended by the 2013 finance law (*loi de finances pour 2013*, no. 2012-1509 of 29 December 2012) subject to certain limited exceptions, interest and other similar revenues received as from 1st January 2013 by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5% on interest and other similar revenues paid to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in an amended and restated dealer agreement in the French language dated 7 July 2016 between the Issuer, the Guarantor, the Arranger and the Permanent Dealers (as amended, 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 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. 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 or more Dealers.

The Issuer will pay each relevant Dealer a commission (if any) 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 update of 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 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 amended 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 issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

Each Dealer has agreed that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility for the actions of another Dealer.

European Economic Area

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes to the public in a Member State of the EEA, except that it may make an offer of such Notes to the public in that Member State of the EEA:

- (a) at any time to any legal entity which is a qualified investor as defined under the Prospectus Directive (and in respect of investors in Norway that are duly registered as a professional investor pursuant to the Norwegian Securities Trading Regulation);
- (b) at any time to fewer than 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, (a) the expression an "**offer of Notes to the public**" in any Member State of the EEA means the communication in any form and by any means of sufficient information on the terms of the offer and the 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 of the EEA by any measure implementing the Prospectus Directive in that Member State of the EEA and (b) the expression "**Prospectus Directive**" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended and includes any relevant implementing measure in each Member State of the EEA.

United States of America

The Notes and any Guarantee under the Notes have not been and will not be registered under the Securities Act and may not be offered, sold or, in respect of Materialised Notes, delivered within the United States or to, or for the account or benefit of, United States persons except in certain transactions exempt from the registration requirements of the 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. federal income tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

The Notes are being offered and sold outside the United States to non-United States persons in reliance on Regulation S. In addition, until forty (40) days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering of such Tranche of Notes) may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any person to any United States person or to any other person within the United States is unauthorised and any disclosure without prior written consent of the Issuer of any of its contents to any such United States person or other person within the United States, is prohibited.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) in relation to any Notes which have a maturity of less than one (1) year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as 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 Markets Act 2000, as amended (the "**FSMA**") by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any 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.

France

Each of the Dealers and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, 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, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) and/or (iii) a restricted circle of investors (*cercle restreint d'investisseurs*), all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French *Code monétaire et financier*.

Each of the Dealers and the Issuer have represented and agreed that the Materialised Notes will only be issued outside France.

Italy

This Base Prospectus has not been, nor will be, published in the Republic of Italy in connection with the offering of Notes and such offering of Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**Consob**") in the Republic of Italy pursuant to Legislative Decree no. 58 of 24 February 1998 as amended (the "**Financial Services Act**") and to Consob Regulation no. 11971 of 14 May 1999 as amended (the "**Issuers Regulation**") and accordingly, no Notes may be and will be offered, sold or delivered, directly or indirectly, in the Republic of Italy nor may, or will, copies of this Base Prospectus, the relevant Final Terms, or any other document relating to the Notes be distributed in the Republic of Italy, except (a) to qualified investors (*investitori qualificati*), as defined in Article 100 of the Financial Services Act and Article 34-ter, paragraph 1(b) of the Issuers Regulation; or (b) in other circumstances which are exempted from the rules on offers to the public

pursuant to, and in accordance with, the conditions set out in Article 100 of the Financial Services Act and its implementing regulations, including article 34-ter, first paragraph, of the Issuers Regulation .

Any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus, the relevant Final Terms or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must, and will, be effected in accordance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations, and, in particular will be made:

- (i) by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Consob Regulation no. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended; and
- (ii) in compliance with any other applicable laws and regulations or requirement and limitation which may be, from time to time, imposed by Consob, the Bank of Italy and/or any other Italian authority.

Any investor purchasing Notes in the offering is solely responsible for ensuring that any offer or resale of Notes it purchased in the offering occurs in compliance with applicable Italian laws and regulations. No person resident or located in the Republic of Italy other than the original addressees of this Base Prospectus may rely on this Base Prospectus, the Final Terms or any other offering material relating to the Notes.

Switzerland

Each Dealer, in its own name and on behalf of any subsidiaries involved in the first distribution of Notes, has represented and agreed that he has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in Switzerland, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in Switzerland, the Base Prospectus, the Final Terms or any other offering document relating to the Notes.

The Notes may not be offered or sold in Switzerland or from Switzerland, except in circumstances where the offer or sale of Notes do not constitute a public offer in Switzerland in accordance with Article 652a and Article 1156 of the Federal Law of Obligations ("**LO**"). This Base Prospectus, the relevant Final Terms or any other offering document relating to the Notes have not been and will not be filed with the *Autorité Fédérale de Surveillance des Marchés Financiers* and do not constitute a prospectus within the meaning of Article 652a and Article 1156 of the LO or any other Switzerland law.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (i) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

GENERAL INFORMATION

- (1) The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in France in connection with the update of the Programme and any issuances of Notes under the Programme, which was the subject of a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 17 December 2015.

Any issuance of Notes under the Programme, to the extent that such Notes constitute *obligations* under French law, requires a decision from the Board of directors (*Conseil d'administration*) of the Issuer, which may delegate its power to its *président* or to any other member of the Board of directors (*Conseil d'administration*) of the Issuer or to the *directeur général* of the Issuer or to any other person.

- (2) The Guarantor has obtained all necessary corporate and other consents, approvals and authorisations in France for the principle of the granting of the Guarantee benefiting to Noteholders of any Tranche of Notes issued under the Programme, which was the subject of resolutions of the Board of Directors (*Conseil d'administration*) of the Guarantor dated 18 December 2015.

The granting of any Guarantee to the Noteholders upon the issue of each Tranche of Notes requires a decision of the Board of Directors (*Conseil d'administration*) of the Guarantor that the *président* of the Board of Directors (*Conseil d'administration*) is entitled to perform.

- (3) Except as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of the Issuer, the Guarantor, the Issuer Group and/or the Guarantor Group since 31 December 2015.
- (4) Except as disclosed in this Base Prospectus, there has been no material adverse change in the prospects of the Issuer, the Guarantor, the Issuer Group and/or the Guarantor Group since 31 December 2015.
- (5) Neither the Issuer, the Guarantor nor any other member of the Issuer or Guarantor Group is or has been involved in a governmental, legal or arbitration proceedings (including any such proceeding which are pending or threatened of which the Issuer, the Guarantor, a member of the Issuer Group or, as the case maybe, a member of the Guarantor Group is aware), during a period covering at least the previous twelve (12) months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer, the Guarantor, the Issuer Group and/or the Guarantor Group.
- (6) Except 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 Issuer Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to Noteholders in respect of the Notes being issued.
- (7) Except as disclosed in this Base Prospectus, there are no material contracts that are not entered into the ordinary course of the Guarantor's business which could result in any member of the Guarantor Group being under an obligation or entitlement that is material to the Guarantor's ability to meet its obligation to Noteholders in respect of the Guarantee.
- (8) Application may be made for the Notes to be admitted to trading on Euronext Paris. The Notes may also be admitted to trading on any other Regulated Market in accordance with the Prospectus Directive, or on a non-regulated market, or may be unlisted on any market.
- (9) Application may be made for 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 JF Kennedy, 1855 Luxembourg, Luxembourg). The Common Code and the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.
- (10) KPMG SA, , 2 avenue Gambetta, CS 60055 - 92066 Paris La Défense, France and Mazars, 61 rue Henri Régnauld, 92075 La Défense Cedex, France have audited and rendered audit reports on the consolidated and own annual financial statements of the Issuer for the year ended 31 December 2014 and for the year ended 31 December 2015. KPMG Audit, Department of KPMG SA, and Mazars are members of the *Compagnie Nationale des Commissaires aux Comptes*.
- (11) KPMG Audit FS I, Immeuble le Palatin, 3 cours du Triangle, 92939 Paris La Défense Cedex, France and Mazars, 61 rue Henri Régnauld, 92075 La Défense Cedex, France have audited and rendered audit reports, on the consolidated and own annual financial statements of the Guarantor for the years ended 31 December 2014 and 31 December 2015. KPMG Audit FS 1 and Mazars are members of the *Compagnie Nationale des Commissaires aux Comptes*.

- (12) This Base Prospectus, any supplement (if any) to the Base Prospectus and the Final Terms of the Notes admitted to trading on a Regulated Market in accordance with the Prospectus Directive shall be (a) published on the websites (i) of the AMF (www.amf-france.org), (ii) with the guarantees granted by the Guarantor, of the Issuer (www.bpifrance.fr) and (iii), as the case may be, of any relevant competent authority and (b) with the guarantees granted by the Guarantor, available for inspection and copy, without charges, during normal business days and hours, at the registered office of the Issuer and at the specified office(s) of the Paying Agent(s).
- (13) So long as Notes issued under this Programme are outstanding, copies of the following documents will, when published, be available, without charges, during normal business days and hours, at the registered office of the Issuer and at the specified office(s) of the Paying Agent(s):
- (i) the *statuts* of the Issuer and the Guarantor;
 - (ii) the audited consolidated financial statements of the Issuer and the Guarantor in respect of the financial years ended 31 December 2014 and 2015;
 - (iii) the Final Terms for Notes admitted to trading on Euronext Paris or on any other Regulated Market;
 - (iv) the Guarantee when granted in respect of Notes admitted to trading on Euronext Paris or any other Regulated Market;
 - (v) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further base prospectus;
 - (vi) the Agency Agreement (which includes the form of the *lettre comptable*, of the Temporary Global Certificate, of the Definitive Materialised Notes, of the Coupons, of the Receipts and of the Talons); and
 - (vii) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's and/or the Guarantor's request any part of which is included or referred to in this Base Prospectus.
- (14) The Guarantor and the Programme are rated Aa2 (stable outlook) by Moody's and AA (stable outlook) by Fitch. As of the date of this Base Prospectus, both Moody's and Fitch are credit rating agencies established in the European Union, registered under 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. Notes issued under the Programme may, or may not, be rated. The rating of the Notes (if any) will be specified in the relevant Final Terms.

RESPONSIBILITY OF THE BASE PROSPECTUS

Persons responsible for the information given in the Base Prospectus

In the name of the Issuer

After having taken all reasonable measures in this regard, I hereby certify that the information contained or incorporated by reference in this Base Prospectus is, to the best of my knowledge, a true representation of the facts and contains no omission likely to affect its interpretation.

The historical financial information relating to the 2014 and 2015 consolidated and own accounts incorporated by reference in this Base Prospectus is the subject of reports by the statutory auditors. The annual report on the consolidated accounts for the year ended 31 December 2014 contains one observation on page 195 of the 2014 Issuer Annual Report.

Paris, 7 July 2016

Bpifrance Financement

27-31, avenue du Général Leclerc
94710 Maisons-Alfort Cedex
France

Represented by:

Jean-Michel Arnoult, *Directeur des Opérations Financières*

In the name of the Guarantor

After having taken all reasonable measures in this regard, I hereby certify that the information contained or incorporated by reference in this Base Prospectus is, to the best of my knowledge, a true representation of the facts and contains no omission likely to affect its interpretation.

The historical financial information relating to the 2014 and 2015 consolidated and own accounts incorporated by reference in this Base Prospectus is the subject of reports by the statutory auditors. The annual report on the consolidated accounts and the own accounts for the year ended 31 December 2014 both contain one observation (i) on the consolidated accounts on page 59 of the 2014 Guarantor Annual Report and (ii) on the own accounts on page 62 of the 2014 Guarantor Annual Report. The annual report on the consolidated accounts and the own accounts for the year ended 31 December 2015 contains one observation on page 62 of the 2015 Guarantor Annual Report.

Paris, 5 June 2015

EPIC Bpifrance

27-31, avenue du Général Leclerc
94710 Maisons-Alfort Cedex
France

Represented by:

Pascal Lagarde, *Directeur de la Direction de l'international, de la stratégie, des études et du développement*

Issuer

Bpifrance Financement
27-31, avenue du Général Leclerc
94710 Maisons-Alfort Cedex
France

Guarantor

EPIC Bpifrance
27-31, avenue du Général Leclerc
94710 Maisons-Alfort Cedex
France

Arranger

HSBC France
103, avenue des Champs Elysées
75008 Paris
France

Permanent Dealers

BNP Paribas
10 Harewood Avenue
London NW1 6AA
United Kingdom

Crédit Agricole Corporate and Investment Bank
12, place des Etats-Unis
92 547 Montrouge Cedex
France

HSBC France
103, avenue des Champs Elysées
75008 Paris
France

Natixis
30, avenue Pierre Mendès-France
75013 Paris
France

Société Générale
29, boulevard Haussmann
75009 Paris
France

Fiscal Agent, Principal Paying Agent and Calculation Agent

BNP Paribas Securities Services
(Affiliated with Euroclear France under number 29106)
Les Grands Moulins de Pantin
9, rue du Débarcadère
93500 Pantin
France

Auditors to the Issuer

KPMG SA
Immeuble Le Palatin
3, cours du Triangle
92939 Paris La Défense Cedex
France

Mazars
61, rue Henri Régault
92400 Courbevoie
France

Auditors to the Guarantor

KPMG Audit FS I
Immeuble le Palatin
3, cours du Triangle
92939 Paris La Défense Cedex
France

Mazars
61, rue Henri Régault
92400 Courbevoie
France

Legal Advisers

to the Issuer and the Guarantor

Clifford Chance Europe LLP
1, rue d'Astorg
CS 60058
75377 Paris Cedex 08
France

to the Arranger and the Permanent Dealers

CMS Bureau Francis Lefebvre
2, rue Ancelle
92522 Neuilly-sur-Seine Cedex
France