

GE SCF
(duly licensed French *société de crédit foncier*)

€ 5,000,000,000
Euro Medium Term Note Programme

Under the € 5,000,000,000 Euro Medium Term Note Programme (the "**Programme**") described in this Base Prospectus (the "**Base Prospectus**"), GE SCF (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue *obligations foncières* (the "**Notes**"), benefiting from the statutory *privilège* created by Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*), as more fully described herein.

The aggregate nominal amount of Notes outstanding will not at any time exceed € 5,000,000,000 (or its equivalent in other currencies at the date of issue).

This Base Prospectus replaces and supersedes the base prospectus dated 25 June 2012.

Application has been made to the *Commission de surveillance du secteur financier* (the "**CSSF**") for approval of this Base Prospectus in its capacity as competent authority in Luxembourg under the *loi relative aux prospectus pour valeurs mobilières* dated 10 July 2005 which implements the Directive 2003/71/EC of 4 November 2003, as amended, in Luxembourg. In accordance with the provisions of article 7 (7) of the *loi relative aux prospectus pour valeurs mobilières* dated 10 July 2005, the CSSF assumes no responsibility as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer. Application has been made to the Luxembourg Stock Exchange during a period of twelve (12) months after the date of this Base Prospectus for Notes issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of the Markets in Financial Instrument Directive 2004/39/EC of 21 April 2004 (a "**Regulated Market**"). Notes issued under the Programme may also be unlisted or listed and admitted to trading on any other market, including any other Regulated Market in any Member State of the European Economic Area ("**EEA**"). The relevant final terms (a form of which is contained herein) in respect of the issue of any Notes (the "**Final Terms**") will specify whether or not such Notes will be listed and admitted to trading on any market and, if so, the relevant market.

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

Dematerialised Notes will at all times be in book-entry form in compliance with Articles L.211-3 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*). No physical documents of title will be issued in respect of the Dematerialised Notes.

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

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a "**Temporary Global Certificate**") will initially be issued in relation to Materialised Notes. Such Temporary Global Certificate will subsequently be exchanged for definitive Materialised Notes with, where applicable, coupons for interest or talons attached (the "**Definitive Materialised Notes**"), on or after a date expected to be on or about the fortieth (40th) day after the issue date of the Notes (subject to postponement as described in "Temporary Global Certificate in respect of Materialised Notes") upon certification as to non-US beneficial ownership as more fully described herein. Temporary Global Certificates will (a) in the case of a Tranche (as defined in "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, and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer(s) (as defined below). In the case of a Tranche which is not intended to be cleared notably through Euroclear and/or Clearstream, Luxembourg, the Notes of such Tranche cannot be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange.

Notes issued under the Programme are expected to be rated AAA by Standard & Poor's Ratings Services and Aaa by Moody's Investors Service Ltd. (together, the "**Rating Agencies**"). The rating of the Notes will be specified in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency without notice.

As of the date of this Base Prospectus, each of the Rating Agencies is established in the European Union and registered under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**") and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (www.esma.europa.com) in accordance with the CRA Regulation.

This Base Prospectus and any document incorporated by reference therein are available on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.ge.com/investor-relations/fixed-income-investors).

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

ARRANGER

BNP PARIBAS

PERMANENT DEALER

BNP PARIBAS

This Base Prospectus (together with all supplements thereto from time to time), constitutes a base prospectus for the purposes of article 5.4 of the Directive 2003/71/EC of 4 November 2003, as amended (in particular by Directive 2010/73/EU dated 24 November 2010 to the extent implemented in any relevant Member State) (the "Prospectus Directive") and contains or incorporates by reference all relevant information concerning the Issuer which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, as well as the base terms and conditions of the Notes to be issued under the Programme. The terms and conditions applicable to each Tranche (as defined in "General Description of the Programme") not contained herein (including, without limitation, the aggregate nominal amount, issue price, redemption price thereof, and interest, if any, payable thereunder) will be determined by the Issuer and the relevant Dealer(s) at the time of the issue on the basis of the then prevailing market conditions and will be set out in the relevant Final Terms.

This Base Prospectus should be read and construed in conjunction with any supplement that may be published from time to time and in relation to any Tranche of Notes, should be read and construed with the relevant Final Terms.

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

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

The distribution of this Base Prospectus and the offering or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Arranger and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger 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. 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, the European Economic Area (including Belgium, Germany, France, Ireland, Italy, the Netherlands, Spain, Switzerland and the United Kingdom) and Japan.

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 may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act ("Regulation S"). The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Base Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Base Prospectus. 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.

This Base Prospectus has not been submitted to the clearance procedures of the *Autorité des marchés financiers* in France.

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

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

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

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

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

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 "\$", "USD" and "US Dollar" are to the lawful currency of the United States of America, references to "¥", "JPY" and "Yen" are to the lawful currency of Japan and references to "CHF" and "Swiss Francs" are to the lawful currency of Switzerland.

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PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE BASE PROSPECTUS

GE SCF (the "**Responsible Person**") accepts responsibility for the information contained in this document. To the best of its knowledge (having taken all reasonable care to ensure that such is the case), the information contained or incorporated by reference in this Base Prospectus and in the Final Terms for each Tranche of Notes issued under the Programme, is in accordance with the facts and contains no omission likely to affect its import.

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Duly represented by M. Thomas Schneegans

in its capacity as statutory manager (*gérant*) of the Issuer

RISK FACTORS

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme. However, the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Investors must be aware that the list of factors set out below is not intended to be exhaustive and that other risks and uncertainties which, on the date of this Base Prospectus, are not known of by the Issuer, or are considered not to be relevant, may have a significant impact on the Issuer, its activities, its financial condition and the Notes. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and make their own opinion about risk factors prior to making any investment decision. Investors should in particular conduct their own analysis and evaluation of the risks relating to the Issuer, its financial condition and the Notes.

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

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

1. RISK FACTORS RELATING TO THE ISSUER AND ITS OPERATIONS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

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

1.1 Credit risk on assets

The Issuer is dedicated to the purchase of residential home loans (i) secured by a first ranking mortgage or a real estate security providing at least an equivalent level of security or (ii) subject to certain conditions and limits, guaranteed by a credit institution or an insurance company which does not fall within the scope of consolidation as defined in Article L.233-16 of the French Commercial Code (*Code de commerce*) applicable to the Issuer. Therefore, the Issuer is exposed to the credit risk of such residential home loans.

However, in order to mitigate such credit risk, the assets of the Issuer are selected as to comply with the legal eligibility criteria contained in the legal framework relating to *sociétés de crédit foncier*:

Legal eligibility criteria

The assets of the Issuer must comply with the legal eligibility criteria applicable to residential home loans provided for in Article L.515-14 of the French Monetary and Financial Code (*Code monétaire et financier*), according to which the Issuer may only acquire residential mortgage loans if such loans are (i) secured by a first ranking mortgage over an eligible real estate or by other real estate security interests providing an equivalent security interest or (ii) within certain limits and conditions, guaranteed by a credit institution or an insurance company which does not fall within the scope of consolidation as defined in Article L.233-16 of the French Commercial Code (*Code de commerce*) applicable to the Issuer (see "Summary of the legislation and regulations relating to *sociétés de crédit foncier* – Eligible receivables").

The vast majority of these assets comes from the residential real estate financing activities of GE Money Bank. Eligibility of new assets transferred to the Issuer's balance sheet (and in particular compliance with those legal eligibility criteria) is verified at two levels (reputable law firm and specific controller of the Issuer who reports to

the *Autorité de contrôle prudentiel* (See "Summary of the legislation and regulations relating to *sociétés de crédit foncier*")).

Credit risk on assets is overseen by the Risk Department, which analyses risks applying group-wide methods. This unit produces an internal rating and sets a commitment ceiling.

In addition, according to Articles L.515-17 and R.515-7 of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer may also hold securities, instruments and deposits which are sufficiently secure and liquid, as replacement assets (*valeurs de remplacement*) which comprise exposures on credit institutions or investment firms benefiting from the highest level of credit assessment (*meilleur échelon de qualité de crédit*) assigned by an external rating agency recognised by the *Autorité de contrôle prudentiel* pursuant to Article L.511-44 of the French Monetary and Financial Code (*Code monétaire et financier*) or guaranteed by credit institutions or investment firms benefiting of the same level of credit assessment (*échelon de qualité de crédit*), or, if such securities, instruments or deposits have a maturity of less than 100 days, exposures on or guaranteed by credit institutions or investment companies of a Member State of the European Union or the European Economic Area benefiting from the second highest level of credit quality (*second meilleur échelon de qualité de crédit*) as well as debt securities issued or fully guaranteed by public sector entities as referred to in paragraphs 1 to 5 of Article L.515-15 of the French Monetary and Financial Code (*Code monétaire et financier*).

The total amount of such replacement assets shall not exceed fifteen per cent (15%) of the nominal amount of the *obligations foncières* and other resources benefiting from the *privilège* as described in the section entitled "Summary of the legislation and regulations relating to *sociétés de crédit foncier*– *Privilège* and non privileged debts".

In addition, when specific downgrading trigger events occur in respect of General Electric Capital Corporation, as support provider and in order to cover the risk of any potential principal loss on certain purchased eligible receivables, the Issuer will benefit from an undertaking from GE Money Bank, under a liquidity and cash collateral agreement, to (i) constitute a cash reserve to the benefit of the Issuer, for an amount that permits the then current ratings under the Notes to be maintained or (ii) put in place any other solution that permits the then current rating of the Notes to be maintained.

Pursuant to article 13 of Regulation n°99-10 of 9 July 1999 of the *Comité de la réglementation bancaire et financière* relating to the *sociétés de crédit foncier* and to the *sociétés de financement de l'habitat* as amended on 26 June 2001, 15 July 2002, 7 May 2007 and 23 February 2011 (the "**CRBF Regulation**"), the Issuer must send to the *Autorité de contrôle prudentiel*, no later than on June 10 of each year, information relating to the quality of its assets. This report is published within forty-five (45) days of a general meeting approving the Issuer's financial statements of the year then ended. In particular, the characteristics, details of the distribution of loans, exposures and guarantees, the total of any unpaid amounts, the distribution of debts by amount and by category of debtors, the proportion of early repayments, and the level and sensitivity of the position of rates are required to be included as part of the latter report.

In addition, according to Article L.515-17-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and Article 13 bis of the CRBF Regulation, the Issuer must publish every quarter a report containing the same information relating to the quality of its assets.

Financing limitation for privileged debts

Even if they comply with all the legal eligibility criteria set out by the French legal framework applicable to *sociétés de crédit foncier*, the eligible assets may only be financed by the issuance of French *obligations foncières* up to a maximum limit determined by the law. See "Summary of the legislation and regulations relating to *sociétés de crédit foncier* – Financing portion (*Quotité de financement*)".

Cover ratio between assets and privileged debts

According to Articles L.515-20 and R.515-7-2 of the French Monetary and Financial Code (*Code monétaire et financier*), *sociétés de crédit foncier* must at all times maintain a cover ratio of at least 102% of the total amount of their liabilities which benefit from the *privilège* by the total amount of their assets, including replacement assets. Calculation of this cover ratio is set out in the CRBF Regulation pursuant to which the ratio's

denominator (Art. 8) is comprised of *obligations foncières* and other resources benefiting from the *privilège* and the ratio's numerator (Art. 9) is made up of all the assets weighted at the relevant percentage applicable to their category. For the relevant weighting percentage applicable to the assets of the Issuer see "Summary of the legislation and regulations relating to *sociétés de crédit foncier* – Cover ratio".

Pursuant to the CRBF Regulation, the Issuer must constantly comply with the conditions of the above cover ratio. The specific controller (as described in the section entitled "Summary of the legislation and regulations relating to *sociétés de crédit foncier*") has access to information that allows confirmation of each issue's compliance with the cover ratio. This cover ratio is published twice a year and checked by the specific controller in connection with the quarterly issuance programme of the Issuer or in relation to its notes issues that are equal to or exceed Euro 500,000,000 (for more details on the cover ratio, see section entitled "Summary of the legislation and regulations relating to *sociétés de crédit foncier*").

1.2 Credit risk on bank counterparties

For the Issuer, bank counterparty risk is that of counterparties in:

- (i) hedging operations with which it has entered into ISDA or FBF master agreements that meet rating agency standards for *sociétés de crédit foncier*; and
- (ii) administrating the Issuer's accounts.

The agreements to be entered into between the Issuer and the above counterparties will comply with the specific legal requirements applicable to *sociétés de crédit foncier* and with the rating agencies public methodologies and criteria which are commensurate to the then current rating of the Notes.

1.3 Market risk

Market risk might come from a foreign exchange risk. The GE Money Bank group's management policy is to take no foreign exchange risks. Assets and liabilities originally in foreign currencies are swapped against euros when they are acquired.

1.4 Interest and currency risks

According to article 12 of the CRBF Regulation, the Issuer shall dispose of a system for measuring overall interest rate risks under the conditions set forth in article 28 of the Regulation 97-02 notwithstanding the provisions of article 29 of the same Regulation. The level of rate and maturity matching between the assets and the liabilities of the Issuer shall be verified by the specific controller.

The Issuer uses micro- and macro-interest rate swaps (the "**Hedging Agreements**") to hedge general interest rate and currency risks. The goal of the Issuer is to neutralise interest rate and currency risks as much as possible from an operating standpoint.

The Hedging Agreements will provide a hedge of any interest rate and/or currency risk arising from the mismatches between (i) the amounts of principal and interest payable by the Issuer under the Notes in the relevant Specified Currency, and (ii) the amounts in Euros (the currency in which the assets are denominated) corresponding to interest and principal received by the Issuer under the purchased assets and in particular, the Hedging Agreements will ensure that the Issuer will have in place appropriate derivative transactions to hedge the currency and/or interest rate risks arising from such assets.

For this purpose, the Issuer will enter into on or about the issue date of any Series or Tranche of Notes and upon the occurrence of certain rating downgrade events and on any other relevant date, as the case may be, provided that such rating downgrade events are continuing, (unless another action that allows to maintain the ratings assigned to the Notes is agreed with the Rating Agencies) interest and/or currency hedging agreements (as applicable) with hedging counterparties with sufficient ratings and which are commensurate with the then current rating of the Notes and on terms as per Rating Agencies' public methodologies and criteria to cover interest rate and/or currency risks arising from the mismatches between the payments received under the assets and the payments to be made under the Notes.

The replacement assets, like all the Issuer's assets, are managed so as not to incur any interest rate or currency risks.

1.5 Liquidity risk

The maturity and amortisation profile of the eligible assets will not match the repayment profile and maturities of the Notes, therefore creating a need for liquidity at the level of the Issuer.

Pursuant to Article R.515-7-1 of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer is bound to ensure adequate coverage of its liquidity needs over a one hundred and eighty (180) days period.

To that end, the Issuer benefits from the ALM management tools and instruments provided to it by the laws and regulations applicable to *sociétés de crédit foncier* in order to fund temporary liquidity needs. According to Article L.515-13 of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer may at any time sell or liquidate certain assets or raise new short-term or medium-term funds in order to comply with its payment obligations under the Notes and other resources whether or not they benefit from the *privilège* (depending on whether their agreement or document designed to inform the public (within the meaning of article L.412-1 of the French Monetary and Financial Code (*Code monétaire et financier*)) or any equivalent document required for the admission to trading on foreign regulated markets, mentions the *privilège* or not).

See section entitled "Summary of the legislation and regulations relating to *sociétés de crédit foncier*" for the full list of these tools and instruments. Some of these tools and instruments allow the Issuer to temporarily use its assets as eligible collateral with the European Central Bank in accordance with the rules of the Eurosystem.

The Issuer will also benefit from an undertaking from GE Money Bank, under a liquidity and cash collateral agreement, to advance collections on the Business Day immediately preceding any Interest Payment Date, instalment date or Maturity Date of any Series of Notes issued by the Issuer and under any hedging agreement benefiting from the *privilège*, in an amount equal to the positive difference between (a) the total amounts due (in interest and/or principal) by the Issuer under such Series of Notes and under the hedging agreements benefiting from the *privilège* on such payment date, together with any fees payable by the Issuer during the period starting on the preceding payment date (excluded) and ending on such payment date (included) and (b) the available cash standing to the credit of the Issuer bank account on such date (the "**Collection Advances**").

On the date on which General Electric Capital Corporation's unsecured, unsubordinated and unguaranteed debts obligation falls below P-1 (short-term) by Moody's Investors Service Ltd or A (long-term) and A-1 (short-term) by Standard & Poor's Ratings Services or A-1 (short-term) by Standard & Poor's Ratings Services if no long-term credit rating is assigned by Standard & Poor's Ratings Services (or, after the date hereof, any other rating levels as may be required by law and regulations and/or in compliance with the most recently public available rating criteria methodology reports published by the Rating Agencies) (a "**Support Provider Rating Downgrade Event**"), GE Money Bank undertakes to:

- (a) transfer pursuant to Article L.211-38 et seq. of the French Monetary and Financial Code (*Code monétaire et financier*) certain amounts (*gage-espèces*) into the credit of a cash collateral account as designated by the Issuer; and
- (b) maintain, on a rolling basis until a Support Provider Rating Downgrade Event has ceased to be continuing, a minimum reserve amount in such cash collateral account, as security for all (i) its present and future payment obligations towards the Issuer under the receivables servicing agreement (including, without limitation, the transfer of collections) and (ii) its payment obligations towards the Issuer to make the Collection Advances under a liquidity and cash collateral agreement.

In addition, the Issuer will benefit from a separate unconditional and irrevocable guarantee (governed by New York law) granted by General Electric Capital Corporation in order to ensure the due and punctual payment of any and all amounts required to be paid by GE Money Bank under the Collection Advances and under the pre-maturity cash collateral.

In any case, if the Issuer is not able to cover its liquidity needs with any of the tools and instruments described above, the Issuer would be allowed to subscribe for its own *obligations foncières*, within the limit of ten per cent

(10%) of the total outstanding amount (*encours total*) of the resources benefiting from the *privilège* as at the date of their subscription, for the sole purpose of pledging them (*affecter en garantie*) as collateral security in order to secure the credit transactions (*opérations de crédit*) of the Banque de France in accordance with the provisions of article L.515-32-1 of the French Monetary and Financial Code (*Code monétaire et financier*) (see "Summary of the legislation and regulations relating to *sociétés de crédit foncier*").

1.6 Commingling risk

GE Money Bank has been appointed by the Issuer pursuant to the receivables servicing agreement to carry out, on its behalf and in accordance with Article L.515-22 of the French Monetary and Financial Code (*Code monétaire et financier*), the management, the servicing, the collection and the recovery of the eligible assets transferred, from time to time, to GE SCF.

To avoid any commingling risk, the Issuer will benefit from an undertaking from GE Money Bank to transfer to the Issuer certain amounts on the date on which a Support Provider Rating Downgrade Event occurs and then on each collection payment date following such Support Provider Rating Downgrade Event (provided that such Support Provider Rating Downgrade Event is continuing) by crediting such cash collateral account as designated by the Issuer, as security for its financial obligations. Such commingling cash collateral shall be granted pursuant to Article L.211-38 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*).

In addition, the Issuer will benefit from a separate unconditional and irrevocable guarantee (governed by New York law) granted by General Electric Capital Corporation in order to ensure the due and punctual payment of any and all amounts required to be paid by GE Money Bank under the commingling cash collateral.

1.7 Operating risks involving information systems

The Issuer having no human resources, its technical administration has been subcontracted to its parent, GE Money Bank (see the section entitled "Relationship between GE SCF and GE Money Bank"). The security of GE Money Bank's information systems is managed within GE Money Bank. A security policy has been defined, including directives and operating procedures broken down by risk sector: physical security, security of system access control, security of data bases and applications and security of continued operations.

2. RISK FACTORS RELATING TO THE NOTES

The following paragraphs describe the principal risk factors that the Issuer believes are material to the Notes to be listed and admitted to trading in order to assess the market risk associated with these Notes. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus 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.

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

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement to this Base Prospectus and the relevant Final Terms;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, 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 Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; 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 bear 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.

Each prospective investor should consult its own legal, tax, accounting and/or financial advisors before investing in the Notes.

2.2 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:

Notes subject to optional redemption by the Issuer

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

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

Fixed Rate Notes

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

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.

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.

Notes issued at a substantial discount or premium

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

Potential Conflicts of Interest

The Issuer, the Arranger, the Dealers or their respective affiliates 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, the Arranger, the Dealers or these affiliates and between the interests of the Issuer, the Arranger, the Dealers or these affiliates and the interests of Noteholders.

Potential conflicts of interest may also arise between the Calculation Agent, if any, for a Tranche of Notes and the Noteholders, including with respect to certain discretionary determinations and judgements that such Calculation Agent may make pursuant to the Terms and Conditions that may influence the amount receivable upon redemption of the Notes.

Potential conflicts of interest may arise between GE Money Bank and the Issuer because GE Money Bank will act in several capacities as seller and servicer of the eligible assets of the Issuer, manager of its assets-liabilities and liquidity provider. In such cases, the interest of GE Money Bank may differ from, and compete with, the interest of the Issuer or of the Noteholders.

2.3 Risks related to Notes generally

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

Modification of the Conditions

Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse*, as defined in Condition 10, and a General Meeting can be held. The Terms and Conditions permit in certain cases defined majorities 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, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, as more fully described in Condition 10.

Change of law

The Terms and Conditions of the Notes 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.

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/or in the Final Terms 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 sections of this Base Prospectus and the additional tax sections, if any, contained in the relevant Final Terms.

The proposed financial transactions tax

The European Commission recently published a proposal for a Directive for a common financial transaction tax (the "FTT") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia. The tax would be applicable from 1 January 2014.

The proposed FTT has very broad, potentially extraterritorial scope. It would apply to financial transactions where at least one party is a financial institution, and (a) one party is established in a participating Member State or (b) the financial instrument which is subject to the transaction is issued in a participating Member State. A financial institution in the meaning of the proposal for a Directive for a FTT encompasses a wide range of entities, including certain credit institutions but also, *inter alia*, certain regulated markets, UCITS, AIF, securitisation vehicles and individuals. A financial institution may be, or be deemed to be, "established" in a Member State in a broad range of circumstances.

The Issuer is incorporated in France and therefore financial institutions worldwide would be subject to the FTT when dealing in the Notes.

In relation to many secondary market transactions in bonds and shares, the FTT would be charged at a minimum rate of 0.1% on each financial institution which is party to the transaction. The issuance and subscription of the Notes should, however, be exempt. There are no broad exemptions for financial intermediaries or market makers. Therefore, the effective cumulative rate applicable to some dealings in bonds or shares (for instance, cleared transactions) could be greatly in excess of 0.1%.

A person transacting with a financial institution which fails to account for FTT would be jointly and severally liable for that tax.

The FTT proposal remains subject to negotiation between the Member States, and may therefore be altered. Additional Member States may decide to participate. Prospective Noteholders are strongly advised to seek their own professional advice in relation to the FTT.

EU Savings Directive

On 3 June 2003, the European Union adopted the Directive 2003/48/EC regarding the taxation of savings income in the form of interest payments (the "**Savings Directive**"). The Savings Directive requires Member States as from 1 July 2005 to provide to the tax authorities of other Member States details of payments of interest and other similar income within the meaning of the Savings Directive made by a paying agent within its jurisdiction to (or under circumstances to the benefit of) an individual resident in another Member State, except that Luxembourg and Austria will instead impose a withholding system for a transitional period unless the beneficiary of interest payment elects for the exchange of information. The current rate of such withholding tax equals thirty-five per cent. (35 %) from 1 July 2011 and until the end of the transitional period.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

The European Commission has proposed certain amendments to the Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above.

Withholding Taxes - No gross-up obligation

If French law should require that any payments in respect of any Notes be subject to deduction or withholding in respect of any taxes or duties whatsoever, the Issuer will not pay any additional amounts. Therefore, the corresponding risk shall be borne by the Noteholders or, if applicable, the Receiptholders and the Couponholders.

French Insolvency Law

The Noteholders, in respect of all Tranches in any Series, will be grouped automatically for the defence of their common interests in a *Masse*, as defined in Condition 10. However, under French insolvency law as amended by ordinance No. 2008-1345 dated 18 December 2008 which came into force on 15 February 2009, related order No. 2009-160 dated 12 February 2009 and law No. 2010-1249 dated 22 October 2010 which came into force on 1 March 2011 and related decree No. 2011-236 dated 3 March 2011, holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") if a safeguard procedure (*procédure de sauvegarde*), accelerated financial safeguard procedure (*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 (such as a Euro Medium Term Note programme) and regardless of their governing law.

The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde*), accelerated financial safeguard plan (*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 (2/3) 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 the Terms and Conditions of the Notes set out in this Base Prospectus and if applicable, the relevant Final Terms, will not be applicable with respect to the Assembly to the extent they conflict with compulsory insolvency law provisions that apply in these circumstances.

Foreign Account Tax Compliance withholding may affect payments on the Notes

The U.S. "Foreign Account Tax Compliance Act" (or "**FATCA**") imposes a new reporting regime and, potentially, a thirty per cent. (30%) withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. The Issuer may be classified as a financial institution for these purposes. If an amount in respect of such withholding tax were to be deducted or withheld either from amounts due to the Issuer or from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. Prospective investors should refer to the section "Taxation – Foreign Account Tax Compliance Act."

No legal and tax advice

Each prospective investor should consult its own advisers as to legal, tax and related aspects before any investment in the Notes. A Noteholder's effective yield on the Notes may be diminished by the tax on that Noteholder of its investment in the Notes.

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs.

Implementation of Basel II and Basel III Risk-Weighted Asset Framework

In June 1999, the Basel Committee on Banking Supervision (the "**Basel Committee**") issued proposals for the reform of the 1988 Basel Capital Accord and proposed a new capital adequacy framework which would place enhanced emphasis on risk sensitivity and market discipline. On 26 June 2004, the Basel Committee published a new Capital Accord under the title "Basel II International Convergence of Capital Measurement and Capital Standards: a Revised Framework" ("**Basel II**"), an updated version of which was published in November 2005. Basel II was implemented under EU legislation by virtue of directives no. 2006/48 and no. 2006/49 (the "**Capital Requirements Directives**" as amended from time to time) both dated 14 June 2006. In France, the provisions of the Capital Requirements Directives providing for a new solvency ratio were implemented under the *arrêtés* dated 20 February 2007 and the *ordonnance* no. 2007-571 dated 19 April 2007. Please note also that the *arrêté* dated 25 August 2010 transposing the Capital Requirements Directives, which came into effect on 31 December 2010, amended the French prudential control requirements applicable to credit institutions and investment firms.

It also should be noted that on December 17, 2009, the Basel Committee has published for consultation a package of proposals for new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. On December 16, 2010 and January 13, 2011, the Basel Committee has approved significant changes to Basel II (the "**Basel III**"), including new capital and liquidity standards for credit institutions. Those measures are expected to be implemented by relevant authorities starting from January 1, 2013 with full implementation on January 1, 2019, although certain supervisory authorities have already announced their intention to require an earlier application.

In particular, the changes introduced by Basel III refer to, amongst other things:

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

The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general. Those changes were implemented on a European level through the adoption on 16 April 2013 by the European Parliament of the new Capital Requirements Directive (directive *CRD IV*) and in the relative Regulation (the *Capital Requirement Regulation*). The new Capital Requirements Directive will be implemented under French law. Those new measures will apply and are expected to be implemented by the relevant authorities as from 1 January 2014, if published in the Official Journal by 30 June 2013, otherwise from 1 July 2014 and with full implementation by 1 January 2019.

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

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

2.4 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 modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the 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 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 discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by a rating agency at any time.

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 Arranger, 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.

GENERAL DESCRIPTION OF THE PROGRAMME

This section highlights, and is subject to, information contained elsewhere in this Base Prospectus and is to be read as such. Words and expressions defined in "Terms and Conditions of the Notes" below shall have the same meanings in this general description.

Issuer: GE SCF, a *société en commandite par actions* incorporated under French law duly licensed in France as a *société de crédit foncier*.

Arranger: BNP Paribas.

Dealer: BNP Paribas.

The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to "**Permanent Dealers**" are to the person referred to above as 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 for the continuous offer of *obligations foncières* (the "**Notes**") (as described herein); under the Programme, the Issuer may, from time to time, issue Notes the principal and interest of which benefit from the *privilège* created by Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*) (for further description see "Summary of the legislation and regulations relating to *sociétés de crédit foncier*").

Programme Limit: € 5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.

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

Paying Agent: BNP Paribas Securities Services.

Luxembourg Listing Agent: BNP Paribas Securities Services, Luxembourg Branch.

Calculation Agent: BNP Paribas Securities Services unless the Final Terms provide otherwise.

Method of Issue: The Notes may be admitted to trading or not, in each case on a syndicated or non-syndicated basis.

The Notes will be issued in Series. Each Series may be issued in Tranches on the same or different issue dates. The specific terms of each Tranche (including, without limitation, the aggregate nominal amount, issue price, redemption price thereof, and interest, if any, payable thereunder) will be determined by the Issuer and the relevant Dealer(s) at the time of the issue and will be set out in the relevant Final Terms.

Maturities: Subject to compliance with all relevant laws, regulations and directives, any maturity as specified in the relevant Final Terms (the "**Maturity Date**") from

one (1) month from the date of original issue.

Currencies: Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Euro, U.S. dollars, Japanese yen, Sterling, Swiss francs and in any other currency specified in the Final Terms.

Denomination(s): Notes shall be issued in the Specified Denomination(s) set out in the relevant Final Terms, save that all Notes which are to be 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 in relation to the relevant Specified Currency.

Notes having a maturity of less than one (1) year in respect of which the issue proceeds are to be accepted in the United Kingdom will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent.

Dematerialised Notes shall be issued in one denomination only.

Status of Notes and privilege: The principal and interest of the Notes (and where applicable any Coupons and Talons) will constitute direct, unconditional and privileged obligations of the Issuer, all as described in "Terms and Conditions of the Notes - Status". The Notes are issued under Articles L.515-13 to L.515-33 of the French Monetary and Financial Code (*Code monétaire et financier*). The Notes benefit from the *privilege* defined in article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*). For further description, see sections entitled "Terms and Conditions of the Notes - *Privilege*" and "Summary of the legislation and regulations relating to *sociétés de crédit foncier*".

Negative Pledge: None.

Events of Default (including Cross Default): None.

Redemption Amount: Subject to any laws and regulations applicable from time to time, the relevant Final Terms will specify the redemption amounts payable calculated on the basis of the applicable Conditions.

Optional Redemption: The Final Terms issued in respect of each issue of Notes 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 if so the terms applicable to such redemption in accordance with the provisions of the relevant Conditions.

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

Taxation: All payments of principal and interest by or on behalf of the Issuer in respect of the Notes will 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. For a description of the French withholding tax rules, see Condition 8 "Terms and Conditions of the Notes - Taxation" and "Taxation" section.

If any law should require that such payments be subject to deduction or withholding, the Issuer will not be required to pay any additional amounts in respect of any such deduction or withholding.

Investors should carefully review the "Taxation" section of the Base Prospectus.

Fixed Rate Notes: Fixed interest will be payable in arrears 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:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by the 2007 FBF Master Agreement, as published by the *Fédération Bancaire Française*, 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, as published by the International Swaps and Derivatives Association, Inc., or
- (iii) on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service (including, EURIBOR, EONIA, LIBOR, CMS or TEC or in the event of the disappearance of the relevant rate, any reference rate which is substituted for or is the successor of the relevant reference rate),

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

Redenomination: Notes issued in the currency of any Member State of the EU which participates in the third stage (or any further stage) of European Monetary Union may be redenominated into Euro, all as more fully provided in Condition 1(d) - see "Terms and Conditions of the Notes – Redenomination".

Consolidation: Notes of one Series may be consolidated with Notes of another Series as more fully provided for in Condition 12 - see "Terms and Conditions of the Notes – Further Issues and Consolidation".

Form of Notes: Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**").

Dematerialised Notes may, at the option of the Issuer, be issued in bearer form (*au porteur*) or in registered form (*au nominatif*) and, in such latter case, at the option of the relevant holder, in either fully registered form (*au nominatif pur*) or administered registered form (*au nominatif administré*). No physical documents of title will be issued in respect of Dematerialised Notes. See Condition 1 - see "Terms and Conditions of the Notes – Form, Denomination, Title and Redenomination".

Materialised Notes will be in bearer form only. A Temporary Global Certificate

will initially be issued in respect of each Tranche of Materialised Notes. Materialised Notes may only be issued outside France.

Governing Law: French law.

Clearing Systems: Euroclear France as central depository in relation to Dematerialised Notes and, in relation to Materialised Notes, Clearstream, Luxembourg and Euroclear or, in any case, 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 before the issue date of each Tranche of Dematerialised Notes, the *Lettre comptable* relating to such Tranche shall be deposited with Euroclear France as central depository.

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

Listing and Admission to Trading: Application has been made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and/or any other Regulated Market in accordance with the Prospectus Directive or on an alternative stock exchange or market, as specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of Notes may be unlisted.

Rating: Notes issued under the Programme are expected to be rated AAA by Standard & Poor's Ratings Services and Aaa by Moody's Investors Service Ltd. (together, the "**Rating Agencies**").

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

As of the date of this Base Prospectus, each of the Rating Agencies is established in the European Union and registered under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**") and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation.

A security 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 notice. The ratings address (i) in respect of Standard & Poor's Ratings Services, the likelihood of full and timely receipt by any of the relevant Noteholders of interest on the Notes and the likelihood of receipt by any relevant Noteholder of principal of the Notes by the relevant Maturity Date specified in the relevant Final Terms and (ii) in respect of Moody's Investors Service Ltd., the expected loss posed to investors in respect of the Notes.

Selling Restrictions: There are restrictions on the offer and sale of Notes and the distribution of offering materials in various jurisdictions. See section "Subscription and Sale".

In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed in the relevant supplement to the Base Prospectus.

The Issuer is Category 2 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.

Materialised Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) or any successor regulation issued under the U.S. Internal Revenue Code of 1986 as amended (the "**Code**") section 4701(b) that contains rules identical to the rules that currently apply under Code section 163(f)(2)(B) (the "**D Rules**") unless (i) the relevant Final Terms state that such Materialised Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) or any successor regulation issued under Code section 4701(b) that contains rules identical to the rules that currently apply under Code section 163(f)(2)(B) (the "**C Rules**") or (ii) such Materialised Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

General information:

This Base Prospectus and any supplements thereto will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Final Terms related to Notes traded on any Regulated Market in accordance with the Prospectus Directive will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

For so long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the registered office of the Issuer and at the specified office of the Paying Agent(s).

Any document incorporated by reference in this Base Prospectus may be obtained, without charge upon request, at the principal office of the Issuer and the Paying Agent(s) set out at the end of this Base Prospectus during normal business hours so long as any of the Notes are outstanding. In addition, such document will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

SUPPLEMENT TO THE BASE PROSPECTUS

In connection with Notes traded on a Regulated Market in Luxembourg and/or in any other Member State of the European Economic Area, if at any time during the duration of the Programme, there is any significant new factor, material mistake or inaccuracy relating to the information included or incorporated by reference in this Base Prospectus which is capable of affecting the assessment of any Notes, the Issuer shall prepare a supplement to the Base Prospectus in accordance with Article 16 of the Prospectus Directive and Article 13 of the *loi relative aux prospectus pour valeurs mobilières* dated 10 July 2005 implementing Article 16 of the Prospectus Directive in Luxembourg, as amended from time to time, or publish a replacement Base Prospectus for use in connection with any subsequent offering of the Notes, submit such supplement to the Base Prospectus to the *Commission de Surveillance du Secteur Financier* in Luxembourg for approval and supply each Dealer, the Luxembourg Stock Exchange and the *Commission de Surveillance du Secteur Financier* in Luxembourg with such number of copies of such supplement to the Base Prospectus as may reasonably be requested.

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 CSSF and which are incorporated by reference in, and shall be deemed to form part of, this Base Prospectus:

- the *Rapport Financier Annuel GE SCF Obligations Foncières AAA/Aaa* (in French language) which contains the audited financial statements of the Issuer for the fiscal year ending 31 December 2012 and the auditors' report thereon (the "**2012 Financial Report (FR)**");
- the Annual Report GE SCF Covered Bonds AAA/Aaa (in English language) which contains an English language translation of the audited financial statements of the Issuer for the fiscal year ending 31 December 2012 and the auditors' report thereon (the "**2012 Financial Report (UK)**");
- the *Rapport Financier Annuel GE SCF Obligations Foncières AAA/Aaa* (in French language) which contains the audited financial statements of the Issuer for the fiscal year ending 31 December 2011 and the auditors' report thereon (the "**2011 Financial Report (FR)**"); and
- the Annual Report GE SCF Covered Bonds AAA/Aaa (in English language) which contains an English language translation of the audited financial statements of the Issuer for the fiscal year ending 31 December 2011 and the auditors' report thereon (the "**2011 Financial Report (UK)**");

save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Any document incorporated by reference in this Base Prospectus may be obtained, without charge upon request, at the principal office of the Issuer and the Paying Agent(s) set out at the end of this Base Prospectus during normal business hours so long as any of the Notes are outstanding. In addition, such document will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The information incorporated by reference in this Base Prospectus shall be read in connection with the cross reference list below. The information incorporated by reference that is not included in the cross-reference list, is considered as additional information, is not required by the relevant schedules of the Commission Regulation (EC) No 809/2004 of 29 April 2004 as amended and is given for information purposes only.

CROSS-REFERENCE LIST

INFORMATION INCORPORATED BY REFERENCE	REFERENCE
(Annex IX of the European Regulation 809/2004/EC, as amended)	
13. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
<u>13.1 Historical financial information</u>	
	2012 Financial Statements
- Balance sheet	- Page 16 of the 2012 Financial Report (FR) - Page 20 of the 2012 Financial Report (UK)
- Profit and loss Account	- Page 18 of the 2012 Financial Report (FR) - Page 22 of the 2012 Financial Report (UK)
- Statement of cash flows	- Page 31 of the 2012 Financial Report (FR) - Page 37 of the 2012 Financial Report (UK)
- Change in Equity	- Page 18 of the 2012 Financial Report (FR) - Page 23 of the 2012 Financial Report (UK)
- Notes	- Pages 19 to 31 of the 2012 Financial Report (FR) - Pages 29 to 37 of the 2012 Financial Report (UK)
- Auditor's report relating to the above	- Pages 47 to 51 of the 2012 Financial Report (FR) - Pages 64 to 67 of the 2012 Financial Report (UK)
	2011 Financial Statements
- Balance sheet	- Page 15 of the 2011 Financial Report (FR) - Page 15 of the 2010 Financial Report (UK)
- Profit and loss Account	- Page 16 of the 2011 Financial Report (FR) - Page 16 of the 2011 Financial Report (UK)
- Statement of cash flows	- Page 26 of the 2011 Financial Report (FR) - Page 26 of the 2011 Financial Report (UK)
- Change in Equity	- Page 16 of the 2011 Financial Report (FR) - Page 16 of the 2011 Financial Report (UK)
- Notes	- Pages 17 to 26 of the 2011 Financial Report (FR) - Pages 17 to 26 of the 2011 Financial Report (UK)
- Auditor's report relating to the above	- Pages 44 to 47 of the 2011 Financial Report (FR) - Pages 44 to 47 of the 2011 Financial Report (UK)

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion with the provisions of the relevant Final Terms, shall be applicable to the Notes. In the case of Dematerialised Notes, 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, either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed (in each case subject to simplification by the deletion of non-applicable provisions) 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 GE SCF (the "**Issuer**") in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical save as to the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (including, without limitation, the aggregate nominal amount, issue price, redemption price thereof, and interest, if any, payable thereunder) will be determined by the Issuer and the relevant Dealer(s) at the time of the issue and will be set out in the final terms of such Tranche (the "**Final Terms**") in accordance with the applicable Conditions.

The Notes are issued with the benefit of an agency agreement dated 26 June 2013 (the "**Agency Agreement**") between the Issuer, BNP Paribas Securities Services as fiscal agent, principal paying agent and calculation agent and the other agents named therein. The fiscal agent, the paying agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (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, talons (the "**Talons**") for further Coupons are referred to below as the "**Couponholders**".

1. Form, Denomination, Title and Redenomination

(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 Monetary and Financial Code (*Code monétaire et financier*) by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French Monetary and Financial Code (*Code monétaire et financier*)) will be issued in respect of the Dematerialised Notes.

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

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

- (ii) Materialised 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.

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

Materialised Notes and Dematerialised Notes may also be cleared through one or more clearing system(s) other than or in addition to Euroclear France, Euroclear and/or Clearstream Luxembourg, as may be specified in the relevant Final Terms.

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

(b) **Denomination**

Notes shall be issued in the specified denomination(s) set out in the relevant Final Terms (the "**Specified Denomination(s)**"), save that all Notes which are to be admitted to trading on a regulated market (within the meaning of Directive 2004/39/EC of the European Parliament and of the Council, each such market being a "**Regulated Market**") within the European Economic Area ("**EEA**") which require the publication of a prospectus under the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (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.

Notes having a maturity of less than one (1) year in respect of which the issue proceeds are to be accepted in the United Kingdom will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent.

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, including, where appropriate, Coupons and/or a Talon attached, shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note (as defined below), Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.
- (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 and (b) in the case of Definitive Materialised Notes, the bearer of any Definitive Materialised Note and the Coupons or Talons relating to it.

(d) **Redenomination**

- (i) The Issuer may (if so specified in the relevant Final Terms), on any date, without the consent of the holder of any Note, Coupon or Talon, by giving at least thirty (30) days' notice in accordance with Condition 13 and on or after the date on which the European Union Member State in whose national currency the Notes are denominated has become a participating Member State in the single currency of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community, as amended from time to time) or events have occurred which have substantially the same effects, redenominate all, but not some only, of the Notes of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Final Terms accordingly, as described below. The date on which such redenomination becomes effective shall be referred to in these Conditions as the "**Redenomination Date**".
- (ii) The redenomination of the Notes pursuant to Condition 1(d)(i) shall be made by converting the principal amount of each Note from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to Article 123(4) of the Treaty and rounding the resulting figure to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). If the Issuer so elects, the figure resulting from conversion of the principal amount of each Note using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the Notes so determined shall be notified to Noteholders in accordance with Condition 13. Any balance remaining from the redenomination with a denomination higher than Euro 0.01 shall be paid by way of cash adjustment rounded to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Such cash adjustment will be payable in Euro on the Redenomination Date in the manner notified to Noteholders by the Issuer.
- (iii) Upon redenomination of the Notes, any reference hereon to the relevant national currency shall be construed as a reference to Euro.
- (iv) The Issuer may, with the prior approval of the Fiscal Agent, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 12, without the consent of the holder of any Note, Coupon or Talon, make any changes or additions to these Conditions or Condition 12 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated Euromarket debt obligations and which it believes are not prejudicial to the interests of such holders. Any such changes or additions shall, in the absence of manifest error, be binding on the holders of Notes, Coupons and Talons and shall be notified to Noteholders in accordance with Condition 13 as soon as practicable thereafter.
- (v) Neither the Issuer nor any Paying Agent shall be liable to the holder of any Note, Coupon or Talon or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith.

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 Monetary and Financial Code (*Code monétaire et financier*). Any such conversion shall be effected at the cost of such holder.

(b) **Materialised Notes**

Materialised Notes of one Specified Denomination may not be exchanged for Materialised Notes of another Specified Denomination (as defined in the relevant Final Terms).

3. Status

The principal and interest of the Notes and, where applicable, any Coupons and Talons relating to them constitute direct, unconditional and, pursuant to the provisions of Condition 4, privileged obligations of the Issuer and will rank *pari passu* and without any preference among themselves and equally and rateably with all other present or future notes (including the Notes of all other Series) and other resources raised by the Issuer benefiting from the *privilège* (the "**Privilège**") created by Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*) as described in Condition 4.

4. Privilège

- (a) The principal and interest of the Notes benefit from the *Privilège* (priority right of payment) created by Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*).
- (b) Accordingly, notwithstanding any legal provisions to the contrary (including *Livre VI* of the French Commercial Code (*Code de Commerce*), pursuant to Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*):
 - (i) all amounts payable to the Issuer in respect of loans or assimilated receivables, exposures and securities referred to in Articles L.515-14 to L.515-17 of the French Monetary and Financial Code (*Code monétaire et financier*) and forward financial instruments referred to in Article L.515-18 of the French Monetary and Financial Code (*Code monétaire et financier*) (in each case after any applicable set-off), together with the claims in respect of deposits made by the Issuer with credit institutions, are allocated in priority to the payment of *obligations foncières* such as the Notes and any other resources raised by the Issuer and benefiting from the *Privilège* as mentioned in paragraph 2 of I of Article L.515-13 of the French Monetary and Financial Code (*Code monétaire et financier*);
 - (ii) in the event of conciliation (*conciliation*), safeguard (*sauvegarde*), judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) of the Issuer, all amounts due regularly under *obligations foncières* such as the Notes and any other resources benefiting from the *Privilège* as mentioned in paragraph 2 of I of Article L.515-13 of the French Monetary and Financial Code (*Code monétaire et financier*), are paid on their contractual due date, and in priority to all other debts, whether or not preferred or secured, including interest resulting from agreements whatever their duration. Accordingly, until all creditors (including the Noteholders) benefiting from the *Privilège* have been fully paid, no other creditor of the Issuer may exercise any right over the assets and rights of the Issuer; and
 - (iii) the judicial liquidation of the Issuer will not result in the acceleration of *obligations foncières* such as the Notes.

5. Interest and other Calculations

(a) Definitions

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

"Benchmark" means the reference rate as set out in the relevant Final Terms which shall either the Euro Interbank Offered Rate (the **"EURIBOR"**), the Euro OverNight Index Average (the **"EONIA"**), the London Interbank Offered Rate (the **"LIBOR"**), the mid-market annual swap rate for a euro denominated interest swap transaction (the **"EUR-CMS"**) and the *Taux à l'Echéance Constante* (the **"TEC"**) (or, in the event of the disappearance of the relevant rate, any reference rate which is substituted for or is the successor of the relevant reference rate).

"Business Day" means:

- (i) in the case of Euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer or any successor thereto (the **"TARGET 2 System"**) is operating (a **"TARGET 2 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 interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the **"Calculation Period"**):

- (i) if **"Actual/Actual"**, **"Actual/Actual-ISDA"**, **"Act/Act"**, **"Act/Act-ISDA"** or **"Actual/365-FBF"** 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-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;
- (iii) if **"Actual/Actual-ICMA"** or **"Act/Act-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;

- (iv) if **"Actual/365 (Fixed)"**, **"Act/365 (Fixed)"**, **"A/365 (Fixed)"** or **"A/365 F"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (v) if **"Actual/360"**, **"Act/360"** or **"A/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 calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

if the last day of the Calculation Period is the last day of the month of February, the number of days elapsed during such month shall be the actual number of days,

where:

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

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

the fraction is:

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

- (x) if "**30^E/360-ISDA**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

where:

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

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

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

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

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

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

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

"FBF Definitions" means the definitions set out in the 2007 FBF Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules (*Additifs Techniques*) as published by the *Fédération Bancaire Française* (together the **"FBF Master Agreement"**).

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

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

"Interest Commencement Date" means the Issue Date (as defined in the relevant Final Terms) 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 2 Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two (2) Business Days in the city specified in the Final Terms for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro.

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

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

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

"ISDA Definitions" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.

"Page" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 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.

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

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

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

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

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

"**Specified Duration**" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(c)(ii).

(b) **Interest on Fixed Rate Notes**

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

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

(c) **Interest on Floating Rate Notes**

(i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the 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 that Business Day Convention.

(iii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms 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 relevant 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**", "**Floating Rate Determination Date**" and "**Transaction**" are translations of the French terms "*Taux Variable*", "*Agent*", "*Date de Détermination du Taux Variable*" and "*Transaction*", respectively, which have the meanings given to those terms in the FBF Definitions.

(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 or such other date as 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.

(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 Page, subject as provided below, the Rate of Interest shall be:

- (i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity) or
- (ii) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

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

- (b) if the Primary Source for the Floating Rate is Reference Banks or if subparagraph (a)(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if subparagraph (a)(ii) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent, plus or minus (as indicated in the relevant Final Terms) the Margin (if any); and
- (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 of 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 the Specified Currency or, if the Specified Currency is Euro, in the Euro-zone as selected by the Calculation Agent (the "**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two 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).

(d) **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 5 to the Relevant Date.

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

- (a) If any Margin 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 5(c) above by adding (if a positive number) or

subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.

- (b) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (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 figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(f) **Calculations**

The amount of interest payable in respect of any 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.

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

The Calculation Agent, as soon as practicable on such date 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 (as defined in the relevant Final Terms) of the Notes for the relevant Interest Accrual Period, shall calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, 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 5(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

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

The Issuer shall procure that there shall at all times be four 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, 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 or Luxembourg office, as appropriate, 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 rules of, or applicable to, that Regulated Market so require, notice of any change of Calculation Agent shall be given in accordance with Condition 13.

6. Redemption, Purchase and Options

(a) Final Redemption

Unless previously redeemed, 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 is its nominal amount).

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

If a redemption at the option of the Issuer (the "**Call Option**") is specified in the relevant Final Terms, the Issuer may, subject to compliance by the Issuer to any relevant laws, regulations and directives and on giving not less than fifteen (15) nor more than thirty (30) days' irrevocable notice in accordance with Condition 13 to the Noteholders redeem in relation to all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption, if any. Any such redemption must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed as specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed as specified in the relevant Final Terms.

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

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, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and Regulated Market requirements.

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

So long as the Notes are 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 (i) as long as such Notes are admitted to trading on the Regulated Market

of the Luxembourg Stock Exchange and the rules of such Stock Exchange so permit, on the website of the Luxembourg Stock Exchange (www.bourse.lu) or (ii) in a leading newspaper with general circulation in the city where the Regulated Market on which such Notes are admitted to trading is located, which in the case of the Regulated Market of the Luxembourg Stock Exchange is expected to be the *Luxemburger Wort*, 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.

(c) **Early Redemption Amount and Optional Redemption Amount**

(i) The Early Redemption Amount payable in respect of any Note, upon redemption of such Note pursuant to Condition 6(e) shall be the Final Redemption Amount together with interest accrued to the date fixed for redemption.

(ii) The Optional Redemption Amount payable in respect of any Note, upon redemption of such Note pursuant to Condition 6(b) will be determined by the Calculation Agent on the following basis:

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

Where:

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

(d) **No Redemption for Taxation Reasons**

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

(e) **Illegality**

If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, 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) days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 13, 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.

(f) **Purchases**

The Issuer may at any time purchase Notes (provided that, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise (including by tender offer) at any price, subject to the applicable laws and/or regulations.

Notes so purchased by the Issuer may be held and resold in accordance with applicable laws and/or regulations for the purpose of enhancing the liquidity of the Notes, or cancelled in accordance with Condition 6 (h) below.

(g) **Subscription by the Issuer of Notes as collateral with the Banque de France**

Pursuant to Article L.515-32-1 of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer as *société de crédit foncier* may subscribe to its own Notes for the sole purpose of granting them as collateral with the *Banque de France* in accordance with the rules of the Eurosystem, provided that the Issuer's liquidity needs cannot be funded otherwise. Such recognition as eligible collateral will depend upon satisfaction of the Eurosystem eligibility criteria as specified by

the European Central Bank. The Notes thus subscribed by the Issuer must meet the following conditions:

- their outstanding principal amount does not exceed ten per cent. (10%) of the outstanding principal amount of any liabilities of the Issuer benefiting from the *Privilège* on the date of their subscription;
- they are deprived of the rights provided for under Articles L.228-46 to L.228-89 of the French Commercial Code (*Code de commerce*) for so long as they are held by the Issuer;
- they are granted as collateral to the *Banque de France* within an 8-day period starting from their settlement date (otherwise, they shall be cancelled by the Issuer at the end of such 8-day period); and
- they cannot be subscribed by a third party.

In any case, the Notes subscribed by the Issuer shall be cancelled within an 8-day period starting from the date they are no more granted as collateral with the *Banque de France*.

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

(h) **Cancellation**

All Notes purchased or subscribed by the Issuer for cancellation pursuant to Condition 6(f) above or which are to be cancelled pursuant to Condition 6(g) above 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 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 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.

7. Payments and Talons

(a) **Dematerialised Notes**

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

(b) **Definitive Materialised Notes**

(i) *Method of payment*

Subject as provided below, payments in a Specified Currency will be made by credit or transfer to an account denominated in the relevant Specified Currency, or to which the Specified Currency may be credited or transferred (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal

financial centre of the country of such Specified Currency (which, if the Specified Currency is euro, shall be any country in the Euro-zone).

(ii) *Presentation and surrender of Definitive Materialised Notes 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)).

Fixed Rate Notes in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten (10) years after the Relevant Date in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five (5) years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its 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 Tax Laws**

All payments are subject in all cases to (i) any applicable tax or other laws, regulations and directives but without prejudice to Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the

"Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) **Appointment of Agents**

The Fiscal Agent, the Paying Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed at the end of the Base Prospectus relating to the Programme of the Notes of the Issuer. The Fiscal Agent, the Paying Agents and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case such, do not assume any obligation or relationship of agency for any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, 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 Agents having specified offices in at least two major European cities and ensuring the financial services of the Notes in Luxembourg so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and, so long as the Notes are admitted to trading on any other Regulated Market, in such other city where the Notes are admitted to trading, (iv) in the case of Materialised Notes, a Paying Agent having its specified office in a Member State of the EU that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other EU Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to, such Directive (which may be any of the Paying Agents referred to in (iii) above), (v) in the case of Dematerialised Notes in fully registered form, a Registration Agent and (vi) such other agents as may be required by the rules of any other Regulated Market on which the Notes may be 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 Noteholders in accordance with Condition 13.

(f) **Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(g) **Business Days for Payment**

If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day (the "**Adjusted Payment Date**"), nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) on which banks and foreign exchange markets are open for business in such jurisdictions as shall be specified as "**Financial Centre(s)**" in the relevant Final Terms and (C) (i) in the case of a payment in a currency other than Euro, where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) in the case of a payment in Euro, which is a TARGET 2 Business Day.

(h) **Bank**

For the purpose of this Condition 7, "**Bank**" means a bank in the principal financial centre of the relevant currency or, in the case of Euro, in a city in which banks have access to the TARGET 2 System.

8. Taxation

(a) **French 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 is required by law.

(b) **No Additional Amounts**

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

9. Prescription

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

10. Representation of Noteholders

- (a) If the relevant Final Terms specify "Full *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* (in each case, the "**Masse**") and the provisions of the French Commercial Code (*Code de commerce*) relating to the *Masse* shall apply in accordance with the provisions of this Condition 10(a) below.

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

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

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

- (b) If the relevant Final Terms shall 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 subject to the provisions of this Condition 10(b) below.

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

(i) Legal Personality

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

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

(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:

1. 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 *gérants*, its statutory auditors, its employees and their ascendants, descendants and spouse; or
2. 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*), *gérants*, their statutory auditors, employees and their ascendants, descendants and spouse; or

3. companies holding ten per cent. (10%) or more of the share capital of the Issuer or companies having ten per cent. (10%) or more of their share capital held by the Issuer; or
4. 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 or revocation of appointment of the Representative, such Representative will be replaced by the alternate Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate 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 offices of any of the Paying Agents.

(iii) Powers of Representative

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

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative; except that, should safeguard procedure (*procédure de sauvegarde*), judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) proceedings be commenced against the Issuer, the specific controller would file the proof of debt of all creditors (including the Noteholders) of the Issuer benefiting from the *Privilège*.

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

(iv) 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 13.

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

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

(v) Powers of the General Meetings

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the 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 (2/3) majority of votes cast by Noteholders attending such General Meetings or represented thereat.

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

(vi) Information to Noteholders

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

(vii) 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.

(viii) Single Masse

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

- (c) Whether the relevant Final Terms specify "Full Masse" or "Contractual Masse", if and for so long as the Notes of any Series are held by a sole Noteholder, such sole Noteholder shall exercise all the powers, rights and obligations entrusted with the Representative and the General Meeting by the provisions of Condition 10(a) or 10(b) above, as appropriate. Such sole Noteholder shall hold a register of the decisions it will have taken in this capacity and shall make them available, upon request, to any subsequent holder of all or part of the Notes of such Series. For the avoidance of doubt, in this case, the Representative and the General Meeting shall not exercise such powers, rights and obligations until the Notes of any such Series are held by more than one Noteholder.

For the avoidance of doubt, in this Condition 10, the expression "outstanding" shall not include the Notes held by the Issuer and not cancelled (as per Condition 6(f)).

11. Replacement of Definitive Materialised Notes, Coupons and Talons

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

12. Further Issues and Consolidation

(a) Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes to be assimilated (*assimilables* for the purpose of French Law) with the Notes provided such Notes and the further notes carry rights identical in all respects (or identical in all respects save for the principal amount thereof and the first payment of interest) and that the terms of such notes provide for such assimilation, and references in these Conditions to "Notes" shall be construed accordingly.

(b) Consolidation

The Issuer, with the prior approval of the Fiscal Agent (which shall not be unreasonably withheld), may from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than thirty (30) days' prior notice to the Noteholders in accordance with Condition 13, without the consent of the Noteholders or Couponholders, consolidate the Notes of one Series denominated in Euro with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other Notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

13. Notices

(a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or (ii) they are published in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*); provided that, so long as such Notes are admitted to trading on any Regulated Market(s) and the rules applicable to such Regulated Market so require, notices shall be valid if published in a leading daily newspaper with general circulation in the city/ies where the Regulated Market(s) on which such Notes is/are admitted to trading is located, which in the case of the Regulated Market of the Luxembourg Stock Exchange is expected to be the *Luxemburger Wort*, or (iii) so long as such Notes are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, they are published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

(b) Notices to the holders of Materialised Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if published in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) or (i) so long as such Notes are admitted to trading on any Regulated Market(s) and the applicable rules of that Regulated Market so require, in a leading daily newspaper with general circulation in the city/ies where the Regulated Market(s) on which such Notes is/are admitted to trading is located, which in the case of the Regulated Market of the Luxembourg Stock Exchange is expected to be the *Luxemburger Wort*, or (ii) so long as such Notes are admitted to

trading on the Regulated Market of the Luxembourg Stock Exchange, they are published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

- (c) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) (*au nominatif or au porteur*) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as required by Conditions 13(a), (b) and (d); provided that (i) so long as such Notes are admitted to trading on any Regulated Market(s) and the 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 the Regulated Market(s) on which such Notes are admitted to trading is located, which in the case of the Regulated Market of the Luxembourg Stock Exchange is expected to be the *Luxemburger Wort*, or (ii) so long as such Notes are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, notices shall also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). Notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 10 shall also be published in a leading newspaper with general circulation in Europe.
- (d) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe provided that, so long as such Notes are admitted to trading on any Regulated Market, notice shall be published as otherwise required by the rules applicable to that Regulated Market, as the case may be. 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.

14. Governing Law and Jurisdiction

(a) Governing Law

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

(b) Jurisdiction

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

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 with Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Upon the delivery of such Temporary Global Certificate with a Common Depository, Euroclear and Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depository may also credit with a nominal amount of Notes the accounts of subscribers 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 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) or any successor regulation issued under the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") section 4701(b) of the Code containing rules similar to those applying under section 163(f)(2)(B) of the Code as to non-U.S. beneficial ownership for Definitive Materialised Notes.

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

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 in respect of interest that have not already been paid in respect of the Temporary Global Certificate and a Talon). Definitive Materialised Notes will be securely printed in accordance with any applicable legal and stock exchange requirement.

Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Certificate in respect of any Materialised Notes, the day falling after the expiry of forty (40) days after its issue date, provided that in the event any further Materialised Notes which are to be assimilated with such first mentioned Materialised Notes are issued prior to such day pursuant to Condition 12(a), the Exchange Date may, at the option of the Issuer, be postponed to the day falling after the expiry of forty (40) days after the issue date of such further Materialised Notes.

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

ANY UNITED STATES PERSON 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.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used for financing the assets referred to in Article L.515-13.I-1 of the French Monetary and Financial Code (*Code monétaire et financier*).

OVERVIEW OF THE LEGISLATION AND REGULATIONS RELATING TO *SOCIÉTÉS DE CRÉDIT FONCIER*

Legal framework

The legal and regulatory regime applicable to *sociétés de crédit foncier* results from the following provisions:

- Articles L.515-13 to L.515-33 of the French Monetary and Financial Code (*Code monétaire et financier*) (as amended from time to time, lately by the law No. 2010-1249 of 22 October 2010);
- Articles R.515-2 to R.515-14 of the French Monetary and Financial Code (*Code monétaire et financier*);
- regulation No. 99-10 dated 9 July 1999 issued by the Banking and Financial Regulatory Committee (*Comité de la Réglementation Bancaire et Financière*) (the "**CRBF**") (as amended from time to time, lately by the *arrêté* of 23 February 2011);
- various regulations (*instructions*) relating to *sociétés de crédit foncier* issued by the *Autorité de contrôle prudentiel*.

Entities entitled to issue Obligations Foncières

Sociétés de crédit foncier are credit institutions (*établissements de crédit*) licensed as financial company (*société financière*) and authorised to act as *sociétés de crédit foncier* by the *Autorité de contrôle prudentiel*.

The exclusive legal purpose of *sociétés de crédit foncier* is to grant or finance guaranteed loans or public exposures and hold securities and instruments under the conditions set out in the French Monetary and Financial Code (*Code monétaire et financier*).

Eligible assets

In accordance with the French current legal framework applicable to *sociétés de crédit foncier* on the date hereof, the eligible assets to a *société de crédit foncier* may only be:

- (i) secured loans which, in accordance with Article L.515-14 of the French Monetary and Financial Code (*Code monétaire et financier*), include loans which are secured by a first-ranking mortgage over an eligible real estate or by other real estate security interests that are equivalent to a first-ranking mortgage or loans that are guaranteed by a credit institution or an insurance company that does not belong to the same group as the relevant *société de crédit foncier*. The property must be located in France or in any other Member State of the European Union ("**EC**") or European Economic Area ("**EEA**") or in a state benefiting from the highest level of credit quality (*meilleur échelon de qualité de crédit*) given by a rating agency recognised by the *Autorité de contrôle prudentiel* as provided in Article L.511-44 of the French Monetary and Financial Code (*Code monétaire et financier*);
- (ii) exposures to public entities which, in accordance with Article L.515-15 of the French Monetary and Financial Code (*Code monétaire et financier*), include exposures to public entities such as states, central banks, local authorities or state-owned entities located within the EEA, in an EU Member State, in the United States of America, Switzerland, Japan, Canada, Australia or New Zealand, or if not located in those jurisdictions, such public entities which must comply with specific conditions and limits and level of credit quality given by a rating agency recognised by the *Autorité de contrôle prudentiel* as provided in Article L.511-44 of the French Monetary and Financial Code (*Code monétaire et financier*);
- (iii) units or notes (other than subordinated units or subordinated notes) issued by French *organismes de titrisation*, which are French securitisation vehicles, or other similar vehicles governed by the laws of

a Member State of the EU or EEA, the United States of America, Switzerland, Japan, Canada, Australia or New Zealand, the assets of which shall comprise at least 90% of secured loans or exposures to public entities complying with the criteria defined in Articles L.515-14 and L.515-15 of the French Monetary and Financial Code (*Code monétaire et financier*) or other assets benefiting from the same level of guarantees; such units or notes must benefit from the highest level of credit quality (*meilleur échelon de qualité de crédit*) assigned by an external rating agency recognised by the *Autorité de contrôle prudentiel* pursuant to Article L.511-44 of the French Monetary and Financial Code (*Code monétaire et financier*); and are only eligible within a limit of 10% of the nominal amount of the *obligations foncières* (i.e. the Notes) and other liabilities benefiting from the *privilège*, except (until 31 December 2013) if (i) loans composing the assets of the vehicle were transferred by an entity belonging to the same group or affiliated group of the Issuer and (ii) the subordinated notes or subordinated units of the vehicle are kept by such an entity; and

- (iv) mortgage promissory notes (*billets à ordre hypothécaires*) governed by Articles L.313-42 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*), under the limits set out in Article L.515-16-1 of the French Monetary and Financial Code (*Code monétaire et financier*).

With respect to the Issuer however, given its business activity, the sole eligible assets of the Issuer are the secured loans within the meaning of Article L.515-14 of the French Monetary and Financial Code (*Code monétaire et financier*) referred to in paragraph (i) above.

Like any *société de crédit foncier*, the Issuer is not allowed to make any other investments, except investments in assets which are sufficiently secure and liquid to be held as so-called replacement values (*valeurs de remplacement*), as defined in Article R.515-7 of the French Monetary and Financial Code (*Code monétaire et financier*).

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

Liquidity coverage

Pursuant to article R.515-7-1 of the French Monetary and Financial Code (*Code monétaire et financier*), *sociétés de crédit foncier* must ensure at any time adequate coverage of their liquidity needs for a 180 days period, taking into account expected flows in principal and interests under their assets and net flows relating to forward financial instruments set forth in article L.515-18 of the French Monetary and Financial Code (*Code monétaire et financier*).

The needs in cash are covered with replacement assets (*valeurs de remplacement*) complying with the provisions of article R.515-7 of the French Monetary and Financial Code (*Code monétaire et financier*), assets which are eligible for the credit operations of the Banque de France in accordance with the procedures and conditions set forth by the latter in the context of its monetary policy and intraday credit operations, and by refinancing agreements entered into with credit institutions benefiting from the highest level of short term credit assessment (*meilleur échelon de qualité de crédit*) assigned by an external rating agency recognised by the *Autorité de contrôle prudentiel* pursuant to article L.511-44 of the French Monetary and Financial Code (*Code monétaire et financier*) or guaranteed by other corporates benefiting from the same level of credit assessment (*échelon de qualité de crédit*).

In accordance with, and pursuant to, the provisions of article L.515-32-1 of the French Monetary and Financial Code (*Code monétaire et financier*), a *société de crédit foncier* may also, by derogation to the provisions of articles 1300 of the French Code civil (*Code civil*) and L. 228-44 to L. 228-74 of the French Commercial Code (*Code de Commerce*), subscribe for its own *obligations foncières*, for the sole purpose of pledging them as collateral security (*affecter en garantie*) in order to secure the credit transactions (*opérations de crédit*) of the Banque de France in accordance with the terms and conditions determined by the Banque de France for its monetary and intraday credit policy, if the *société de crédit foncier* is not able to cover its cash needs with the other means available to it, provided that:

- (a) the total amount of the *obligations foncières* subscribed by the Issuer does not exceed ten per cent. (10%) of the total outstanding amount (*encours total*) of the resources benefiting from the *privilège* as at the date of their subscription;

- (b) such *obligations foncières* are disentitled of their rights under articles L.228-46 to L.228-89 of the French Commercial Code (*Code de Commerce*) as long as the *société de crédit foncier* holds them;
- (c) such *obligations foncières* are pledged for the benefit of the Banque de France within an 8-day period starting from the date on which they are paid and delivered (otherwise, such Notes shall be cancelled by the *société de crédit foncier* at the end of such 8-day period); and
- (d) they can not be subscribed by third parties.

In any case, the *obligations foncières* subscribed by the *société de crédit foncier* in accordance with, and pursuant to, the provisions of article L.515-32-1 of the French Monetary and Financial Code (*Code monétaire et financier*), shall be cancelled within an 8-day period starting from the date on which they cease to be pledged for the benefit of the Banque de France.

Financing portion (*quotité de financement*)

Sociétés de crédit foncier may only finance the eligible assets being secured loans within the meaning of Article L.515-14 of the French Monetary and Financial Code (*Code monétaire et financier*) through issuance of *obligations foncières* (and other resources benefiting from the *privilège*) up to the lower of the following amounts:

- the principal outstanding amount of the secured loan;
- the product of (i) the value of the charged or financed property and (ii) the applicable "financing portion" (*quotité de financement*) referred to in Article R.515-2 of the French Monetary and Financial Code (*Code monétaire et financier*).

In accordance with Article R.515-2 of the French Monetary and Financial Code (*Code monétaire et financier*), such financing portion (*quotité de financement*) is determined as following:

- 60% of the value of the financed property for guaranteed loans (*prêts cautionnés*) or of the charged property for mortgage-backed loans (*prêts hypothécaires*);
- 80% of the value of the property for secured loans appearing among the assets of the *société de crédit foncier* which have been granted to individuals in order to finance the construction or the acquisition of housing or to finance both the acquisition of land for construction and the cost of works for the construction of housing;
- 100% of the value of the charged property for loans benefiting from the guarantee of the *Fonds de Garantie de l'Accession Sociale à la propriété* referred to in article L.312-1 of the French Construction and Housing Code (*Code de la construction et de l'habitat*) or any other person which would replace it.

Cover ratio

Sociétés de crédit foncier must at all times maintain a cover ratio between their assets and their liabilities benefiting from the *privilège*. Pursuant to Articles L.515-20 and R.515-7-2 of the French Monetary and Financial Code (*Code monétaire et financier*), *sociétés de crédit foncier* must at all times maintain a ratio of at least 102 per cent (102%) of the total amount of their liabilities by the total amount of their assets including the replacement assets.

The ratio's denominator (Article 8 of regulation 99-10 of the CRBF) is comprised of *obligations foncières* and other resources benefiting from the *privilège*.

The ratio's numerator (Article 9 of regulation 99-10 of the CRBF) is made up of all the assets weighted at the relevant percentage applicable to their category. In the case of the Issuer, home loans secured by a first ranking mortgage or a real estate security conferring at least an equivalent level of security are given a 100% weighting up to their financing portion (*quotité de financement*), i.e. the lesser of 60%, 80% or 100% of the valuation of the

charged property and the principal outstanding amount of the loan, and loans guaranteed by credit institutions or insurance companies which do not fall within the scope of consolidation as defined in Article L.233-16 of the French Commercial Code (*Code de commerce*) applicable to the Issuer are given a 0%, 80% or 100% weighting depending on the applicable rating levels of the guarantor.

In any case, GE Money Bank contractually undertakes towards the Issuer to ensure, by providing liquidity support or assigning additional eligible assets or otherwise, that the Issuer will, at all times, maintain a cover ratio between its assets and its privileged liabilities equal to or greater than 105%.

Sociétés de crédit foncier submit their cover ratio to the *Autorité de contrôle prudentiel* on 30 June and 31 December of each year.

In addition, *sociétés de crédit foncier* must appoint a specific controller (*contrôleur spécifique*) with the approval of the *Autorité de contrôle prudentiel* whose task is to ensure that the cover ratio is at all times complied with. In particular, the specific controller must certify that the cover ratio is satisfied in connection with (i) the *société de crédit foncier's* quarterly programme of issues benefiting from the *privilège* and (ii) any specific issue also benefiting from the *privilège* whose amount is equal or greater than Euro 500 million. The specific controller must verify the maintenance of the cover ratio, quality of the assets, the process of yearly revaluation and the level of matching of interests rates and maturities between assets and liabilities. The specific controller (as described in the section entitled "Description of the Issuer") has access to information that allows it to carry out its legal control duties. This cover ratio is published twice a year.

Privilège and non privileged debts

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

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

- (i) the sums resulting from the loans, assimilated assets, exposures and securities as referred to in Articles L.515-14 to L.515-17 of the French Monetary and Financial Code (*Code monétaire et financier*) and from the financial instruments used for hedging as referred to in Article L.515-18 of the French Monetary and Financial Code (*Code monétaire et financier*) (in each case after any applicable set-off), together with the claims in respect of deposits made by a *société de crédit foncier* (i.e. the issuer of *obligations foncières*, such as the Issuer) with credit institutions, are allocated in priority to the payment of the *obligations foncières* such as the Notes, to other resources benefiting from the *privilège* as mentioned in paragraph 2 of I of Article L.515-13 of the French Monetary and Financial Code (*Code monétaire et financier*), to derivative transaction used for hedging, under the condition of Article L.515-18 of the French Monetary and Financial Code (*Code monétaire et financier*) and to other ancillary expenses and sums expressly referred to in Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*);
- (ii) when a *société de crédit foncier* such as the Issuer is subject to safeguard, judicial or liquidation proceedings (*procédure de sauvegarde, de redressement ou de liquidation judiciaires*) or to conciliation proceedings with its creditors (*procédure de conciliation*), the amounts due regularly from the operations referred to in paragraph 2 of I of Article L.515-13 of the French Monetary and Financial Code (*Code monétaire et financier*) are paid on their contractual due date, and in priority to all other debts, whether or not preferred or secured, including interest resulting from agreements whatever their duration. No other creditor of a *société de crédit foncier* such as the Issuer may exercise any right over the assets and rights of such *société de crédit foncier* until all creditors

benefiting from the *privilège* as defined in Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*) have been fully paid off; and

- (iii) the judicial liquidation of a *société de crédit foncier* such as the Issuer, will not result in the acceleration of payment of *obligations foncières* such as the Notes and other debts benefiting from the *privilège*.

Sociétés de crédit foncier may also issue ordinary bonds or raise funds which do not benefit from such *privilège*.

The Issuer may also refinance its assets in accordance with specific means of refinancing set forth by Article L.515-13 of the French Monetary and Financial Code (*Code monétaire et financier*), such as pledge or transfer all or part of the receivables held in accordance with Articles L.211-36 *et seq.* or Articles L.313-23 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*) or temporary transfers of its securities as provided for in Articles L.211-22 to L.211-34 of the French Monetary and Financial Code (*Code monétaire et financier*) or having recourse to a pledge of a securities account as defined in Article L.211-20 of the French Monetary and Financial Code (*Code monétaire et financier*). In such case, the receivables and securities so used are not included in the scope of the *privilège* and are not taken into account for the purpose of determining the cover ratio of the resources benefiting from the *privilège*.

Hedging

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

Insolvency derogating regime

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

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

In addition, certain nullity of transactions entered into during the hardening period (*période suspecte*) are not applicable for transactions or acts entered into by a *société de crédit foncier* provided that such transactions and acts are made in accordance with their exclusive legal purpose and without fraud. Pursuant to Article L.515-28 of the French Monetary and Financial Code (*Code monétaire et financier*), in case of the opening of any safeguard procedure (*procédure de sauvegarde*), judicial reorganisation (*redressement judiciaire*) or liquidation (*liquidation judiciaire*) against the credit institution which is acting as manager and servicer of the assets and liabilities of the *société de crédit foncier*, the recovery, management and servicing contract may be immediately terminated by the *société de crédit foncier* notwithstanding any legal provisions to the contrary.

Specific controller

In each *société de crédit foncier*, a Specific Controller (*contrôleur spécifique*) (the "**Specific Controller**") and a substitute specific controller (*contrôleur spécifique suppléant*) are in charge of ensuring the compliance of the

société de crédit foncier with the legal framework described above. The Specific Controller and the substitute specific controller are selected from the official list of auditors and appointed by the officers of the *société de crédit foncier* with the approval of the *Autorité de contrôle prudentiel*.

Pursuant to Article L.515-30 of the French Monetary and Financial Code (*Code monétaire et financier*), the tasks of the Specific Controller are:

- (a) to ensure that the *société de crédit foncier* complies with articles L.515-13 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*);
- (b) to certify that the cover ratio is satisfied in connection with (i) the *société de crédit foncier*'s quarterly programme of issues benefiting from the *privilège* and (ii) any issue of resources benefiting from the *privilège* and whose amount is greater than Euro 500 million;
- (c) to ensure that the exposures to public entities granted or refinanced by the Issuer comply with the purpose of article L.515-13 of the French Monetary and Financial Code (*Code monétaire et financier*) and with the requirements set out in articles L.515-15 of the French Monetary and Financial Code (*Code monétaire et financier*);
- (d) to review, pursuant to article 12 of the CRBF, the level of rate and maturity matching between the assets and the liabilities; in case the Specific Controller believes that the level of rate and maturity matching would create excessive risks for the creditors benefiting from the *privilège*, the Specific Controller informs the officers of the relevant *société de crédit foncier* and the *Autorité de contrôle prudentiel*.

The Specific Controller attends all shareholders' meetings and, on his request, may be heard by the board of directors of the *société de crédit foncier* (article L.515-30 of the French Monetary and Financial Code (*Code monétaire et financier*)).

The Specific Controller is entitled to receive all the documents and information necessary to the fulfilment of its mission and to perform, under certain conditions, any audit and control in the premises of the *société de crédit foncier*. The Specific Controller prepares annual reports on the accomplishment of his missions to the management of the *société de crédit foncier*, a copy of which is delivered to the *Autorité de contrôle prudentiel*.

DESCRIPTION OF THE ISSUER

Incorporation, duration and registered office

The Issuer is a credit institution (*établissement de crédit*), licensed as a financial company (*société financière*) with the status of *société de crédit foncier*, incorporated under French law on 29 June 2009 for a period of 99 years as a *société en commandite par actions*. The Issuer is registered under the name of GE SCF with the Commercial and Companies Registry (*Registre du Commerce et des Sociétés*) of Nanterre under number 513 406 991. The Issuer's office is at Tour Europlaza, 20 avenue André Prothin, 92063 Paris La Défense Cedex, France, its telephone number: +33 1 58 13 28 28. On 23 June 2009, the Issuer was authorised to act as a *société de crédit foncier* by the Credit Institutions and Investment Services Companies Committee (*Comité des établissements de crédit et des entreprises d'investissement*) (now the *Autorité de contrôle prudentiel*).

The Issuer is governed, inter alia, by the French Commercial Code (*Code de Commerce*) and by the French Monetary and Financial Code (*Code monétaire et financier*). In relation to its capacity as a *société de crédit foncier*, the Issuer is governed by the provisions of Livre V Title 1 Chapter V Section 4 of the French Monetary and Financial Code (*Code monétaire et financier*) (see the section entitled "Summary of the legislation and regulations relating to *sociétés de crédit foncier*").

The Issuer is a member of the GE group.

Share capital

As at the date of this Base Prospectus, the Issuer's share capital amounts to EUR 163,000,000 divided into 16,300,000 fully paid-up ordinary shares of EUR 10. As of 1 June 2011, 99.99 per cent of this share capital is owned by GE Money Bank as sole general partner (the "**General Partner (Associé Commandité)**") and the remainder by Alcor SAS, Soparest SAS and General Electric Capital SAS, as limited partners (the "**Limited Partners (Associés Commanditaires)**").

There is no authorised and unissued share capital. There are no securities which grant rights to shares in the capital of the Issuer. All shares have equal voting rights.

Issuer's exclusive purpose and business overview

In accordance with Article L.515-13 of the French Monetary and Financial Code (*Code monétaire et financier*) which defines the exclusive purpose of the *sociétés de crédit foncier* and with Article 3 of its *statuts*, the Issuer's exclusive purpose consists in carrying out the activities and operations below, whether in France or abroad:

- (i) credit operations and assimilated operations within the terms set forth by regulations applicable to *sociétés de crédit foncier* and within the limits of its license;
- (ii) financing operations within the terms set forth by regulations applicable to *sociétés de crédit foncier* by means of issuance of *obligations foncières* or any other loans;
- (iii) and any ancillary activities expressly authorized by the texts on *sociétés en commandite par actions* for the achievement of its exclusive corporate purpose.

For a description of the legal framework applicable to *sociétés de crédit foncier*, see the section entitled "Summary of the legislation and regulations relating to *sociétés de crédit foncier*".

The Issuer may sign all necessary agreements with a credit institution to procure services for the management and recovery of its loans, exposures and other eligible financial assets, *obligations foncières* and other resources.

According to the French legal framework applicable to *sociétés de crédit foncier*, the corporate purpose of the Issuer is to grant or acquire secured loans and securities and instruments as defined in Articles L.515-14 to

L.515-17 of the French Monetary and Financial Code (*Code monétaire et financier*) and in order to finance such categories of loans, securities and instruments, to issue *obligations foncières* which benefit from the *privilège* defined in Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*), and to raise other resources, the issuance or subscription agreement of which mentions this *privilège*, including, *inter alia*, registered covered bonds governed by German law, which are designed for German institutional investors and subject to private placement.

The Issuer is dedicated to the purchase of receivables arising from residential home loans (i) secured by a first ranking mortgage or a real estate security providing at least an equivalent level of security or (ii) guaranteed by a credit institution or an insurance company which does not fall within the scope of consolidation as defined in Article L.233-16 of the French Commercial Code (*Code de commerce*) applicable to the Issuer.

The establishment of the Issuer takes place as part of the GE Money Bank refinancing strategy and is intended to lower the overall cost of funding for GE Money Bank by mobilising residential home loans at a competitive cost.

In order to refinance the residential home loans portfolio, the Issuer will issue *obligations foncières* which benefit from the *privilège* described in the section entitled "Summary of the legislation and regulations relating to *sociétés de crédit foncier*".

These *obligations foncières* are expected to be rated AAA by Standard & Poor's Ratings Services and Aaa by Moody's Investors Service Ltd. and listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange.

Subsidiaries

According to Article L.515-13 V of the French Monetary and Financial Code (*Code monétaire et financier*), the Issuer, as a *société de crédit foncier*, is not allowed to hold shares in other companies.

Management of the Issuer

The Issuer is administrated by a board of statutory managers comprised of no less than two statutory managers, who are natural persons and who are selected from among persons who are not Limited Partners (*Associés Commanditaires*) and appointed for a term of three years (the "**Statutory Managers' Board (Collège de la Gérance)**") and has a supervisory board comprised of no less than three members selected exclusively from among those Limited Partners (*Associés Commanditaires*) who are not General Partners (*Associés Commandités*), statutory representatives of a General Partner (*Associé Commandité*) or statutory managers (the "**Supervisory Board (Conseil de Surveillance)**").

The Statutory Managers' Board (*Collège de la Gérance*) must give all due consideration to the management of the Issuer's affairs. However, any of the following decisions or the entering into any of the following transactions are subject to prior approval by the Supervisory Board (*Conseil de Surveillance*):

- the agreements referred to in Article L.226-10 of the French Commercial Code (*Code de commerce*);
- any issuance of bonds or equivalent financial instruments issued on the basis of foreign laws for an amount superior to one billion (1,000,000,000) euros.

As an internal measure, the Supervisory Board (*Conseil de Surveillance*) may decide that the Statutory Managers' Board (*Collège de la Gérance*) may not take certain actions not related to day-to-day management unless with the prior consent of the Supervisory Board (*Conseil de Surveillance*).

At the date of this Base Prospectus, the Statutory Managers' Board (*Collège de la Gérance*) of the Issuer consists of three members (each, a "**statutory manager (gérant)**"). Each of the statutory managers (*gérants*) of the Issuer has the broadest powers to act in all circumstances on behalf of the Issuer, within the limits of the corporate purpose and subject to the powers reserved by law and the *statuts* of the Issuer for general meetings of the Limited Partners (*Associés Commanditaires*), for the General Partner (*Associé Commandité*) and for the Supervisory Board (*Conseil de Surveillance*). They represent the Issuer in its relationships with third parties.

At the date of this Base Prospectus, the Supervisory Board (*Conseil de Surveillance*) of the Issuer consists of three members. The Supervisory Board (*Conseil de Surveillance*) is responsible for the ongoing supervision of the Issuer's management. The Supervisory Board (*Conseil de Surveillance*) in this respect has the same powers as the statutory auditors. At any time of the year, the Supervisory Board (*Conseil de Surveillance*) may make such checks and verifications as it deems advisable and may ask to review any such documents as it deems useful for the discharge of its duties.

Names, business addresses and functions of the members of the Statutory Managers' Board (*Collège de la Gérance*), members of the Supervisory Board (*Conseil de Surveillance*) and General Partner (*Associé Commandité*) and principal activities performed by them outside the Issuer:

Statutory Managers' Board (*Collège de la Gérance*)

Names	Business Address	Function	Principal activities performed outside the Issuer
Philippe Martinie	1 rue du Château de l'Eraudière BP 31106, 44311 Nantes Cedex 3	<i>Gérant</i>	Senior Manager Risk , Risk Management GE Money Bank
Thomas Schneegans	Tour Europlaza, 20 avenue André Prothin, 92063 Paris la Défense Cedex, France	<i>Gérant</i>	CFO GE Money Bank
François Kliber	Tour Europlaza, 20 avenue André Prothin, 92063 Paris la Défense Cedex, France	<i>Gérant</i>	Chief Commercial Officer GE Money Bank

Supervisory Board (*Conseil de Surveillance*)

Names	Business Address	Function	Principal activities performed outside the Issuer
Alcor SAS Legal representative: Alain Amiel	Tour Europlaza, 20 avenue André Prothin, 92063 Paris la Défense Cedex, France	Member of the Supervisory Board	Holding (membre du conseil de surveillance de GE Money Bank, associé commanditaire de GE Money Bank, associé commanditaire de la SOREFI, associé commanditaire de la SOMAFI, associé commanditaire de la SOGUAFI et associé d'Immobilière ALCOR & Cie)
Soparest SAS Legal representative: Alain Amiel	Tour Europlaza, 20 avenue André Prothin, 92063 Paris la Défense Cedex, France	Member of the Supervisory Board	Holding (associé commanditaire de la SOGUAFI; membre du conseil de surveillance de la SOGUAFI, associé commanditaire de la SOREFI, associé

<p>GE Capital SAS Legal representative: T. Willième</p>	<p>Tour Europlaza, 20 avenue André Prothin, 92063 Paris la Défense Cedex, France</p>	<p>commanditaire de la SOMAFI et membre du conseil de surveillance de la SOMAFI) Holding (associé unique d'ALCOR S.A.S, associé unique de SOPAREST, associé unique de GE FP, membre du conseil de surveillance de GE FP, membre du conseil de surveillance de GE Money Bank, associé commanditaire de GE Money Bank, associé commanditaire de la SOREFI, membre du conseil de surveillance de REUNIBAIL, membre du conseil de surveillance de la SOMAFI, associé commanditaire de la SOMAFI et associé commanditaire de la SOGUAFI)</p>
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General Partner (Associé Commandité)

<p>GE Money Bank SCA</p>	<p>Tour Europlaza, 20 avenue André Prothin, 92063 Paris la Défense Cedex, France</p> <p>General Partner / Main Bank limited partner</p>
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The Issuer has appointed two Statutory Auditors (*Commissaires aux comptes*) and two Deputy Statutory Auditors (*Commissaires aux comptes suppléants*) in compliance with applicable laws and regulations.

Furthermore, the Issuer has appointed, in accordance with Articles L.515-30 to L.515-31 of the French Monetary and Financial Code (*Code monétaire et financier*), a Specific Controller (*Contrôleur Spécifique*) and a substitute Specific Controller (*Contrôleur Spécifique suppléant*), who are selected from the official list of auditors and are appointed by the board of directors of the Issuer with the approval of the *Autorité de contrôle prudentiel*.

The Specific Controller ensures that the Issuer complies with the French Monetary and Financial Code (*Code monétaire et financier*) (in particular, verifying the quality and the eligibility of the assets and the cover ratios). He also monitors the balance between the Issuer's assets and liabilities in terms of rates and maturity (cash flow adequacy) and notifies the Statutory Managers' Board (*Collège de la Gérance*), the Supervisory Board (*Conseil de Surveillance*) of the Issuer and the *Autorité de contrôle prudentiel* if he considers such balance to be unsatisfactory. The Specific Controller attends all meetings of the Limited Partners (*Associés Commanditaires*), of the General Partners (*Associés Commandités*), of the Supervisory Board and of the Statutory Managers' Board and, on his request, may be heard by the Statutory Managers' Board (*Collège de la Gérance*) and/or the Supervisory Board (*Conseil de Surveillance*) of the Issuer (Article L.515-30 of the French Monetary and Financial Code (*Code monétaire et financier*)).

The Issuer identified no potential conflicts of interests between the duties to it by any of the members of the Statutory Managers' Board (*Collège de la Gérance*), members of the Supervisory Board (*Conseil de Surveillance*) (including their respective legal representatives) and General Partner (*Associé Commandité*) and their private interests and or other duties.

Under Regulation n° 97-02 of the *Comité de la réglementation bancaire et financière* (French Banking and Financial Regulation Committee), the Issuer may set up an Audit Committee. At the date of the Base Prospectus an Internal Control Committee has been established by the Issuer. The Internal Control Committee is responsible more particularly under the supervision of the Supervisory Board for (i) ensuring that the information provided is clear and assessing the relevance of the accounting methods used to prepare the individual accounts, and (ii) assessing the quality of internal control procedures, in particular whether the systems for measuring, monitoring and controlling risks are consistent, and recommending further actions where appropriate.

In addition, a Committee of Commitments has been established by the Issuer. The Committee of Commitments is advising the Statutory Manager's Board (*Collège de la Gérance*) regarding *inter alia* the purchase of assets by the Issuer, the eligibility of the assets, the opportunity of new issuances and asset liability management.

The management of the Issuer can thus be summarised by the following chart:

Staff

The Issuer has no human resources. Its technical administration has been subcontracted to its parent, GE Money Bank, which acts in accordance with the instructions of the Statutory Managers' Board (*Collège de la Gérance*) of the Issuer.

Compliance with the corporate governance regulations

The Issuer complies with the corporate governance regulations applicable to French companies.

Membership of professional organisation

The Issuer is member of the Association Française des Sociétés Financières, 24, avenue de la Grande Armée, 75584 PARIS CEDEX 17.

Selected Financial Information

(in thousands of euros)

	As at 31 December 2012: Financial information	As at 31 December 2011: Financial information
Share capital	163 000	163 000
Net Earnings	22 634	17 207
Total stockholders' equity	186 826	181 113
Debenture loans	1 528 749	1 528 750

Recent developments

As of 31 May 2013, the long-term debt (defined as the sum of "*Dettes envers les établissements de crédit*" and "*Dettes représentées par un titre*" with a maturity from 1 to 5 years and above 5 years) of the Issuer as compared with amounts shown in the 31 december 2012 balance sheet has increased by € 55.000.000.

MATERIAL CONTRACTS

Please refer to section "Relationship between GE SCF and GE Money Bank" below.

RELATIONSHIP BETWEEN GE SCF AND GE MONEY BANK

GE Money Bank as parent company, servicer, liquidity support provider and GECC Guarantee

As mentioned and/or further described in the sections entitled "Description of the Issuer" and "Risk factors relating to the Issuer and its operations", the Issuer has entered into several contracts with GE Money Bank, its parent company according to which, GE Money Bank acts as seller and servicer of the eligible assets of the Issuer, manager of its assets-liabilities and liquidity provider.

The main contracts entered into between the Issuer and GE Money Bank are further described below.

1. The Issuer having no employees and own resources, it entered into outsourcing services contracts with GE Money Bank: (i) a *contrat d'externalisation et de mise à disposition de moyens* setting out the conditions under which GE Money Bank shall provide services for the fulfilment of the regulatory obligations of the Issuer in its capacity as financial company subject to the legislative and regulatory provisions governing *sociétés de crédit foncier*, including in particular the accounting supervision (and in particular regulatory reporting), the legal and tax secretariat and the legal and tax assistance, the control of the risks, the permanent control, (including the compliance and the fight against money laundering) and, the periodic control in connection with the internal control, and (ii) a *contrat de gestion* (in accordance with Article L.515-22 of the French Monetary and Financial Code (*Code monétaire et financier*)) setting out the conditions under which GE Money Bank shall provide services in connection with the management and the recovery of the assets of the Issuer as well as financial management and ALM management of the Issuer. The cancellation of any auto-held Note by the Issuer shall be notified by GE Money Bank to the Rating Agencies in accordance with the *contrat de gestion*.
2. The receivables transfer agreement entered into between the Issuer and GE Money Bank set out the conditions under which GE Money Bank, in its capacity as seller, shall sell and the Issuer shall purchase, eligible receivables arising from residential home loans complying with the eligibility criteria set out in Article L.515-14 of the French Monetary and Financial Code (*Code monétaire et financier*).
3. The receivables servicing agreement entered into between the Issuer and GE Money Bank sets out the conditions under which GE Money Bank, in its capacity as servicer, shall provide management and recovery services in connection with the eligible receivables purchased by the Issuer in accordance with the provisions of the receivables transfer agreement.
4. GE Money Bank shall procure to the Issuer liquidity support in the conditions set out in the liquidity and cash collateral agreement entered into between the Issuer and GE Money Bank as further described in the section entitled "Risk factors relating to the Issuer and its operations".
5. An Hedging approved form letter entered into between the Issuer and GE Money Bank sets out the hedging strategy of the Issuer to cover any interest rate and/or currency risks arising from the mismatches between (i) the amounts of principal and interest payable by the Issuer under any Series of Notes in the relevant Specified Currency and (ii) the amounts in Euros corresponding to interest and principal received by the Issuer under the purchased eligible receivables.
6. An intra-group loan agreement entered into between the Issuer and GE Money Bank sets out the terms and conditions of the term loan granted by GE Money Bank to the Issuer on or about the closing date. Such intra-group loan does not benefit from the *privilège* set out in Article L.515-19 of the French Monetary and Financial Code (*Code monétaire et financier*). During the life of the Issuer, other intra-group term loan agreements which do not benefit from such *privilège* may be entered into between the Issuer and GE Money Bank provided that they are substantially in the form of the intra-group loan entered into between them on or about the closing date.

The Issuer benefits from (i) a separate unconditional and irrevocable guarantee (governed by New York law) granted by General Electric Capital Corporation in order to ensure a due and punctual payment of any and all amounts required to be paid by GE Money Bank to the Issuer under the receivables transfer agreement, the receivables servicing agreement, the hedging approved form letter and the liquidity and cash collateral

agreement entered into between GE Money Bank and the Issuer according to their terms and conditions (including, for avoidance of doubt, any obligations to make Collection Advances or post cash collateral under the liquidity and cash collateral agreement), when the same shall become due and payable, whether on scheduled payment dates or otherwise, and (ii) an irrevocable undertaking (governed by New York law) by General Electric Capital Corporation to provide GE Money Bank with the necessary financial support to enable it to be always in a position to comply with and perform its obligations under the servicing agreement and the hedging strategy approved form letter.

FORM OF FINAL TERMS

Final Terms dated [●]

[Logo if document is printed]

GE SCF

(Issuer)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €5,000,000,000 Euro Medium Term Note Programme

Issue Price: [●] per cent.

[Name(s) of Dealer(s)]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the "**Conditions**") set forth in the Base Prospectus dated 26 June 2013 [and the supplement to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended by Directive 2010/73/EU (the "**Prospectus Directive**").

This document constitutes the final terms (the "**Final Terms**") of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus[, the supplement[s] to the Base Prospectus] and these Final Terms are available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu), [and] during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent(s) where copies may be obtained.[In addition¹, the Base Prospectus [and the supplement[s] to the Base Prospectus] [and the Final Terms] [is] [are] available for viewing [on/at] [●].]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

- | | | | |
|----|-------|--|--|
| 1. | (i) | Series Number: | [●] |
| | (ii) | Tranche Number: | [●] |
| | (iii) | Date on which the Notes will be assimilated (<i>assimilables</i>) and form a single Series: | [The Notes will be assimilated (<i>assimilables</i>) and form a single Series [<i>identify earlier Tranches</i>] on [the Issue Date/exchange of the Temporary Global Certificate for interests in the Definitive Materialised Notes, as referred in paragraph 20(iii) below, which is expected to occur on or about [●]. / Not Applicable] |
| 2. | | Specified Currency or Currencies: | [●] |
| 3. | | Aggregate Nominal Amount of Notes: | [●] |
| | (i) | Series: | [●] |
| | (ii) | Tranche: | [●] |
| 4. | | Issue Price: | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [<i>insert date</i>] (<i>if applicable</i>)] |
| 5. | | Specified Denomination(s): | [●]
<i>(one (1) denomination only for Dematerialised Notes) (Not less than €100,000 or its equivalent in other currency at the Issue Date for Notes admitted to trading or offered to the public in the EEA in circumstances where a prospectus is required to be published under</i> |

¹ If the Notes are admitted to trading on a Regulated Market other than the Luxembourg Stock Exchange.

*the Prospectus Directive*²

6. (i) **Issue Date:** [●]
- (ii) **Interest Commencement Date:** [*Specify*/Issue Date/Not Applicable]
7. **Maturity Date:** [*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
8. **Interest Basis:** [[●] per cent. Fixed Rate]
- [EURIBOR, EONIA, LIBOR, CMS or TEC +/-
[●] per cent. Floating Rate]
- (*further particulars specified below*)
9. **Redemption/Payment Basis:** Redemption at par
- (*further particulars specified below*)
10. **Change of Interest Basis (Condition 1(a)):** [For the period from (and including) the Interest Commencement Date, up to (but excluding) [*date*] paragraph [15]/[16] applies and for the period from (and including) [*date*], up to (and including) the Maturity Date, paragraph [15]/[16] applies]/[Not Applicable]
11. **Call Option:** [Applicable]/[Not Applicable]
12. **Date of corporate authorisations for issuance of Notes obtained:** Decision of the *gérant(s)* dated [●]
13. **Method of distribution:** [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Notes Provisions:** [Applicable/Not Applicable]
- (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) **Rate(s) of Interest:** [●] per cent. per annum [payable [annually / semi-annually / quarterly / monthly] in arrear]
- (ii) **Interest Payment Date(s):** [●] in each year
- [adjusted pursuant to the [*specify applicable Business Day Convention*]/Not adjusted]
- (iii) **Fixed Coupon Amount(s):** [●] per [●] in Specified Denomination

² Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitute a contravention of section 19 of FSMA and having a maturity of less than one (1) year must have a minimum denomination of Sterling 100,000 (or its equivalent in other currencies).

- (iv) Broken Amount(s): [[[●] per Specified Denomination payable on the Interest Payment Date falling [in / on] [●]]/ [Not Applicable]]
- (v) Day Count Fraction: [Actual/Actual / Actual/Actual-ISDA / Act/Act / Act/Act-ISDA / Actual/365-FBF / Actual/Actual-FBF / Actual/Actual-ICMA / Act/Act-ICMA / Actual/365(Fixed) / Act/365(Fixed) / A/365(Fixed) / A/365 F / Actual/360 / Act/360 / A/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30^E/360 / Eurobond Basis / 30E/360-FBF / 30^E/360-ISDA]
- (vi) Determination Dates: [●] in each year
- (insert regular Interest Payment Dates, ignoring Issue Date, 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/Not Applicable]

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

- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●]
- (iii) First Interest Payment Date: [●]
- (iv) Interest Period Date: [Interest Payment Date/Other (*specify*)]
- (v) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
- [Insert "unadjusted" if the application of the relevant business day convention is not intended to affect the Interest Amount]*
- (vi) Business Centre(s) (Condition 5(a)): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [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): [●]
- (ix) FBF Determination: [Applicable/Not Applicable]

- Floating Rate (*Taux Variable*): [●]
- Floating Rate Determination Date (*Date de Détermination du Taux Variable*): [●]
- (x) ISDA Determination: [Applicable/Not Applicable]
 - Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
- (xi) Screen Rate Determination: [Applicable/Not Applicable]
 - Relevant Rate: [●] (*specify reference rate EURIBOR, EONIA, LIBOR, CMS or TEC and months [e.g. EURIBOR 3 months]*)
 - Relevant Time: [●]
 - Interest Determination Date(s): [●]
 - Primary Source: [*Specify relevant screen page or "Reference Banks"*]
 - Reference Banks (if Primary Source is "Reference Banks"): [*Specify four*]/[Not Applicable]
 - Relevant Financial Centre: [*The financial centre most closely connected to the Benchmark - specify if not Paris*]
 - Representative Amount: [*Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount*]
 - Effective Date: [*Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period*]
 - Specified Duration: [*Specify period for quotation if not duration of Interest Accrual Period*]
- (xii) Margin(s): [+/-] [●] per cent. per annum
- (xiii) Minimum Rate of Interest: [Not Applicable]/[●] per cent. per annum
- (xiv) Maximum Rate of Interest: [Not Applicable]/[●] per cent. per annum
- (xv) Day Count Fraction: [Actual/Actual / Actual/Actual-ISDA / Act/Act / Act/Act-ISDA / Actual/365-FBF / Actual/Actual-FBF / Actual/Actual-ICMA / Act/Act-ICMA / Actual/365(Fixed) / Act/365(Fixed) / A/365(Fixed) / A/365 F / Actual/360 / Act/360 / A/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30^E/360 /

PROVISIONS RELATING TO REDEMPTION

- 16. Call Option:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
- (ii) Components of the formula of the Optional Redemption Amount(s) of each Note: [Optional Redemption Amount [●]
Y = [●] per cent.]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [●]
- (b) Maximum Redemption Amount: [●]
- 17. Final Redemption Amount of each Note:** [[●] per Note of [●] Specified Denomination/
Specified Denomination]
- 18. Early Redemption Amount:**
Early Redemption Amount(s) of each Note payable on early redemption for illegality (Condition 6(e)): [Condition 6(c) applies: [●] per Note of [●] Specified Denomination/
Specified Denomination]/[Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 19. Form of Notes:** [Dematerialised Notes/ Materialised Notes]
(Materialised Notes are only in bearer form)
[Delete as appropriate]
- (i) Form of Dematerialised Notes: [Not Applicable/if Applicable specify whether bearer form (*au porteur*)/ administered registered form (*au nominatif administré*)/ fully registered form (*au nominatif pur*)]
- (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)

days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]

20. Financial Centre(s) or other special provisions relating to payment dates for the purposes of Condition 7(g):

[Not Applicable/Specify any other Financial Center. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 16 (ii) and 17(v) relate]

Adjusted Payment Date (Condition 7(g)) :

[Not Applicable/The next following business day unless it would thereby fall into the next calendar month, in which such event such date shall be brought forward to the immediately preceding business day.] [The immediately preceding business day]

21. Talons for future Coupons to be attached to Definitive Materialised Notes (and dates on which such Talons mature) (Condition 1(a)(ii) and Condition 7(b) and 7(f)):

[Yes/No/Not Applicable.] (Only applicable to Materialised Notes)

22. Masse (Condition 10):

[[Full Masse]/[Contractual Masse] shall apply] (Note that: (i) in respect of any Tranche of Notes issued or deemed to be issued outside France, Condition 10(b) (Contractual Masse) may be elected by the Issuer, and (ii) in respect of any Tranche of Notes issued inside France, Condition 10(a) (Full Masse) shall apply. Insert details of the Representative and Alternative Representative and remuneration.)

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the [Luxembourg Stock Exchange's regulated market / other (specify)] of the Notes described herein pursuant to the Euro [●] Euro Medium Term Note Programme for the issue of *obligations foncières* of GE SCF.

THIRD PARTY INFORMATION

[(Relevant third party information) has been extracted from (specify source). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (specify source), no facts have been omitted which would render the reproduced information inaccurate or misleading.]³

Signed on behalf of GE SCF:

By:

Duly authorised

³ Include if third party information is provided.

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing(s): [Official List of the Luxembourg Stock Exchange/ other (*specify*)/ None]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [●].] [Not Applicable]
- [The [*first/(specify)*] Tranche(s) of the Notes are already listed as from [*its/their respective*] Issue Date.] (*Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.*)
- (iii) Estimate of total expenses related to admission to trading: [●]

2. RATINGS

- Ratings: [The Notes to be issued have been rated:
[S & P: [●]]
[Moody's: [●]]
[[Other]: [●]]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

[[●] [*Insert credit rating agency/ies*] [is/are] established in the European Union and registered under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**"), and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with CRA Regulation.]

[[●] [*Insert credit rating agency/ies*] [is/are] established in the European Union and [has/have] applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"), although notification of the corresponding registration decision [has/have] not yet been provided by the relevant competent authority. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union

and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.]

[[●] *[Insert credit rating agency/ies]* [is/are] not established in the European Union and [has/have] not applied for registration under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**"), but [is/are] endorsed by [●] *[insert credit rating agency]* which is established in the European Union, registered under the CRA Regulation and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with CRA Regulation.]/

[[●] *[Insert credit rating agency/ies]* [is/are] not established in the European Union and [has/have] not applied for registration under Regulation (EC) No 1060/2009, as amended.]

[[●] *[Insert credit rating agency/ies]* [is/are] not established in the European Union and [is/are] not endorsed under Regulation (EC) No 1060/2009 as amended (the "**CRA Regulation**") but [is/are] certified under the CRA Regulation.]

3. NOTIFICATION

[The *Commission de Surveillance du Secteur Financier*, which is the Luxembourg competent authority for the purpose of the Prospectus Directive [has been requested to provide/has provided - *include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] the [*include names of competent authorities of any other host Member States*] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]/[Not Applicable]

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Need to include a description of any interest, including conflicting ones, that is material to the issue, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement: [Save for any fees payable to the [Manager(s)/Dealer(s)], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue.] (*Amend as appropriate if there are other interests*)

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]/[Not Applicable]

5. FIXED RATE NOTES ONLY – YIELD

Indication of yield: /[Not Applicable]

6. FLOATING RATE NOTES ONLY - HISTORIC INTEREST RATES

[Details of historic EURIBOR/LIBOR/EONIA/CMS/TEC rates can be obtained from [Reuters/other].]/[Not Applicable]

7. OPERATIONAL INFORMATION

ISIN Code:

Common Code:

Depositories:

(i) Euroclear France to act as Central Depository

(ii) Common Depository for Euroclear Bank and Clearstream Banking, *société anonyme*

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

Delivery: Delivery [against/free of] payment

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

8. DISTRIBUTION

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

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

(iii) **if non-syndicated, name and address of Dealer:** [Not Applicable/give name and address]

U.S. selling restrictions: The Issuer is Category 2 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.

TEFRA C/ TEFRA D/ TEFRA Not Applicable]

(TEFRA are not applicable to Dematerialised Notes)

TAXATION

The following is a summary limited to certain tax considerations in France and in Luxembourg relating to the payments made in respect of the Notes that may be issued under the Programme and specifically contains information on taxes on the income from the securities withheld at source. This summary is based on the laws in force in France and in the Grand Duchy of Luxembourg as of the date of this Base Prospectus and as applied by the tax authorities, all of which are subject to changes or to different interpretation. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. It is included herein solely for information purposes and is not intended to be, nor should it be construed to be, legal or tax advice. 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 of its particular circumstances.

1. EU SAVINGS DIRECTIVE

On 3 June 2003, the European Union adopted the Directive 2003/48/EC regarding the taxation of savings income in the form of interest payments (the "**Savings Directive**"). The Savings Directive requires Member States as from 1 July 2005 to provide to the tax authorities of other Member States details of payments of interest and other similar income within the meaning of the Savings Directive made by a paying agent within its jurisdiction to (or under circumstances to the benefit of) an individual resident in another Member State, except that Luxembourg and Austria are instead required to operate a withholding system for a transitional period unless the beneficiary of interest payment elects for the exchange of information. The current rate of such withholding tax equals thirty-five per cent. (35%) from 1 July 2011 and until the end of the transitional period.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a paying agent, the Issuer will be required to maintain a paying agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

For these purposes, the term "**paying agent**" is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Savings Directive, for the immediate benefit of individuals.

The European Commission has proposed certain amendments to the Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above.

2. FRENCH TAXATION

The descriptions below are intended as a basic summary of certain withholding tax consequences that may be relevant to holders of Notes who (i) are non-French residents, (ii) do not hold the Notes in connection with a business or profession conducted in France as a permanent establishment or a fixed base, and (iii) do not concurrently hold shares of the Issuer. Investors who are in doubt as to their tax position should consult their professional tax advisers.

2.1 French withholding tax

- (a) Following the introduction of the French "*loi de finances rectificative pour 2009 n° 3*" (No. 2009-1674 dated 30 December 2009) (the "**Law**"), payments of interest and other revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French General Tax Code (*Code général des impôts*) unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French General Tax Code (*Code général des impôts*) (a "**Non-Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a seventy-five per cent. (75%) withholding tax will be applicable (subject to certain exceptions and to

the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French General Tax Code (*Code général des impôts*).

Notwithstanding the foregoing, the Law provides that the seventy-five per cent. (75%) withholding tax will not apply in respect the issue of the Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to official guidelines issued by the French tax authorities under the references BOI-INT-DG-20-50-20120912, No. 990, BOI-RPPM-RCM-30-10-20-50-20120912, No. 70, and BOI-ANNX-000366-20120912, No. 90, 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 Monetary and Financial Code (*Code monétaire et financier*) or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L. 561-2 of the French Monetary and Financial Code (*Code monétaire et financier*), or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Furthermore, pursuant to Article 238 A of the French General Tax Code (*Code général des impôts*), interest and other revenues on such Notes are not deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 *et seq.* of the French General Tax Code (*Code général des impôts*), in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French General Tax Code (*Code général des impôts*), at a rate of thirty per cent. (30%) or seventy-five per cent. (75%).

However, neither the non-deductibility set out under Article 238 A of the French General Tax Code (*Code général des impôts*), nor the withholding tax set out under article 119 *bis* 2 of the same *code* will apply in respect of the Notes solely by reason of the relevant payments being made to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State if the Issuer can prove that it can benefit from the Exception and that the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount. Pursuant to the official guidelines issued by the French tax authorities under the references BOI-INT-DG-20-50-20120912, no. 550, BOI-ANNX-000364-20120912, no. 20 and BOI-ANNX-000366-20120912, no. 90, the issue of the 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 the Notes satisfy one of the three above-mentioned conditions.

- (b) Payments of interest and other revenues with respect to (i) Notes issued (or deemed issued) outside France as provided under Article 131 *quater* of the French General Tax Code (*Code général des impôts*), before 1 March 2010 and (ii) Notes which are consolidated (*assimilables* for the purpose of French law) and form a single series with such Notes, will continue to be exempt from the withholding tax set out under Article 125 A III of the French General Tax Code (*Code général des impôts*).

Notes issued before 1 March 2010, whether denominated in Euro or in any other currency, and constituting *obligations* under French law, or *titres de créances négociables* within the meaning of the official guidelines issued by the French tax authorities under the reference BOI-RPPM-RCM-30-10-30-30-20120912, or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside the Republic of France for the purpose of Article 131 *quater* of the French General Tax Code (*Code général des impôts*), in accordance with the official guidelines issued by the French tax authorities under the reference BOI-RPPM-RCM-30-10-30-30-20120912.

Furthermore, neither the non-deductibility set-out under Article 238 A of the French General Tax Code (*Code général des impôts*), nor the withholding tax set out under article 119 *bis* 2 of the same code will apply in respect of the Notes which are assimilated (*assimilables*) with Notes issued before 1 March 2010 solely by reason of the relevant payments being made to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State if the Issuer can prove that the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount.

- (c) Pursuant to the 2013 Finance Law (*loi de finances pour 2013, n° 2012-1509 du 29 décembre 2012*) and subject to certain exceptions, interest and other revenues received under the Notes as from 1 January 2013 by individuals who are fiscally domiciled in France are subject to a twenty-four per cent. (24%) withholding tax, set out under Articles 125 A and 125 D of the French General Tax Code (*Code général des impôts*). This withholding tax is an advance payment made in respect of the personal income tax of the individual receiving the interest or revenue, which is deductible from his personal income tax liability in respect of the year during which this withholding has been made; if the amount of this withholding exceeds the amount of personal income tax due, the excess is refundable. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding at an aggregate rate of fifteen point five per cent. (15.5%) on interest and similar revenues paid by the Issuer under the Notes, to individuals who are fiscally domiciled in France.

2.2 Savings Directive

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

Please refer to the section "*EU Savings Directive*" above for more details.

3. LUXEMBOURG TAXATION

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (impôt sur le revenu des collectivités), municipal business tax (impôt commercial communal), a solidarity surcharge (impôt de solidarité) as well as personal income tax (impôt sur le revenu) generally. Investors may further be subject to net wealth tax (impôt sur la fortune) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Withholding tax

(i) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the "**Laws**"), there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Laws implementing the EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "**Territories**"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which is a resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it is currently levied at a rate of thirty-five per cent. (35%). Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Laws would at present be subject to withholding tax of thirty-five per cent. (35%).

(ii) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (the "**Law**") mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of ten per cent. (10%). Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law would be subject to withholding tax of ten per cent. (10%).

4. FOREIGN ACCOUNT TAX COMPLIANCE ACT

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and potentially a thirty per cent. (30%) withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "**FFI**" (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of the Participating FFI (a "**Recalcitrant Holder**").

The new withholding regime will be phased in beginning 1 January 2014 for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the "grandfathering date", which is the later of (a) 1 January 2014 and (b) the date that

is six (6) months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Notes characterized as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued before the grandfathering date, and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes (unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes). The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and France have announced an intention to enter into an agreement (a "**US-France IGA**").

If classified as an FFI, the Issuer expects to be treated as a Reporting FI pursuant to a US-France IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

If an amount in respect of FATCA Withholding were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in a dealer agreement dated 26 June 2013 between the Issuer, the Arranger and the Permanent Dealer (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 as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for their expenses incurred in connection with the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers in particular following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

Each Dealer has agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it will comply, to the best of its knowledge, 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 therefore.

This Base Prospectus prepared in connection with the Notes has not been submitted to the clearance procedures of the *Autorité des marchés financiers* (the "**AMF**").

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from registration under the Securities Act. Terms used in this paragraph have the same meanings given to them by Regulation S under the Securities Act.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

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

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until forty (40) days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed (and each further Dealer appointed under the

Programme will be required to agree) that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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

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 non-U.S. person outside the United States to any U.S. person or to any other person within the United States is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States is prohibited.

The Issuer is Category 2 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.

Materialised Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) or any successor regulation issued under the U.S. Internal Revenue Code of 1986 as amended (the "Code") section 4701(b) that contains rules identical to the rules that currently apply under Code section 163(f)(2)(B) (the "D Rules") unless (i) the relevant Final Terms state that such Materialised Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) or any successor regulation issued under Code section 4701(b) that contains rules identical to the rules that currently apply under Code section 163(f)(2)(B) (the "C Rules") or (ii) such Materialised Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

The relevant Final Terms will specify whether TEFRA Rules are applicable and, in this case, if TEFRA C or D are applicable.

European Economic Area

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each of the Dealers and the Issuer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes, which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto, to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of the Base Prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that the Base Prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable;
- (ii) at any time to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- (iii) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined below), 150 natural or legal persons (other

than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iv) 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 (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and the amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

In addition to the foregoing, the following provisions shall apply in respect of the following EEA Member States:

Belgium

The Notes may not be distributed in Belgium by way of an offer of securities to the public, as defined in article 3 paragraph 1 of the Belgian Law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets (the "**Prospectus Law**") save in those circumstances set out in article 3 paragraph 2 of the Prospectus Law.

The offering is exclusively conducted under applicable private placement exemptions and therefore it has not been and will not be notified to, and the Base Prospectus or any other offering material relating to the Notes has not been and will not be approved by, the Belgian Financial Services and Markets Authority (Autoriteit voor Financiële Diensten en Markten/Autorité des Services et Marchés Financiers) (FSMA).

Accordingly, the offering may not be advertised and each of the Dealers has represented and agreed that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes and that it has not distributed, and will not distribute, any memorandum, information circular, brochure or any similar documents, directly or indirectly, to any individual or legal entity in Belgium other than:

- (a) qualified investors, as defined in Article 10 of the Prospectus Law;
- (b) investors required to invest a minimum of €100,000 (per investor and per transaction);

and in any other circumstances set out in Article 3 §2 of the Prospectus Law.

This Base Prospectus has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the offering of Notes. Accordingly, the information contained herein may not be used for any other purpose nor disclosed to any other person in Belgium.

Germany

No Base Prospectus nor any prospectus within the meaning of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) or the German Investment Product Act (*Vermögensanlagegesetz*) has been, or will be, published in Germany or filed with the German Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) with regard to any Notes.

Notes may not be offered, sold or delivered, and will not be offered, sold or delivered, directly or indirectly to the public in Germany.

The Issuer assumes no responsibility and makes no representation regarding the suitability of Notes. In particular, the Issuer assumes no responsibility for the eligibility of any Notes as investment for any Noteholder domiciled in Germany and subject to particular regulatory requirements with regard to its investments, including, without limitation, insurance companies, pension funds, credit institutions and investment funds. Unless explicitly stated otherwise in the Conditions or the Final Terms, no reference therein to particular German law regulatory requirements implies or may be construed to imply any representation or warranty by the Issuer as to the suitability of the relevant Notes for the Noteholder.

France

Each of the Dealers and the Issuer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and that such offers, sales and distributions have been and shall only be made in France 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*) investing for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and other applicable regulations.

Ireland

Each of the Dealers and the Issuer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that:

- (a) it has not offered or sold and will not offer or sell any Notes except in conformity with the provisions of the Prospective Directive, and applicable implementing measures in Ireland, and the provisions of the Companies Acts 1963 to 2009 of Ireland and every other enactment that is to be read together with any of those Acts;
- (b) in connection with offers or sales of Notes it has only issued or passed on, and will only issue or pass on, in Ireland or elsewhere, any document received by it in connection with the issue of such Notes to persons who are persons to whom the document may otherwise lawfully be issued or passed on;
- (c) it has complied and will comply with all applicable provisions of European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) of Ireland, as amended, with respect to anything done by it in relation to the Notes or operating in, or otherwise involving, Ireland and is acting under and within the terms of an authorisation to do so for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 and it has complied with any applicable code of conduct or practice pursuant to implementing measures in respect of the foregoing Directive in any relevant jurisdiction; and
- (d) It has not offered or sold and will not offer or sell any Notes other than in compliance with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued under section 34 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act, 2005 by the Central Bank of Ireland.

Italy

Each of the Dealers and the Issuer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that this Base Prospectus has not been, nor will be, published in the Republic of Italy in connection with the offering of the Notes and such offering of the 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 offered, sold, transferred or delivered, directly or indirectly, in an offer to the public in the Republic of Italy and copies of this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes may not, and will not, be distributed in the Republic of Italy, unless an exemption applies. Accordingly, each of the

Dealers and the Issuer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) not to effect any offering, marketing, solicitation or selling activity of the Notes in the Republic of Italy except:

- (a) to qualified investors (*investitori qualificati*), as defined in Article 34-ter, paragraph 1(b) of the Issuers Regulation; or
- (b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 100 of the Financial Services Act and its implementing regulations, including article 34-ter, first paragraph, of the Issuers Regulation.

Moreover, and subject to the foregoing, each Dealer has also represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that any offer, sale, transfer or delivery of the Notes or distribution of copies of this Base Prospectus, the relevant Final Terms or any other offering material 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, Legislative Decree No. 385 of 1 September 1993 (the "**Banking Act**"), CONSOB Regulation No. 16190 of 29 October 2007, all as amended; and
- (ii) in compliance with any other notification requirement and/or limitation which may be imposed from time to time by CONSOB, the Bank of Italy or any other Italian authority.

Any investor purchasing the Notes in the offering is solely responsible for ensuring that any offer and resale of the Notes it purchased in the offering occurs in compliance with applicable Italian laws and regulations. Article 100-bis of the Financial Services Act affects the transferability of the Notes in the Republic of Italy to the extent that the Notes are placed solely with qualified investors and such Notes are then systematically resold to non-qualified investors on the secondary market at any time in the twelve (12) months following such placing. Should this occur without the publication of a prospectus pursuant to Prospectus Directive in the Republic of Italy or outside of the application of one of the exemptions referred to above, purchasers of Notes who are acting outside of the course of their business or profession shall be entitled, under certain conditions, to have such purchase declared void and to claim damages from any authorised intermediary at whose premises the Notes were purchased.

This Base Prospectus, the Final Terms or any other document relating to the Notes, and the information contained herein are intended only for the use of its recipients and are not to be distributed to any third-party resident or located in the Republic of Italy for any reason.

The Netherlands

Each Dealer appointed under this Program will be required to agree that it will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive unless:

- (a) such offer is made exclusively to legal entities which are qualified investors (as defined in the Dutch Financial Services Act (*Wet op het financieel toezicht*, or "**Wft**") and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in the Netherlands; or
- (b) standard exemption logo and wording are disclosed as required by article 5:20(5) of the Wft; or
- (c) such offer is otherwise made in circumstances in which article 5:20(5) of the Wft is not applicable,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Spain

Neither the Notes nor the Base Prospectus have been or will be approved or registered in the administrative registries of the Spanish Securities Markets Commission (*Comisión Nacional del Mercado de Valores*).

Accordingly, each of the Dealers and the Issuer has acknowledged (and each further Dealer appointed under the Programme will be required to acknowledge) that the Notes may not be offered, sold or distributed in Spain except in circumstances which do not constitute a public offering of securities in Spain within the meaning of section 30-bis of the Securities Market Law 24/1988 of 28 July 1988 (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) (as amended, the Securities Market Law), as developed by Royal Decree 1310/2005 of 4 November on admission to listing and on issues and public offers of securities (*Real Decreto 1310/2005 de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, de Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*), and supplemental rules enacted thereunder or in substitution thereof from time to time. The Notes may only be offered and sold in Spain by institutions authorised to provide investment services in Spain under the Securities Market Law (and related legislation) and Royal Decree 217/2008 of 15 February on the Legal Regime Applicable to Investment Services Companies (*Real Decreto 217/2008, de 15 de febrero, sobre el régimen jurídico de las empresas de servicios de inversión y de la demás entidades que prestan servicios de inversión*).

Switzerland

Each of the Dealers and the Issuer has agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it will comply with any laws, regulations or guidelines in Switzerland from time to time, including, but not limited to, any regulations made by the Swiss National Bank, in relation to the offer, sale, delivery or transfer of the Notes or the distribution of any offering material in respect of such Notes.

United Kingdom

Each of the Dealers and the Issuer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that:

- (a) in relation to any Notes which have a maturity of less than one (1) year, 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 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 (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.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**") and each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and governmental guidelines of Japan.

GENERAL INFORMATION

- (1) This Base Prospectus has been approved by the *Commission de surveillance du secteur financier*, as competent authority in Luxembourg for the purposes of the Prospectus Directive.

In compliance with Article 18 of the Prospectus Directive, application may be made from time to time at the Issuer's request for a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Directive by the *Commission de surveillance du secteur financier* to the competent authority of any Member State of the EEA.

Notes issued under the Programme may be listed and admitted to trading on any other Regulated Market in such Member State of the EEA.

- (2) The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in France in connection with the establishment and the update of the Programme.

Any issue of Notes by the Issuer under the Programme will, to the extent that such Notes constitute *obligations* under French law, require the prior authorisation of the Statutory Managers' Board (*Collège de la Gérance*) of the Issuer. The Statutory Managers' Board (*Collège de la Gérance*) of the Issuer may delegate to any of its members the power to decide the issue of such Notes within a period of one (1) year. Furthermore, the Statutory Managers' Board (*Collège de la Gérance*) of the Issuer has delegated on [24] June 2013 to Mr. Thomas Schneegans, Statutory Manager (*Gérant*) of the Issuer, the power to execute all the documents related to the update of the Programme, including the Dealer Agreement and the Agency Agreement.

- (3) There has been no significant change in the financial or trading position of the Issuer since 31 December 2012.

- (4) There has been no material adverse change in the prospects of the Issuer since 31 December 2012.

- (5) The Issuer is not or has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous twelve (12) months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.

- (6) In relation to any Tranche of Fixed Rate Notes, an indication of yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

- (7) 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.

- (8) Pursuant to Article R.515-13 IV of the French Monetary and Financial Code (*Code monétaire et financier*), the specific controller certifies that the rule providing that the amount of eligible assets of the Issuer is greater than the amount of liabilities benefiting from the *privilège* is satisfied on the basis of a quarterly borrowing programme and for any issue of Notes in a principal amount equal to or above euro 500 million or its equivalent in the currency of issue. The specific controller also certifies that the conditions provided for under Article L.515-32-1 of the French Monetary and Financial Code (*Code monétaire et financier*) are met, as the case may be.

- (9) KPMG Audit, a department of KPMG SA (represented by Malcom McLarty, Immeuble KPMG, 1, cours Valmy, 92923 Paris La Défense Cedex) and Expertise et Audit S.A (represented by Pascal Fleury, 3, rue Scheffer, 75016 Paris) have audited and rendered unqualified audit reports on the

non-consolidated financial statements of the Issuer for the year ended 31 December 2012 and the year ended 31 December 2011. The Issuer's statutory auditors are registered with the *Compagnie Nationale des Commissaires aux Comptes* (official statutory auditors' representative body) and subject to the authority of the *Haut Conseil du Commissariat aux Comptes* (French High Council of Statutory Auditors).

- (10) This Base Prospectus and any supplements thereto will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Final Terms related to Notes traded on any Regulated Market in accordance with the Prospectus Directive will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

In addition, should the Notes be admitted to trading on a Regulated Market other than the Regulated Market of the Luxembourg Stock Exchange, in accordance with the Prospectus Directive, the Final Terms related to those Notes will provide whether this Base Prospectus and the relevant Final Terms will be published on the website of (x) the Regulated Market where the Notes have been admitted to trading or (y) the competent authority of the Member State of the EEA where the Notes have been admitted to trading.

- (11) So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the registered office of the Issuer and at the specified office of the Paying Agent(s):

- (i) the *statuts* of the Issuer;
- (ii) the most recently published audited non-consolidated financial statements and interim financial statements of the Issuer;
- (iii) Final Terms for Notes that are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange or any other Regulated Market;
- (iv) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Base Prospectus; and
- (v) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus, including the certificate of the specific controller in respect of each issue of Notes in a principal amount equal to or above Euro 500,000,000 or its equivalent in the currency of the relevant issue.

The Agency Agreement (which includes the form of the *Lettre Comptable*, of the Temporary Global Certificates, of the Definitive Materialised Notes, of the Coupons and of the Talons) will be available during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection, at the registered office of the Issuer and at the specified office of the Paying Agent(s).

- (12) The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Issuer

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