IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES OTHER THAN AS PERMITTED BY REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT")

IMPORTANT: You must read the following notice before continuing. The following notice applies to the following prospectus (the "**Prospectus**"), whether received by e-mail, accessed from an internet page or otherwise received as a result of electronic communication, and you are therefore advised to read this notice carefully before reading, accessing or making any other use of the following Prospectus. In reading, accessing or making any other use the following Prospectus, you agree to be bound by the following terms and conditions and each of the restrictions set out in this Prospectus, including any modifications to them any time you receive any information from the Joint Lead Managers or their respective affiliates as a result of such access.

IF YOU ARE NOT THE INTENDED RECIPIENT OF THIS MESSAGE, PLEASE DO NOT DISTRIBUTE OR COPY THE INFORMATION CONTAINED IN THIS E-MAIL, BUT INSTEAD DELETE AND DESTROY ALL COPIES OF THIS E-MAIL.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL SECURITIES OR THE SOLICITATION OF AN OFFER TO BUY SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. CLASS A NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. AND CLASS A NOTES 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), EXCEPT IN ACCORDANCE WITH REGULATION S OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE SELLERS DO NOT INTEND TO RETAIN AT LEAST 5 PER CENT.OF THE CREDIT RISK OF THE SECURITISED ASSETS FOR PURPOSES OF COMPLIANCE WITH THE U.S. RISK RETENTION RULES BASED ON AN EXEMPTION FROM SUCH RULES AND THE ISSUANCE OF THE NOTES WAS NOT DESIGNED TO COMPLY WITH THE U.S. RISK RETENTION RULES. EXCEPT WITH THE PRIOR WRITTEN CONSENT OF THE TRANSACTION AGENT (ON BEHALF OF THE SELLERS) (A "U.S. RISK RETENTION CONSENT") AND AS PERMITTED BY THE EXEMPTION PROVIDED UNDER SECTION 20 OF THE U.S. RISK RETENTION RULES, THE NOTES SOLD ON THE ISSUE DATE MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, PERSONS THAT ARE "U.S. PERSONS" AS DEFINED IN THE U.S. RISK RETENTION RULES ("RISK RETENTION U.S. PERSONS") AND EACH PURCHASER OF NOTES, INCLUDING BENEFICIAL INTERESTS THEREIN, WILL, BY ITS ACQUISITION OF A NOTE OR BENEFICIAL INTEREST THEREIN, BE DEEMED, AND, IN CERTAIN CIRCUMSTANCES, WILL BE REQUIRED TO REPRESENT AND AGREE THAT IT (1) EITHER (I) IS NOT A RISK RETENTION U.S. PERSON OR (II) HAS OBTAINED A U.S. RISK RETENTION CONSENT FROM THE TRANSACTION AGENT (ON BEHALF OF THE SELLERS), (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES, INCLUDING ACQUIRING SUCH NOTE THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES. ANY RISK RETENTION U.S. PERSON WISHING TO PURCHASE NOTES MUST INFORM THE ISSUER, THE TRANSACTION AGENT ON BEHALF OF THE SELLERS, THE JOINT ARRANGERS AND THE JOINT LEAD MANAGERS THAT IT IS A RISK RETENTION U.S. PERSON.

THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY UNITED STATES ADDRESS OTHER THAN AS PERMITTED BY REGULATION S UNDER THE SECURITIES ACT. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view the following Prospectus or make an investment decision with respect to the Class A Notes, investors must be outside the United States, except as permitted by Regulation S. By accepting the e-mail and accessing the following Prospectus, you shall be deemed to have represented to the Joint Lead Managers and their respective affiliates that (i) you are located outside the United States, you are not a U.S. person (within the meaning of Regulation S under the Securities Act), the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States (including, but not limited to, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any States of the United States or the District of Columbia, and that you consent to delivery of the following Prospectus by electronic transmission; (ii) if you are in the United Kingdom of Great Britain and Northern Ireland (the "**UK**"), you are a qualified investor (a) who has professional experience in matters relating to investments falling within article 19(5) of the UK Financial Services and Markets Acts 2000 (Financial Promotion) Order 2005 (the "**Order**") and a qualified investor falling within article 49 of the Order, and (b) to whom it may otherwise lawfully be communicated (any such person being referred to as a "**relevant person**"); (iii) if you are in any Member State other than the UK, you are a "qualified investor" within the meaning of article 2(1)(e) of Directive 2003/71/EC as amended (the "**Prospectus Directive**"); (iv) if you are acting as a financial intermediary (as that term is used in article 3(2) of the Prospectus Directive), the securities acquired by you as a financial intermediary in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, any person in circumstances which may give rise to an offer of any securities to the public other than their offer or resale in any Member State which has implemented the Prospectus Directive to qualified investors; (v) if paragraphs (ii) through (iv) do not apply, you are outside of the UK or EEA (and the electronic mail addresses that you gave us and to which the following Prospectus has been delivered are not located in such jurisdictions); and (vi) in all cases, you are a person into whose possession the following Prospectus may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to deliver the following Prospectus to any other person.

You are reminded that the following Prospectus has been delivered to you on the basis that you are a person into whose possession the following Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the following Prospectus to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

The following Prospectus and the offer when made are only addressed to and directed (i) at persons in Member States who are "qualified investors" within the meaning of article 2(1)(e) of the Prospectus Directive and (ii) in the UK, at relevant persons. The following Prospectus must not be acted on or relied on (i) in the UK, by persons who are not relevant persons, and (ii) in any Member State other than the UK, by persons who are not qualified investors. Any investment or investment activity to which the following Prospectus relates is available only to (i) in the UK, relevant persons, and (ii) in any Member State other than the UK, qualified investors, and will be engaged in only with such persons.

The Class A Notes have not been and will not be offered or sold, directly or indirectly, in the Republic of France and neither the following Prospectus nor any other offering material relating to the Relevant Notes has been distributed or caused to be distributed or will be distributed or caused to be distributed in the Republic of France except to (i) persons

providing portfolio management investment services (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) acting for their own account to the exclusion of any individuals 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.

PRIIPs Regulation / Prohibition of sales to EEA retail investors – The Class A Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (*EEA*) or in France. For these purposes, a retail investor means a person who is one (or more) of (i) a retail client as defined in point (11) of article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC (*IMD*), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by regulation (EU) no 1286/2014 (the "**PRIIPS Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Class A Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

MiFID II product governance / Professional investors and ECPs only type of clients – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Class A Notes has led to the conclusion that: (i) the target market for the Class A Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Class A Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Class A Notes (a distributor) should take into consideration such manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Class A Notes (by either adopting or refining such manufacturer's target market assessment) and determining appropriate distribution channels.

Under no circumstances shall the following Prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Relevant Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The following Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the entities named in this Prospectus or the Joint Lead Managers or their respective affiliates or any person who controls them or any director, officer, employee or agent of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request.

No entity named in the following Prospectus nor any Joint Lead Managers nor any of their respective affiliates is regarding you or any other person (whether or not a recipient of the following Prospectus) as its client in relation to the offer of the Class A Notes. Based on the following Prospectus, none of them will be responsible to you or anyone else for providing the protections afforded to their clients in connection with the offer of the Class A Notes nor for giving advice in relation to the offer of the Class A Notes or any transaction or arrangement referred to in the following Prospectus.

You are responsible for protecting against viruses and other destructive items. Your receipt of this electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

For more details and a more complete description of restrictions of offers and sales, see Section "*SUBSCRIPTION AND SALE*

BPCE HOME LOANS FCT 2018

FONDS COMMUN DE TITRISATION

(articles L. 214-166-1 to L. 214-175, L. 214-175-1, L. 214-180 to L. 214-186, L. 231-7 and R. 214-217 to R. 214-235 of the French Monetary and Financial Code)

EUR 1,000,000,000 Class A Asset-Backed Floating Rate Notes due October 2053

(Private placement / Issue Price: 100.366 per cent.)

France Titrisation	**Natixis**
Management Company	*Custodian*

BPCE HOME LOANS FCT 2018 is a French *fonds commun de titrisation* (the "**Issuer**") established jointly by France Titrisation (the "**Management Company**") and Natixis (the "**Custodian**") on the Issuer Establishment Date. The Issuer is governed by the provisions of articles L. 214-166-1 to L. 214-175, L. 214-175-1, L. 214-180 to L. 214-186, L. 231-7 and R. 214-217 to R. 214-235 of the French Monetary and Financial Code and by the Issuer regulations entered into on or before the Issuer Establishment Date between the Management Company and the Custodian (the "**Issuer Regulations**"). The purpose of the Issuer is to issue debt securities and to purchase home loan receivables from, notably, each of (i) any Banque Populaire and (ii) any Caisse d'Epargne (together, the "**Sellers**").

On the Purchase Date (falling on the same date as the Issuer Establishment Date), the Issuer will purchase from the Sellers a portfolio of home loan receivables arising from home loan agreements (the "**Home Loan Agreements**") entered into with certain individual borrowers domiciled in France (i.e. in Metropolitan France, Guadeloupe, Guyana (*Guyane française*), Martinique, Réunion or Saint-Martin) in relation to the acquisition, the renovation, the construction or the refinancing of a residential property and complying with the Home Loan Eligibility Criteria (the "**Purchased Home Loans**").

The Issuer will issue on the Issue Date Class A Asset-Backed Floating Rate Notes (the "**Class A Notes**") and Class B Asset-Backed Fixed Rate Notes (the "**Class B Notes**", and together with the Class A Notes, the "**Notes**"). Application has been made to the *Autorité des Marchés Financiers* in its capacity as competent authority under French law for the Class A Notes to be listed on the Paris Stock Exchange (Euronext Paris). This Prospectus has not been prepared in the context of a public offer of the Notes in the Republic of France within the meaning of article L. 411-1 of the French Monetary and Financial Code and articles 211-1 *et seq*. of the AMF Regulations (*Règlement general de l'Autorité des Marchés Financiers*). The Class A Notes will only be offered and sold (i) in France only to (a) persons providing 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 (b) qualified investors (*investisseurs qualifiés*) acting for their own account, 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 and/or (ii) to non-resident investors (*investisseurs non-résidents*), to the exclusion of any individuals. The Class B Notes will not be listed and will only be subscribed by each of the Sellers. The Issuer will also issue, on the Issue Date, 2 asset-backed units (in the denomination of EUR 6,500 each) (the "**Residual Units**").

The Class A Notes are expected on the Issue Date to be assigned a AAA(sf) rating by S&P Global Ratings ("**S&P**") and a Aaa (sf) rating by Moody's Investors Service Ltd ("**Moody's**" and, together with S&P, the "**Rating Agencies**"). A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the Rating Agencies. As of 1 May 2018, "S&P Global Ratings" and "Moody's Investors Service Ltd" are registered under the Regulation 1060/2009/EC of the European Parliament and the Council of 16 September 2009 on credit rating agencies, as amended pursuant to Regulation 513/2011/EU of the European Parliament and the Council of 11 May 2011 and to Regulation 462/2013/EU of the European Parliament and of the Council of 21 May 2013 (the "**CRA Regulation**") according to the list published by the European Securities and Markets Authority on its website (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs).

Each Seller has undertaken to each of the Joint Lead Managers, the Joint Arrangers, the Management Company, the Custodian and the Issuer that, during the life of the Class A Notes, it shall comply with article 405 paragraph (1) of the Regulation (EU) no. 575/2013 of the European Parliament and the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms amending the Regulation (EU) no. 648/2012 (the "**Capital Requirements Regulations**") and article 51 paragraph (1) of Section 5 of Chapter III of the Commission Delegated Regulation (EU) no. 231/2013 of 19 December 2012 ("**Section 5**") implementing AIFM Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investmnent Fund Managers ("**AIFM**"), article 254(2) of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (the "**Solvency II Delegated Act**") and article 6 of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (the "**STS Regulation**"), and therefore retain on an ongoing basis a material net economic interest in the transaction which, in any event, shall not be less than 5 per cent. At the Issue Date, such material net economic interest shall be retained by each Seller, in accordance with option (d) of article 405 paragraph (1) of the Capital Requirements Regulations, article 51 paragraph (1) of Section 5, article 254(2) of the Solvency II Delegated Act and of article 6(3) of the STS Regulation, through the subscription of the Class B Notes in relation to the proportion of the total securitised exposures for which it is the originator. Each prospective Noteholder should ensure that it complies with the implementing provisions of article 405 of the Capital Requirements Regulations, Section 5 implementing AIFM, article 254 of the Solvency II Delegated Act and article 6 of the STS Regulation in its relevant jurisdiction (for further details, please see Section entitled "*REGULATORY COMPLIANCE*" of this Prospectus).

For a discussion of certain significant factors affecting an investment in the Notes, see Sections "RISK FACTORS" and "SUBSCRIPTION AND SALE" on pages 96 and 285 of this Prospectus.

The Class A Notes will be issued in denominations of EUR 100,000 each and will at all times be represented in book entry form (*dématérialisée*). No physical documents of title will be issued in respect of the Notes. The Class A Notes will, upon issue, be registered in the books of Euroclear France ("**Euroclear France**") (acting as central depository) which shall credit the accounts of Euroclear France account holders including Clearstream Banking, société anonyme ("**Clearstream Banking**") and Euroclear Bank S.A./N.V. ("**Euroclear**") and be admitted in the clearing systems of Euroclear France and Clearstream Banking (the "**Clearing Systems**") (see Section "TERMS AND CONDITIONS OF THE NOTES – Form, Denomination and Title").

The Notes and the Residual Units are backed by the Purchased Home Loans purchased by the Issuer on the Purchase Date.

Interest on the Class A Notes is payable on a quarterly basis by reference to successive Interest Periods. During the Amortisation Period and the Accelerated Amortisation Period, each Class A Note bears interest on the amount of its Principal Amount Outstanding at a floating interest rate to be set quarterly and which calculation will be specified in the Terms and Conditions of the Notes (see Section "TERMS AND CONDITIONS OF THE NOTES – Interest").

During the Amortisation Period and the Accelerated Amortisation Period, the Notes are subject to mandatory partial redemption on each Payment Date on a sequential basis, subject to the amounts collected from the Home Loans and from any other Assets Allocated to the Issuer and the applicable Priority of Payments, until the earlier of (i) the date on which the Principal Amount Outstanding of each Note is reduced to zero or (ii) the Final Legal Maturity Date and provided that during the Accelerated Amortisation Period, the Class B Notes will not be redeemed until the Class A Notes have been redeemed in full.

On each Payment Date, payments of interest and principal due in respect of the Class B Notes will be subordinated to payments of interest and principal due in respect of the Class A Notes (see Section "TERMS AND CONDITIONS OF THE NOTES" – Redemption").

Joint Arrangers

BPCE **NATIXIS**

Joint Lead Managers

NATIXIS **GOLDMAN SACHS INTERNATIONAL**

The date of this Prospectus is 24 October 2018.

This Prospectus constitutes a prospectus within the meaning of article 5 of Directive 2003/71/EC as amended. This Prospectus has been prepared by the Management Company and the Custodian solely for use in connection with the listing of the Class A Notes on the Paris Stock Exchange (Euronext Paris) (see Section "SUBSCRIPTION AND SALE"). This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Class A Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. No action has been taken or shall be taken by the Management Company, the Custodian, the Joint Arrangers or the Joint Lead Managers that shall permit a public offer of the Class A Notes in any jurisdiction.

Neither the Joint Arrangers, nor the Joint Lead Managers nor any of their respective affiliates (other than BPCE the responsibility of which is detailed in a paragraph below) has authorised the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus nor, for the avoidance of doubt any other rating documents expressed to be appended hereto. None of the Joint Arrangers, the Joint Lead Managers or any of their respective affiliates accept any liability in relation to the information contained or referred to in this Prospectus nor, for the avoidance of doubt any other documents referred to herein and expressed to be appended hereto or any other information provided by the Management Company, the Custodian, the Sellers or the Rating Agencies in connection with the transactions described in this Prospectus or with the issue of the Notes and the listing of the Class A Notes on Euronext Paris.

Natixis, in its capacity as Interest Rate Swap Counterparty, accepts responsibility for the information contained in the sub-section "The Interest Rate Swap Counterparty" in the Section entitled "DESCRIPTION OF THE RELEVANT ENTITIES". To the best of the knowledge and belief of the Interest Rate Swap Counterparty (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Interest Rate Swap Counterparty accepts responsibility accordingly. The Interest Rate Swap Counterparty accepts no responsibility for any other information contained in this Prospectus and has not separately verified any such other information.

In connection with the issue and offering of the Class A Notes, no person has been authorised to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations shall not be relied upon as having been authorised by or on behalf of the Sellers, the Servicers, the Transaction Agent or any other company within the BPCE Group, the Data Protection Agent, the Management Company, the Custodian, the Account Bank, the Cash Manager, the Paying Agent, the Listing Agent, the Specially Dedicated Account Bank, the Interest Rate Swap Counterparty, the Joint Arrangers or the Joint Lead Managers.

The distribution of this Prospectus and the offering or sale of the Class A Notes in certain jurisdictions may be restricted by law or regulations. Persons coming into possession of this Prospectus are required to enquire regarding, and to comply with, any such restrictions.

This Prospectus should not be construed as a recommendation, invitation, solicitation or offer by any of the Sellers, the Servicers, the Transaction Agent or any other company within the BPCE Group, the Data Protection Agent, the Management Company, the Custodian, the Account Bank, the Cash Manager, the Paying Agent, the Listing Agent, the Specially Dedicated Account Bank, the Interest Rate Swap Counterparty, the Joint Arrangers or the Joint Lead Managers to any recipient of this Prospectus, or any other information supplied in connection with the issue of Notes, to subscribe or acquire any such Notes. Each potential investor should conduct an independent investigation of the financial terms and conditions of the Notes, and an assessment of the creditworthiness of the Issuer, the risks associated with the Notes and of the tax, accounting and legal consequences of an investment in the Notes and should consult an independent legal, tax or accounting adviser to this effect.

THE LIABILITIES IN CONNECTION WITH THE NOTES ARE EXCLUSIVELY BORNE BY THE ISSUER. NEITHER THE NOTES ISSUED BY THE ISSUER NOR THE ASSETS OF THE ISSUER, ARE, OR WILL BE, GUARANTEED IN ANY WAY BY ANY OF THE SELLERS, THE SERVICERS, THE TRANSACTION AGENT OR ANY OTHER COMPANY WITHIN THE BPCE GROUP, THE DATA PROTECTION AGENT, THE MANAGEMENT COMPANY, THE CUSTODIAN, THE ACCOUNT BANK, THE CASH MANAGER, THE PAYING AGENT, THE LISTING AGENT, THE SPECIALLY DEDICATED ACCOUNT BANK, THE INTEREST RATE SWAP COUNTERPARTY, THE JOINT ARRANGERS OR THE JOINT LEAD MANAGERS OR BY ANY OF THEIR RESPECTIVE AFFILIATES. NONE OF THE SELLER, THE SERVICER OR ANY OTHER COMPANY WITHIN THE BPCE GROUP, THE DATA PROTECTION AGENT, THE MANAGEMENT COMPANY, THE CUSTODIAN, THE ACCOUNT BANK, THE CASH MANAGER, THE PAYING AGENT, THE LISTING AGENT, THE SPECIALLY DEDICATED ACCOUNT BANK, THE INTEREST

RATE SWAP COUNTERPARTY, THE JOINT ARRANGERS OR THE JOINT LEAD MANAGERS WILL BE LIABLE, OR PROVIDE ANY GUARANTEES FOR, THE NOTES ISSUED BY THE ISSUER. ONLY THE MANAGEMENT COMPANY MAY ENFORCE THE RIGHTS OF THE HOLDERS OF NOTES AGAINST THIRD PARTIES.

The Notes will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") under applicable U.S. state securities laws or under the laws of any jurisdiction. The Notes have not and will not be offered for subscription or sale in the United States of America or to or for the account or benefit of U.S. persons as defined in Regulation S of the Securities Act, save under certain circumstances where the contemplated transactions do not require any registration under the Securities Act (see Section "SUBSCRIPTION AND SALE – United States of America").

The Sellers do not intend to retain at least 5 per cent.of the credit risk of the securitised assets for purposes of compliance with the U.S. Risk Retention Rules based on an exemption from such rules and the issuance of the Notes was not designed to comply with the U.S. Risk Retention Rules. Except with the prior written consent of the Transaction Agent (on behalf of the Sellers) (a "**U.S. Risk Retention Consent**") and as permitted by the exemption provided under Section 20 of the U.S. Risk Retention Rules, the Notes sold on the Issue Date may not be purchased by, or for the account or benefit of, persons that are "U.S. persons" as defined in the U.S. Risk Retention Rules ("**Risk Retention U.S. Persons**") and each purchaser of Notes, including beneficial interests therein, will, by its acquisition of a Note or beneficial interest therein, be deemed, and, in certain circumstances, will be required to represent and agree that it (1) either (i) is not a Risk Retention U.S. Person or (ii) has obtained a U.S. Risk Retention Consent from the Transaction Agent (on behalf of the Sellers), (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules, including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules described herein. See below "RISK FACTOR" and see Section "SUBSCRIPTION AND SALE – United States of America". Any Risk Retention U.S. Person wishing to purchase Notes must inform the Issuer, the Transaction Agent on behalf of the Sellers, the Joint Arrangers and the Joint Lead Managers that it is a Risk Retention U.S. Person.

PRIIPs Regulation / Prohibition of sales to EEA retail investors – The Class A Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (*EEA*) or in France. For these purposes, a retail investor means a person who is one (or more) of (i) a retail client as defined in point (11) of article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC (*IMD*), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by regulation (EU) no 1286/2014 (the "**PRIIPS Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Class A Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

MiFID II product governance / Professional investors and ECPs only type of clients – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Class A Notes has led to the conclusion that: (i) the target market for the Class A Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Class A Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Class A Notes (a distributor) should take into consideration such manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Class A Notes (by either adopting or refining such manufacturer's target market assessment) and determining appropriate distribution channels.

No guarantee can be given to any potential investor with respect to the private placement of the Class A Notes, as to the creation or development of a secondary market for the Class A Notes by way of their listing on the Paris Stock Exchange (Euronext Paris).

Each of the Management Company and the Custodian, in their capacity as co-founders of the Issuer, assumes responsibility for the information contained in this Prospectus, as set out in Section "ENTITIES ACCEPTING RESPONSIBILITY FOR THE PROSPECTUS".

BPCE, in its capacity as central body (*organe central*) of the Banques Populaires and Caisse d'Epargne within the meaning of articles L. 512-106 to L. 512-108 of the French Monetary and Financial Code, accepts responsibility for the information contained (i) in Sub-Sections "Home Loan Eligibility Criteria" and "Ancillary Rights" of Section "DESCRIPTION OF THE HOME LOANS PURCHASE AND SERVICING AGREEMENT", and (ii) in Sections "INFORMATION RELATING TO THE PROVISIONAL PORTFOLIO OF HOME LOANS", "HISTORICAL PERFORMANCE DATA", "ORIGINATION, UNDERWRITING AND MANAGEMENT PROCEDURES", "DESCRIPTION OF THE BPCE GROUP, THE TRANSACTION AGENT, THE RESERVES PROVIDER, THE SELLERS AND THE SERVICERS" and "REGULATORY COMPLIANCE" of this Prospectus and any other disclosure in this Prospectus in respect of articles 404 to 410 of the Capital Requirements Regulations, Section 5 implementing AIFM and article 254 of the Solvency II Delegated Act and article 6 of the STS Regulation (the "**BPCE Information**"). To the knowledge of BPCE (having taken all reasonable care to ensure that such is the case), the BPCE Information is in accordance with the facts and does not omit anything likely to affect the import of the BPCE Information.

Neither the delivery of this Prospectus, nor the offering of any of the Class A Notes shall, under any circumstances, constitute or create any representation or imply that the information (whether financial or otherwise) contained in this Prospectus regarding the Issuer, the Sellers, the Servicers, the Transaction Agent, the Data Protection Agent, the Management Company, the Custodian, the Account Bank, the Cash Manager, the Paying Agent, the Listing Agent, the Specially Dedicated Account Bank, the Interest Rate Swap Counterparty, the Joint Arranger, the Joint Lead Managers or any other entity involved in the distribution of the Class A Notes, shall remain valid at any time subsequent to the date of this Prospectus. While the information set out in this Prospectus comprises a description of certain provisions of the Transaction Documents, it should be read as a summary only and it is not intended as a full statement of the provisions of such Transaction Documents.

In this Prospectus, unless otherwise specified or required by the context, references to "**EURO**", "**EUR**" or "**€**" are to the lawful currency of the Republic of France as of 1 January 1999, such date being the commencement of the third stage of the Economic and Monetary Union pursuant to the Treaty establishing the European Economic Community, as amended by the Treaty on the European Union.

PROCEDURE OF ISSUE AND PLACEMENT OF THE CLASS A NOTES SELECTION OF RECEIVABLES AND AVAILABLE INFORMATION

This Prospectus relates to the placement procedure for the Class A Notes issued by a French *fonds commun de titrisation* as governed by the provisions of the AMF Regulations (*Règlement general de l'Autorité des Marchés Financiers*).

The purpose of this Prospectus is to set out (i) the general description of the assets and liabilities of the Issuer, (ii) the general characteristics of the Home Loans which may be acquired from the Seller, and (iii) the general principles of establishment and operation of the Issuer.

Issuer Regulations

Upon subscription or purchase of any Notes, its holder shall be automatically and without any further formality (*de plein droit*) bound by: the provisions of the Issuer Regulations, as amended from time to time by any amendments thereto jointly agreed by the Management Company and the Custodian in accordance with the terms thereof. As a consequence, each holder of a Note is deemed to have full knowledge of the operation of the Issuer, and in particular, of the characteristics of the Home Loans purchased by the Issuer, of the Terms and Conditions of the Notes and of the identity of the parties participating in the management of the Issuer.

This Prospectus contains the main provisions of the Issuer Regulations. Any person wishing to obtain a copy of the Issuer Regulations, may request a copy from the Management Company with effect from the date of distribution of this Prospectus.

Defined Terms

For the purposes of this Prospectus, capitalised terms will have the meaning assigned to them in the Appendix to this Prospectus.

VISA BY THE *AUTORITÉ DES MARCHÉS FINANCIERS*

En application des articles L. 412-1 et L. 621-8 du Code monétaire et financier et de son Règlement Général, notamment ses articles 211-1 à 216-1 et 425-1 et suivants, l'Autorité des Marchés Financiers a apposé le visa numéro FCT 18-08 en date du 24 octobre 2018 sur le Prospectus. Le Prospectus a été établi par chacun des co-fondateurs du fonds et engage la responsabilité de ses signataires. Le visa, conformément aux dispositions de l'article L. 621-8-1, I du Code monétaire et financier a été attribué après que l'Autorité des Marchés Financiers a vérifié "si le document est complet et compréhensible, et si les informations qu'il contient sont cohérentes". Il n'implique ni approbation de l'opportunité de l'opération, ni authentification des éléments comptables et financiers présentés.

English translation for information purposes:

Pursuant to articles L. 412-1 and L. 621-8 of the French Monetary and Financial Code and of the AMF Regulations (*Règlement general de l'Autorité des Marchés Financiers*), and in particular of articles 211-1 to 216-1 and 425-1 *et seq.* thereof, the Prospectus has been granted by the *Autorité des Marchés Financiers* a visa on 24 October 2018 under number FCT No. 18-08. The Prospectus has been established by each of the co-founders of the Issuer and its signatories accept responsibility therefor. The visa, in accordance with the provisions of article L. 621-8-1, I of the French Monetary and Financial Code, was delivered after the *Autorité des Marchés Financiers* having verified "if the document is complete and understandable, and if the information contained in it are consistent". It does not imply an approval of the advisability of the transaction, nor the authentification of the accounting and financial information set out herein.

Information

A hard copy of this Prospectus shall be made available free of charge during normal business hours at the registered office of each of the Custodian, the Management Company and the Paying Agent and an electronic version

of the Prospectus shall be sent by email by the Management Company upon request by any person. In addition, the Management Company shall publish the Prospectus on its website.

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ENTITIES ACCEPTING RESPONSIBILITY FOR THE PROSPECTUS

To our knowledge (having taken all reasonable care to ensure that such is the case), the data contained in this Prospectus comply with reality: they contain all information necessary for investors to make their judgement on the rules governing the securitisation vehicle. They contain no omission likely to affect their import.

Executed in Paris, on 24 October 2018.

France Titrisation
Management Company
1, Boulevard Haussmann
75009 Paris
France

Johnny VALENTE
Authorised signatory

Natixis
Custodian
30, avenue Pierre Mendès France
75013 Paris
France

Martine BOUVIER
Authorised signatory

STATUTORY AUDITOR OF THE ISSUER

Mazars
Statutory Auditor
(represented by Mr. Pierre MASIERI)
61 rue Henri Regnault
92400 Courbevoie
France

PERSONNES QUI ASSUMENT LA RESPONSABILITÉ DU PROSPECTUS

Nous attestons qu'à notre connaissance (après avoir pris toute mesure raisonnable à cet effet), les données du présent prospectus sont conformes à la réalité : elles contiennent toute information nécessaire pour que les investisseurs puissent se faire une opinion sur les règles gouvernant le véhicule de titrisation. Elles ne comportent pas d'omission de nature à en altérer la portée.

Fait à Paris, le 24 octobre 2018.

France Titrisation
Société de gestion
1, Boulevard Haussmann
75009 Paris
France

Johnny VALENTE

Signataire habilité

Natixis
Dépositaire
30, avenue Pierre Mendès France
75013 Paris
France

Martine BOUVIER

Signataire habilitée

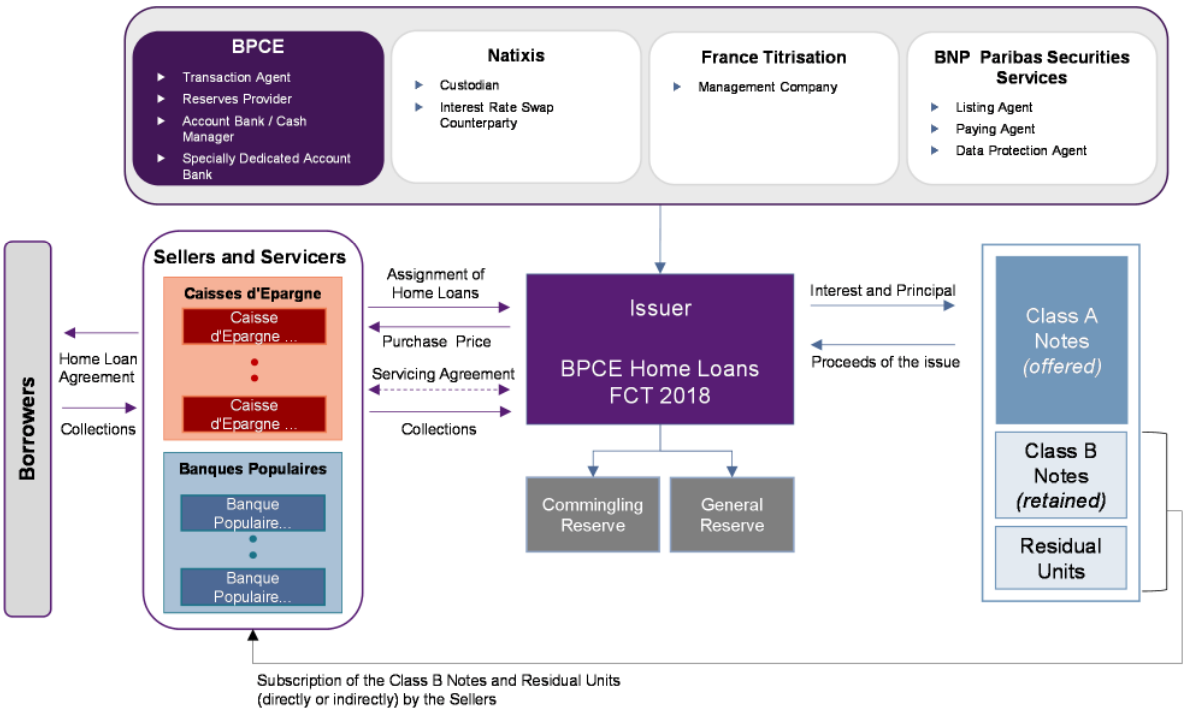
COMMISSAIRE AUX COMPTES DU FCT

Mazars
61 rue Henri Regnault
92400 Courbevoie
France
Commissaire aux comptes
(représenté par Pierre MASIERI)

OVERVIEW OF THE TRANSACTION

The attention of potential investors in the Class A Notes is drawn to the fact that the following Section only sets out a summary of the information relating to the Issuer and should be considered by reference to the detailed information provided in this Prospectus. In addition, as the nominal amount of the Class A Notes will be equal to EUR 100,000, the following section is not, and is not to be regarded as, a "*résumé*" within the meaning of article 212-8 of the AMF Regulations (*Règlement Général de l'Autorité des Marchés Financiers*). Capitalised words or expressions shall have the meanings given to them in the glossary of terms in the Appendix to this Prospectus.

STRUCTURE DIAGRAM OF THE TRANSACTION



THE PARTIES AND THE TRANSACTION DOCUMENTS

Issuer

BPCE Home Loans FCT 2018, is a French *fonds commun de titrisation* jointly established on the Issuer Establishment Date by the Management Company and the Custodian.

The Issuer is governed by the provisions of articles L. 214-24 I and II, L. 214-166-1 to 167 to L. 214-175, L.214-175-1 to L.214-175-7, L. 214-180 to L. 214-186, L. 231-7 and R. 214-217 to D. 214-240 of the French Monetary and Financial Code and by its Issuer Regulations.

In accordance with article L. 214-180 of the French Monetary and Financial Code, the Issuer is a co-ownership entity (*copropriété*) of receivables, which does not have a legal personality (*personnalité morale*).

The Issuer is neither subject to the provisions of the French Civil Code relating to the rules of co-ownership (*indivision*) nor to the provisions of articles 1871 to 1873 of the French Civil Code relating to partnerships (*sociétés en participation*).

For further details, please refer to the Section of this Prospectus entitled "*GENERAL DESCRIPTION OF THE ISSUER*".

Management Company

France Titrisation, a *société par actions simplifiée*, whose registered office is located at 1, Boulevard Haussmann, 75009 Paris, France, registered with the Trade and Companies Registry of Paris (France) under number 353 053 531, licensed and supervised by the AMF (*Autorité des Marchés Financiers*) as portfolio management company authorised to manage securitisation vehicles (*société de gestion de portefeuille habilitée à gérer des organismes de titrisation*) under number GP-14000030.

For further details, please refer to the Section of this Prospectus entitled "*DESCRIPTION OF THE RELEVANT ENTITIES*".

Custodian

Natixis, a *société anonyme*, incorporated under the laws of France, whose registered office is located at 30, avenue Pierre Mendès France, 75013 Paris (France), registered with the Trade and Companies Registry of Paris (France) under number 542 044 524, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution*, in its capacity as co-founder of the Issuer and Custodian of the Assets Allocated to the Issuer, under the Issuer Regulations.

For further details, please refer to the Section of this Prospectus entitled "*DESCRIPTION OF THE RELEVANT ENTITIES*".

Sellers

Each of (i) the Banque Populaire and (ii) the Caisse d'Epargne, acting in their capacity as seller of the Home Loans on the date of signing of the Home Loans Purchase and Servicing Agreement, where:

"**Banque Populaire**" means each of the following entities, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution* and regulated by articles L. 512-2 *et seq.* of the French Monetary and Financial Code:

(a) Banque Populaire Alsace Lorraine Champagne, a société anonyme coopérative de banque populaire, whose registered office is at 3, rue François de Curel, - BP 40124, 57021 Metz cedex 1, registered with the Trade and Companies Register of Metz under registration no. 356 801 571;

(b) Banque Populaire Aquitaine Centre Atlantique, a *société anonyme coopérative de banque populaire*, whose registered office is at 10, quai des Queyries, 33072 Bordeaux, registered with the Trade and Companies Register of Bordeaux under registration no. 755 501 590;

(c) Banque Populaire Auvergne Rhône Alpes, a *société anonyme coopérative de banque populaire*, whose registered office is at 4, boulevard Eugène Deruelle, 69003 Lyon, registered with the Trade and Companies Register of Lyon under registration no. 605 520 071;

(d) Banque Populaire Bourgogne Franche Comté, a *société anonyme coopérative de banque populaire*, whose registered office is at 14,

boulevard de La Trémouille, 21000 Dijon, registered with the Trade and Companies Register of Dijon under registration no. 542 820 352;

(e) Banque Populaire Grand Ouest, a *société anonyme coopérative de banque populaire*, whose registered office is at 15, boulevard de la Boutière, 35768 Saint Gregoire Cedex, registered with the Trade and Companies Register of Rennes under registration no. 857 500 227;

(f) Banque Populaire Méditerranée, a *société anonyme coopérative de banque populaire*, whose registered office is at 457 Promenade des Anglais, 06200 Nice, registered with the Trade and Companies Register of Nice under registration no. 058 801 481;

(g) Banque Populaire du Nord, a *société anonyme coopérative de banque populaire*, whose registered office is at 847, avenue de la République, 59700 Marcq en Baroeul, registered with the Trade and Companies Register of Lille under registration no. 457 506 566;

(h) Banque Populaire Occitane, a *société anonyme coopérative de banque populaire*, whose registered office is at 33-43, avenue Georges Pompidou, 31130 Balma, registered with the Trade and Companies Register of Toulouse under registration no. 560 801 300;

(i) Banque Populaire Rives de Paris, a *société anonyme coopérative de banque populaire*, whose registered office is at 76, avenue de France, 75013 Paris, registered with the Trade and Companies Register of Paris under registration no. 552 002 313;

(j) Banque Populaire du Sud, a *société anonyme coopérative de banque populaire*, whose registered office is at 38, boulevard Georges Clémenceau, 66000 Perpignan, registered with the Trade and Companies Register of Perpignan under registration no. 554 200 808; and

(k) Banque Populaire Val de France, a *société anonyme coopérative de banque populaire*, whose registered office is at 9, avenue Newton, 78180 Montigny le Bretonneux, registered with the Trade and Companies Register of Versailles under registration no. 549 800 373.

"**Caisse d'Epargne**" means any of the following entities, duly licensed as a French credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution* and regulated by articles L. 512-87 *et seq.* of the French Monetary and Financial Code:

(a) Caisse d'Epargne CEPAC, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at Place Estrangin Pastré, BP 108, 13254 Marseille cedex 06, registered with the Trade and Companies Register of Marseille under registration no. 775 559 404;

(b) Caisse d'Epargne et de Prévoyance Aquitaine Poitou-Charentes, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 1, Parvis Corto Maltese, 33000 Bordeaux, registered with the Trade and Companies Register of Bordeaux under registration no. 353 821 028 ;

(c) Caisse d'Epargne et de Prévoyance d'Auvergne et du Limousin, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 63, rue Montlosier, 63000 Clermont-Ferrand, registered with the Trade and Companies Register of Clermont-Ferrand under registration no. 382 742 013;

(d) Caisse d'Epargne et de Prévoyance de Bourgogne Franche-Comté, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 1, Rond Point de la Nation, 21000 Dijon, registered with the Trade and Companies Register of Dijon under registration no. 352 483 341;

(e) Caisse d'Epargne et de Prévoyance de Bretagne – Pays de Loire, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 2, place Graslin, 44911 Nantes Cedex 9, registered with the Trade and Companies Register of Nantes under registration no. 392 640 090;

(f) Caisse d'Epargne et de Prévoyance Côte d'Azur, cooperative bank (banque coopérative), a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 455, promenade des Anglais, 06200 Nice, registered with the Trade and Companies Register of Nice under registration no. 384 402 871;

(g) Caisse d'Epargne et de Prévoyance de Grand Est, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 5, Parvis des Droits de l'Homme, 57102 Metz, registered with the Metz Trade and Companies Register (Registre du commerce et des sociétés de Metz) under registration no. 775 618 622;

(h) Caisse d'Epargne et de Prévoyance Hauts de France, cooperative bank (banque coopérative), a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 135, Pont de Flandres, 59777 Euralille, registered with the Trade and Companies Register of Amiens under registration no. 383 000 692;

(i) Caisse d'Epargne et de Prévoyance Ile-de-France, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 19, rue du Louvre, 75001 Paris, registered with the Trade and Companies Register of Paris under registration no. 382 900 942;

(j) Caisse d'Epargne et de Prévoyance du Languedoc Roussillon, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at Zone d'Activités Commerciales d'Alco, 254 rue Michel Teule, 34000 Montpellier, registered with the Trade and Companies Register of Montpellier under registration no. 383 451 267;

(k) Caisse d'Epargne et de Prévoyance Loire-Centre, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé*

Conseil d'Orientation et de surveillance, whose registered office is at 7, rue d'Escures, 45000 Orleans, registered with the Trade and Companies Register of Orleans under registration no. 383 952 470;

(l) Caisse d'Epargne et de Prévoyance de Loire Drôme Ardèche, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 17, rue des Frères Ponchardier, Espace Fauriel, 42100 St Etienne, registered with the Trade and Companies Register of St Etienne under registration no. 383 686 839;

(m) Caisse d'Epargne et de Prévoyance de Midi Pyrénées, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 10, avenue James Clerk Maxwell, 31100 Toulouse, registered with the Trade and Companies Register of Toulouse under registration no. 383 354 594;

(n) Caisse d'Epargne et de Prévoyance Normandie, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 151, rue d'Uelzen, 76230 Bois-Guillaume, registered with the Trade and Companies Register of Rouen under registration no. 384 353 413; and

(o) Caisse d'Epargne et de Prévoyance de Rhône Alpes, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 116 Cours Lafayette, 69003 Lyon, registered with the Trade and Companies Register of Lyon under registration no. 384 006 029.

For further details, please refer to the Section of this Prospectus entitled "*DESCRIPTION OF THE BPCE GROUP, THE TRANSACTION AGENT, THE RESERVES PROVIDER, THE SELLERS AND THE SERVICERS*" and "*DESCRIPTION OF THE HOME LOANS PURCHASE AND SERVICING AGREEMENT*".

Servicers

Each of the Sellers, appointed by the Management Company, with the prior approval of the Custodian, as servicer of the Purchased Home Loans transferred by it to the Issuer under the Home Loans Purchase and Servicing Agreement in accordance with the provisions of article L. 214-172 of the French Monetary and Financial Code.

Each of the following events shall constitute a "**Servicer Termination Event**" in respect of any Servicer, in each case after expiry of any applicable grace period:

(a) such Servicer fails to comply with any of its material obligations (other than a default referred to in item (e) or (f)) or undertakings under the Transaction Documents to which it is a party, and the same is not remedied (if capable of remedy) within thirty (30) Business Days after the Management Company (with copy to the Custodian) has given notice thereof to the relevant Servicer or (if sooner) the relevant Servicer has knowledge of the same, unless the Management Company determines that such failure is not prejudicial to the interests of the Class A Noteholders provided that, in such case, the Management Company shall notify the Class A Noteholders its decision by written notice duly justifying its decision;

(b) any representation or warranty made by such Servicer under the Transaction Documents to which it is a party, proves to be materially inaccurate or misleading when made or repeated or ceases to be accurate at any later stage, and the same is not remedied (if capable of remedy) within thirty (30) Business Days after the Management Company (with copy to the Custodian) has given notice thereof to the relevant Servicer or (if sooner) the relevant Servicer has knowledge of the same, unless the Management Company determines that it is not prejudicial to the interests of the Class A Noteholders provided that, in such case, the Management Company shall notify the Class A Noteholders its decision by written notice duly justifying its decision;

(c) an Insolvency Event occurs in respect of such Servicer;

(d) at any time it is or becomes unlawful for such Servicer to perform or comply with any or all of its material obligations under the Home Loans Purchase and Servicing Agreement or any or all of its material obligations under the Home Loans Purchase and Servicing Agreement are not, or cease to be, legal, valid and binding and no appropriate solutions are found within ten (10) calendar days between the parties to the Home Loans Purchase and Servicing Agreement to remedy such illegality, invalidity or unenforceability;

(e) any failure by such Servicer to make any payment under any Transaction Documents to which it is a party and any failure by such Servicer, in its capacity as Seller, to pay any Deemed Collections, when due, except if such failure is due to technical reasons and is remedied by the relevant Servicer or any other member of the BPCE Group within five (5) Business Days;

(f) on two consecutive Reporting Dates, the Transaction Agent is not provided with a complete Individual Servicer Report in relation to the Purchased Home Loans transferred by such Servicer in its capacity as Seller;

(g) on three (3) consecutive Information Dates, the Transaction Agent has not provided the Management Company, with a copy to the Custodian, with a Master Servicer Report except if all Servicers have provided the Management Company directly, with a copy to the Custodian, with their Individual Servicer Reports;

(h) on any date on which the Commingling Reserve needs to be constituted or increased, as the case may be, pursuant to the Reserve Cash Deposits Agreement, the credit standing to the Commingling Reserve Account is lower than the applicable Commingling Reserve Required Amount and the same is not remedied by the Reserves Provider or any other member of the BPCE Group within ten (10) Business Days; or

(i) an Insolvency Event occurs in respect of the Transaction Agent.

"**Individual Servicer Termination Event**" means any of the events referred to in item (a) to (f) of the definition of "Servicer Termination Event", in each case after expiry of any applicable grace period.

"**Master Servicer Termination Event**" means any of the events referred to in item (g) to (i) of the definition of "Servicer Termination Event", in each case after expiry of any applicable grace period.

Following the occurrence of an Individual Servicer Termination Event as set out above, the Management Company shall:

(i) immediately send a Notification of Control to the Specially Dedicated Account Bank with the effect of preventing it from implementing any further debit instruction from such Servicer with respect to its Specially Dedicated Bank Account; and

(ii) within a period of thirty (30) calendar days and with the prior approval of the Custodian (such approval not to be unreasonably withheld or delayed, and provided that, if the Management Company considers, having regards to the interest of the Noteholders and Residual Unitholders, that the Custodian is holding or delaying its consent unreasonably, the Management Company shall be entitled to set aside the opinion of the Custodian), replace the Servicer with any entity fit for that purpose (such replacement servicer being appointed with respect to the Purchased Home Loans whose servicing is the responsibility of such Servicer only), in accordance with article L. 214-172 of the French Monetary and Financial Code, it being provided that any other Servicer in respect of which no Individual Servicer Termination Event and no event which could, through the passage of time or the giving of a notice, become an Individual Servicer Termination Event, has occurred, may be appointed as a replacement servicer.

Following the occurrence of a Master Servicer Termination Event as set out above, the Management Company shall:

(i) immediately send a Notification of Control to the Specially Dedicated Account Bank with the effect of preventing it from implementing any further debit instruction from all Servicers with respect to their respective Specially Dedicated Bank Accounts; and

(ii) within a period of thirty (30) calendar days and with the prior approval of the Custodian (such approval not to be unreasonably withheld or delayed, and provided that, if the Management Company considers, having regards to the interest of the Noteholders and Residual Unitholders, that the Custodian is holding or delaying its consent unreasonably, the Management Company shall be entitled to set aside the opinion of the Custodian), replace all Servicers with any entity or entities fit for that purpose, in accordance with article L. 214-172 of the French Monetary and Financial Code.

Upon termination of the appointment of any Servicer (or from the occurrence of a Servicer Termination Event in respect of that Servicer if necessary to protect the interest of the Issuer) pursuant to the Home Loans Purchase and Servicing Agreement, and subject to the receipt from the Data Protection Agent of the Decryption Key in accordance with the terms of the Data Protection Agreement, the Management Company shall, as soon as possible upon receipt of such Decryption Key and at the latest within thirty (30) calendar days of such receipt(or shall instruct any substitute servicer or any third party appointed by it, following prior information of the Custodian, to) (i) notify the relevant Borrowers, and any relevant insurance company under any Insurance Contract (if known) and Home Loan Guarantor under any Home Loan Guarantee relating to the relevant Home

Loans, of the assignment of the relevant Home Loans to the Issuer and (ii) instruct the relevant Borrowers, insurance company and Home Loan Guarantor, to pay any amount owed by them under the relevant Purchased Home Loans, Insurance Contract or Home Loan Guarantee (as applicable) into any account specified by the Management Company (or the relevant third party or substitute servicer) in the notification.

For further details, please refer to the Section of this Prospectus entitled "*DESCRIPTION OF THE BPCE GROUP, THE TRANSACTION AGENT, THE RESERVES PROVIDER, THE SELLERS AND THE SERVICERS*" and "*DESCRIPTION OF THE Home Loans Purchase and Servicing Agreement*".

Class B Notes Subscribers

Each of the Banques Populaires and Caisses d'Epargne, in their capacity as subscribers of Class B Notes pursuant to the Class B Notes Subscription Agreement.

Account Bank

BPCE, a *société anonyme à directoire et conseil de surveillance*, whose registered office is located at 50, avenue Pierre Mendès France, 75013 Paris (France), registered with the Trade and Companies Registry of Paris (France) under number 493 455 042, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution.*

The Account Bank is the credit institution in the books of which the Management Company has opened the Issuer Accounts under the responsibility of the Custodian, pursuant to the provisions of the Account Bank and Cash Management Agreement.

Pursuant to the Account Bank and Cash Management Agreement, at any time during the lifetime of the Issuer:

(i) the Custodian shall (i) as soon as possible if an Account Bank Termination Event occurs or (ii) within thirty (30) calendar days, if the Account Bank ceases to have the Account Bank Required Ratings, terminate the appointment of the Account Bank; and

(ii) the Account Bank may resign on giving 30-day prior written notice to the Management Company and the Custodian,

provided that the conditions precedent set out therein are satisfied (and in particular but without limitation that a new account bank with the Account Bank Required Ratings has been effectively appointed).

Each of the following events shall constitute an "**Account Bank Termination Event**":

(a) any material representation or warranty made by the Account Bank is or proves to have been incorrect or misleading in any material respect when made, and the same is not remedied (if capable of remedy) within thirty (30) Business Days after the Management Company (with copy to the Custodian) has given notice thereof to the Account Bank or (if sooner) the Account Bank has knowledge of the same;

(b) the Account Bank fails to comply with any of its material obligations (other than a default referred to in item (e) below) under the Account Bank and Cash Management Agreement unless such breach is capable of remedy and is remedied within thirty (30) Business Days after the Management Company (with copy to the Custodian) has given notice

thereof to the Account Bank or (if sooner) the Account Bank has knowledge of the same;

(c) an Insolvency Event occurs in respect of the Account Bank;

(d) at any time it is or becomes unlawful for the Account Bank to perform or comply with any or all of its material obligations under the Account Bank and Cash Management Agreement or any or all of its material obligations under the Account Bank and Cash Management Agreement are not, or cease to be, legal, valid and binding and no appropriate solutions are found within ten (10) calendar days between the parties to the Account Bank and Cash Management Agreement to remedy such illegality, invalidity or unenforceability; or

(e) any failure by the Account Bank to make any payment under any Transaction Documents to which it is a party, when due, except if such failure is due to technical reasons and is remedied within five (5) Business Days.

An entity shall have the "**Account Bank Required Ratings**" if:

(iii) the unsecured, unsubordinated and unguaranteed debt obligations of such entity are rated at least (i) A (long term) and A-1 (short-term) by S&P and

(iv) the deposit rating of such entity is, or if it is not assigned any deposit rating, its unsecured subordinated and unguaranteed debt obligations are rated at least A3 (long term) by Moody's; or

(v) such entity has such other ratings deemed acceptable by the relevant Rating Agency in order to maintain the then current rating of the Class A Notes.

For further details, please refer to the Section of this Prospectus entitled "*DESCRIPTION OF THE RELEVANT ENTITIES*".

Cash Manager

BPCE, a *société anonyme à directoire et conseil de surveillance*, whose registered office is located at 50, avenue Pierre Mendès France, 75013 Paris (France), registered with the Trade and Companies Registry of Paris (France) under number 493 455 042, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution.*

The Cash Manager is appointed by the Management Company, with the prior approval of the Custodian, to invest the amounts standing from time to time to the credit of the Issuer Accounts in accordance with the provisions of the Account Bank and Cash Management Agreement.

Pursuant to the Account Bank and Cash Management Agreement, at any time during the lifetime of the Issuer:

(a) the Management Company shall, as soon as possible, if a Cash Manager Termination Event occurs, terminate the appointment of the Cash Manager; and

(b) the Cash Manager may resign on giving a 30-day prior written notice to the Management Company and the Custodian,

provided that the conditions precedent set out therein are satisfied (and in particular but without limitation that a new cash manager has been effectively appointed).

Each of the following events shall constitute a "**Cash Manager Termination Event**":

(a) any material representation or warranty made by the Cash Manager is or proves to have been incorrect or misleading in any material respect when made, and the same is not remedied (if capable of remedy) within thirty (30) Business Days after the Management Company (with copy to the Custodian) has given notice thereof to the Cash Manager or (if sooner) the Cash Manager has knowledge of the same;

(b) the Cash Manager fails to comply with any of its material obligations (other than a default referred to in item (e) below) under the Account Bank and Cash Management Agreement unless such breach is capable of remedy and is remedied within thirty (30) Business Days after the Management Company (with copy to the Custodian) has given notice thereof to the Cash Manager or (if sooner) the Cash Manager has knowledge of the same;

(c) an Insolvency Event occurs in respect of the Cash Manager;

(d) at any time it is or becomes unlawful for the Cash Manager to perform or comply with any or all of its material obligations under the Account Bank and Cash Management Agreement or any or all of its material obligations under the Account Bank and Cash Management Agreement are not, or cease to be, legal, valid and binding and no appropriate solutions are found within ten (10) calendar days between the parties to the Account Bank and Cash Management Agreement to remedy such illegality, invalidity or unenforceability; or

(e) any failure by the Cash Manager to make any payment under any Transaction Documents to which it is a party, when due, except if such failure is due to technical reasons and is remedied within five (5) Business Days.

For further details, please refer to the Section of this Prospectus entitled "*DESCRIPTION OF THE RELEVANT ENTITIES*".

Transaction Agent

BPCE, a *société anonyme à directoire et conseil de surveillance*, whose registered office is located at 50, avenue Pierre Mendès France, 75013 Paris (France), registered with the Trade and Companies Registry of Paris (France) under number 493 455 042, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution.*

Pursuant to the Home Loans Purchase and Servicing Agreement, each Seller and each Servicer has appointed BPCE as its agent (*mandataire*) in relation to the provision of certain services (the "**Transaction Agent**"). The Transaction Agent will in particular:

(a) assume the general representation of each Seller and each Servicer towards the Issuer, the Management Company and the Custodian;

(b) prepare, sign and send each Re-transfer Request to the Management Company on each Re-transfer Date and prepare, sign and send to the Management Company any documents required for the implementation

of the rescission (*résolution*) of the sale of any relevant Purchased Home Loans on any relevant date;

(c) on each Reporting Date, receive each Individual Servicer Report, prepare a Master Servicer Report and provide it to the Management Company, with a copy to the Custodian, on each Information Date, together with the up-to-date Encrypted Data File;

(d) as applicable, on the First Optional Redemption Date or any of the three subsequent Payment Dates (only) occurring after such First Optional Redemption Date, prepare, sign and send a request to the Management Company to redeem all (but not some only) of the Notes;

(e) prepare, sign and send a request to the Management Company to liquidate the Issuer upon the occurrence of an Issuer Liquidation Event referred to in item (c), (d) or (f) of the definition of "Issuer Liquidation Event";

(f) use reasonable commercial endeavours (*obligation de moyens*) to ensure that the loan-level data with respect to the Purchased Home Loans is made available on a quarterly basis on the website of the European DataWarehouse within one (1) month of each Payment Date, for as long as the loan-level data reporting requirements for asset-backed securities with respect to the Eurosystem's collateral framework is effective and to the extent such information is available to it and unless such task has been deletegated to the Management Company;

(g) use reasonable commercial endeavours (*obligation de moyens*) to make available to the Management Company any information that may reasonably be requested by the Management Company in relation to its obligation under the Transaction Documents to publish the cash flows and the performance overview on Bloomberg and on any other relevant modelling platform on each Investor Reporting Date or following a request the Management Company may receive from the Rating Agencies or the modelling platform (such as Intex Solutions Inc.), in accordance with the provisions of the Home Loans Purchase and Servicing Agreement;

(h) if and when the relevant information on environmental performance of the properties financed by the Home Loans becomes available, the Transaction Agent will use reasonable commercial endeavours (*obligation de moyens*) to communicate such information to the Management Company;

(i) be entitled to agree to, and execute, any amendment, modification, alteration or supplement to the Transaction Documents and all other related documents necessary for the implementation of the same, in the name and on behalf of each Seller and each Servicer, provided that:

(i) if the relevant amendment, modification, alteration or supplement materially and adversely affects the interest of the Sellers or the Servicers or materially increases the undertakings and other obligations of the Sellers and/or the Servicers under the Transaction Documents and all other related documents necessary for the implementation of the same, such amendment, modification, alteration or supplement shall be subject to a prior

agreement of the Sellers and/or the Servicers (to be obtained separately by BPCE);

(ii) the Transaction Agent, in the name and on behalf of each Seller and each Servicer, will be entitled to agree to, and execute, without the Transaction Agent obtaining the prior agreement of the Sellers or the Servicers, any amendment, modification, alteration or supplement to the Transaction Documents and all other related documents necessary for the implementation of the same:

(A) which is technical or which is aimed at curing any ambiguity, omission, defect, inconsistency or manifest error; and

(B) subject to a prior information of the Sellers and the Servicers:

(I) to effect a change, exercise an option or use a possibility in accordance with the terms and conditions already provided for in the relevant Transaction Document (such as the accession of a new party, the amendment or the substitution of any party to that Transaction Document, subject to the terms and conditions of that Transaction Document); or

(II) to comply with any mandatory requirements of applicable laws and regulations or to implement any amendment required in order to (aa) to obtain or maintain the eligibility of the Class A Notes to the Eurosystem legal framework related to monetary policy, (bb) for the Transaction to be able to qualify as a simple, transparent and standardised securitisation in accordance with the provisions of Regulation 2017/2402 of the European Parliament and of the Council dated 12 December 2017 relating to transparent and standardised securitisation transactions (the "**STS Regulation**") and the related regulatory technical standards and implementing technical standards, (cc) to comply with any new requirement received from the Rating Agencies in relation to their rating methodology, (dd) to comply with the LCR Delegated Regulation as amended by the provisions of Regulation 2017/2402 of the European Parliament and of the Council dated 12 December 2017 relating to transparent and standardised securitisation transactions and as further amended from time to time (the "**LCR Regulation**") and the related regulatory technical standards and implementing technical standards, (ee) to implement the changes required by or

comply with government order n°2017-1432 of 4 October 2017 (*ordonnance n°2017-1432 of 4 October 2017 portant modernisation du cadre juridique de la gestion d'actifs et du financement par la dette*) (the "**2017 Order**") (including, without limitation, (i) any amendment made to the provisions of the AMF General Regulations following the Issue Date in order to implement the 2017 Order and (ii) any other text implementing or ratifying the 2017 Order as will be adopted or will enter into force following the Issue Date), (ff) to comply with any changes in the requirements of the CRA Regulation, (gg) to enable the Class A Notes to be (or to remain) listed and admitted to trading on Euronext Paris or (hh) to enable the Issuer and/or the Interest Rate Swap Counterparty to comply with any obligation which applies to it under EMIR, provided that, for the avoidance of doubt, in each case referred to in (aa) to (hh) above, the Transaction Agent shall be entitled to, but shall be under no obligation to, execute the required amendment, modification, alteration or supplement to the Transaction Documents; or

(III) to effect an amendment, modification, alteration or supplement to the Transaction Documents and all other related documents necessary for the implementation of the same where doing so does not materially and adversely affect the interest of the Sellers or the Servicers nor materially increases the undertakings and other obligations of the Sellers or the Servicers under the Transaction Documents and all other related documents necessary for the implementation of the same.

For further details, please refer to the Section of this Prospectus entitled "*DESCRIPTION OF THE Home Loans Purchase and Servicing Agreement*" and to the Section of this Prospectus entitled "*DESCRIPTION OF THE BPCE GROUP, THE TRANSACTION AGENT, THE RESERVES PROVIDER, THE SELLERS AND THE SERVICERS*" and "*DESCRIPTION OF THE HOME LOANS PURCHASE AND SERVICING AGREEMENT*".

Reserves Provider

BPCE, a *société anonyme à directoire et conseil de surveillance*, whose registered office is located at 50, avenue Pierre Mendès France, 75013 Paris (France), registered with the Trade and Companies Registry of Paris (France) under number 493 455 042, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution.*

The Reserves Provider has (i) undertaken to guarantee, in its own name and for its own account, the performance of the Purchased Home Loans, up to an amount equal to, on the Issuer Establishment Date, the General Reserve Initial Cash Deposit Amount credited on the General Reserve Account, as a guarantee for its

financial obligations under such performance guarantee, in accordance with and subject to the provisions of the Reserve Cash Deposits Agreement and (ii) agreed to be jointly and severally liable (*co-débiteur solidaire*) for the full and timely payment by each Servicer of its payment obligations towards the Issuer under the Home Loans Purchase and Servicing Agreement, within the limit of an amount standing at any time to the credit of the Commingling Reserve Account and undertaken to credit the Commingling Reserve Account with such amount, as a guarantee for its financial obligations as joint and several debtor (*co-débiteur solidaire*), in accordance with and subject to the provisions of the Reserve Cash Deposits Agreement. For the avoidance of doubt, no provision in the Home Loans Purchase and Servicing Agreement shall be interpreted as implying joint or several obligation(s) between any of the Servicers.

For further details, please refer to the Sections of this Prospectus entitled "*DESCRIPTION OF THE Home Loans Purchase and Servicing Agreement*" and "*CREDIT STRUCTURE*".

Paying Agent

BNP PARIBAS SECURITIES SERVICES, a French *société en commandite par actions*, whose registered office is located at 3, rue d'Antin, 75002 Paris (France) registered with the Trade and Companies Registry of Paris (France) under number 552 108 011, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution*, acting through its office located at 3-5-7 rue du General Compans, 93500 Pantin (France), in its capacity as paying agent under the terms of the Paying Agency Agreement.

Listing Agent

BNP PARIBAS SECURITIES SERVICES, a French *société en commandite par actions*, whose registered office is located at 3, rue d'Antin, 75002 Paris (France) registered with the Trade and Companies Registry of Paris (France) under number 552 108 011, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution*, acting through its office located at 3-5-7 rue du General Compans, 93500 Pantin (France), in its capacity as listing agent under the terms of the Paying Agency Agreement.

Data Protection Agent

BNP PARIBAS SECURITIES SERVICES, a French *société en commandite par actions*, whose registered office is located at 3, rue d'Antin, 75002 Paris (France) registered with the Trade and Companies Registry of Paris (France) under number 552 108 011, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution*, acting through its office located at 3-5-7 rue du General Compans, 93500 Pantin (France), in its capacity as data protection agent under the terms of the Data Protection Agreement.

In accordance with, and subject to, the Data Protection Agreement, on the Purchase Date, each Seller, or the Transaction Agent on behalf of the Sellers, shall encrypt using the Decryption Key communicated to the Data Protection Agent on or prior to the Issuer Establishment Date the personal data related to the Borrowers and provide it through an electronic transfer in encrypted form directly to the Management Company (the ***Encrypted Data File***) and on each Information Date, the Transaction Agent, on behalf of each Servicer, shall send through an electronic transfer an up-to-date Encrypted Data File to the Management Company together with the Master Servicer Report. As from the Information Date falling in July 2019 (or such later date agreed between the Custodian, the Management Company and the Transaction Agent), the Transaction Agent shall also, on behalf of each

Servicer, send through an electronic transfer a version of such up-to-date Encrypted Data File to the Custodian.

Such Encrypted Data File shall consist in an electronically readable data tape containing encrypted information such as, *inter alia*, the names and addresses of the Borrowers in respect of, (i) as at the Purchase Date, each Borrower for each Home Loan identified in the Home Loans Purchase Offer and (ii) in relation to any Information Date, each Borrower of an outstanding Purchased Home Loan (either a Performing Home Loan or a Defaulted Home Loan, but excluding such Home Loan (x) the transfer of which has been rescinded (*résolu*) or (y) which is the subject of a repurchase offer as at such date).

The Management Company and the Custodian will keep each version of an Encrypted Data File they receive in safe custody and protect it against unauthorised access by any third parties. For the avoidance of doubt, the Management Company will not be able to access the data contained in any Encrypted Data Files without the Decryption Key.

The Data Protection Agent shall hold the Decryption Key (and any new Decryption Key generated by any Servicer or the Transaction Agent on its behalf, as the case may be) in safe custody and protect it against unauthorised access by any third parties until the Management Company requires the delivery of the Decryption Key. The Management Company may request the Decryption Key to the Data Protection Agent and use (or permit the use of) the data contained in the Encrypted Data Files relating to the Borrowers only in the following circumstances:

(a) upon the occurrence of a Servicer Termination Event in respect of a Servicer (including without limitation in the event that the appointment of that Servicer under the Home Loans Purchase and Servicing Agreement has been terminated), provided that where the Servicer Termination Event is an Individual Servicer Termination Event, the Decryption Key shall only be used to decrypt the data provided by that Servicer); or

(b) the Management Company reasonably considers it needs to have access to such data in order to protect the interest of the Noteholders and Residual Unitholders or the Issuer.

Each of the following events shall constitute a "**Data Protection Agent Termination Event**":

(a) any material representation or warranty made by the Data Protection Agent is or proves to have been incorrect or misleading in any material respect when made, and the same is not remedied (if capable of remedy) within thirty (30) Business Days after the Management Company (with copy to the Custodian) has given notice thereof to the Data Protection Agent or (if sooner) the Data Protection Agent has knowledge of the same;

(b) the Data Protection Agent fails to comply with any of its material obligations under the Data Protection Agreement unless such breach is capable of remedy and is remedied within thirty (30) Business Days after the Management Company (with copy to the Custodian) has given notice thereof to the Data Protection Agent or (if sooner) the Data Protection Agent has knowledge of the same;

(c) an Insolvency Event occurs in respect of the Data Protection Agent;

(d) at any time it is or becomes unlawful for the Data Protection Agent to perform or comply with any or all of its material obligations under the Data Protection Agreement or any or all of its material obligations under the Data Protection Agreement are not, or cease to be, legal, valid and binding and no appropriate solutions are found within ten (10) calendar days between the parties to the Data Protection Agreement to remedy such illegality, invalidity or unenforceability.

Specially Dedicated Account Bank

BPCE, a *société anonyme à directoire et conseil de surveillance*, whose registered office is located at 50, avenue Pierre Mendès France, 75013 Paris (France), registered with the Trade and Companies Registry of Paris (France) under number 493 455 042, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution.*

In accordance with articles L. 214-173 and D. 214-228 of the French Monetary and Financial Code and pursuant to the terms of the Specially Dedicated Account Bank Agreement, at least one bank account specially dedicated (*compte spécialement affecté*) to the benefit of the Issuer has been opened by each Servicer with the Specially Dedicated Account Bank (the "**Specially Dedicated Bank Accounts**").

Pursuant to the Home Loans Purchase and Servicing Agreement, each Servicer shall in an efficient and timely manner collect, transfer and credit directly or indirectly to the relevant Specially Dedicated Bank Account all Available Collections received in respect of the Purchased Home Loans transferred by it to the Issuer, provided that each Servicer has undertaken vis-à-vis the Issuer:

(i) that all Home Loan instalments paid by the Borrowers by direct debit shall be either (1) credited directly to its Specially Dedicated Bank Account(s), provided that such amounts will include any amount of insurance premium or services fees paid by the relevant Borrower, as applicable or (2) credited to another account of the Servicer and transferred on the same day to its Specially Dedicated Bank Account(s), provided that such amounts shall not include any amount of insurance premium or services fees paid by the relevant Borrower, as applicable; and

(ii) to transfer to its Specially Dedicated Bank Account(s), as soon as possible and at the latest on the Business Day following receipt, any other amount of Available Collections standing to the credit of any of its bank accounts, provided that such amount shall not include any amount of insurance premium or services fees paid by the relevant Borrower, as applicable.

Under the Specially Dedicated Account Bank Agreement to which it is a party and the Home Loans Purchase and Servicing Agreement, each Servicer has undertaken to transfer to the General Account, on each Settlement Date, any amount of Available Collections collected under any Purchased Home Loan (including its Ancillary Rights) during the immediately preceding Quarterly Collection Period and standing to the credit of its Specially Dedicated Bank Account(s) as of such date.

If the Specially Dedicated Account Bank ceases to have the Account Bank Required Ratings or an Insolvency Event occurs in respect of the Specially Dedicated Account Bank, each Servicer shall terminate its Specially Dedicated Account Bank Agreement and will appoint, with the prior approval of the Management Company (such approval not to be unreasonably withheld or

delayed) a new specially dedicated account bank within thirty (30) calendar days and close its Specially Dedicated Bank Account, provided that the conditions precedent set out therein are satisfied (and in particular but without limitation that new specially dedicated accounts have been opened with a new specially dedicated account bank with the Account Bank Required Ratings) unless (if the Specially Dedicated Account Bank ceases to have the Account Bank Required Ratings only) the Reserves Provider has increased within thirty (30) calendar days after the downgrade of the ratings of the Specially Dedicated Account Bank below the Account Bank Required Ratings, the Commingling Reserve up to the applicable Level 2 Commingling Reserve Required Amount.

Either the Specially Dedicated Account Bank or any Servicer (on giving 1-month prior notice) may terminate a Specially Dedicated Account Bank Agreement, provided that the conditions precedent set out therein are satisfied (and in particular but without limitation that a new specially dedicated account has been opened with a new specially dedicated account bank with the Account Bank Required Ratings).

For further details, please refer to the Sections of this Prospectus entitled "*DESCRIPTION OF THE RELEVANT ENTITIES*" and "*ISSUER CASH AND INVESTMENT RULES*".

Interest Rate Swap Counterparty

Initial Interest Rate Swap Counterparty

Natixis, a *société anonyme*, incorporated under the laws of France, whose registered office is located at 30, avenue Pierre Mendès France, 75013 Paris (France), registered with the Trade and Companies Registry of Paris (France) under number 542 044 524, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution*, acting through its London Branch located at Cannon Bridge House, 25 Dowgate Hill, London EC4R 2YA, United Kingdom.

Ratings of the Interest Rate Swap Counterparty by Moody's and termination of the Interest Rate Swap Agreement

A termination by reasons of Change of Circumstances (as defined in the Interest Rate Swap Agreement) under the Interest Rate Swap Agreement entitling the Management Company to terminate (without being obliged to) the Interest Rate Swap Agreement will occur if (A) the Moody's Qualifying Transfer Trigger Requirements apply and thirty (30) or more Business Days have elapsed since the last time the Moody's Qualifying Transfer Trigger Requirements did not apply and (B) at least one Moody's Eligible Replacement has made a Firm Offer (as defined in the Interest Rate Swap Agreement) after that would, assuming the occurrence of an early termination, qualify as a Replacement Value (as defined in the Interest Rate Swap Agreement) and remain capable of becoming legally binding upon acceptance.

A termination by reasons of Event of Default (as defined in the Interest Rate Swap Agreement) under the Interest Rate Swap Agreement entitling the Management Company to terminate (without being obliged to) the Interest Rate Swap Agreement will occur if the Moody's Collateral Trigger Requirements apply and the Interest Rate Swap Counterparty has failed to transfer collateral as required pursuant to the Collateral Annex.

Ratings of the Interest Rate Swap Counterparty by S&P and termination of the Interest Rate Swap Agreement

A termination by reasons of Change of Circumstances (as defined in the Interest Rate Swap Agreement) under the Interest Rate Swap Agreement entitling the Management Company to terminate (without being obliged to) the Interest Rate Swap Agreement will occur upon the occurrence of:

(a) an Initial S&P Rating Requirement Breach;

(b) a Subsequent S&P Rating Requirement Breach;

(c) a S&P Replacement Option 3 Rating Requirement Breach; or

(d) a S&P Replacement Option 4 Rating Requirement Breach,

Certain other cases of termination

The Interest Rate Swap Counterparty may terminate the Interest Rate Swap Agreement upon the occurrence of either of the following events: (a) if any amendment to the Transaction Documents is made without the prior consent of the Interest Rate Swap Counterparty, (i) where such amendment has or could have a material adverse effect on the interests of the Interest Rate Swap Counterparty under the Interest Rate Swap Agreement or under the relevant Transaction Documents or (ii) if any Funds Allocation Rules are amended or (b) if the Class A Notes are to be redeemed early in accordance with Condition 4(f), Condition 4(g) or Condition 4(h).

The Management Company may terminate the Interest Rate Swap Agreement if, among other things, the Interest Rate Swap Counterparty becomes insolvent, or fails to make a payment under the Interest Rate Swap Agreement when due and such failure is not remedied after the notice of such failure being given, and if performance of the Interest Rate Swap Agreement becomes illegal.

For further details and a definition of the capitalised terms used above, please refer to the Sections of this Prospectus entitled "*DESCRIPTION OF THE INTEREST RATE SWAP AGREEMENT*".

Joint Arrangers BPCE and Natixis.

Joint Lead Managers Natixis and Goldman Sachs International.

Transaction Documents means the Issuer Regulations, the Home Loans Purchase and Servicing Agreement and any Transfer Document, the Account Bank and Cash Management Agreement, the Paying Agency Agreement, the Interest Rate Swap Agreement, the Class A Notes Subscription Agreement, the Class B Notes Subscription Agreement and the Residual Units Subscription Agreement, the Specially Dedicated Account Bank Agreements, the Data Protection Agreement and the Reserve Cash Deposits Agreement.

ASSETS OF THE ISSUER

Assets Allocated to the Issuer Pursuant to the Issuer Regulations, the Assets Allocated to the Issuer by the Management Company comprise:

(i) all Home Loans that the Issuer may purchase under the terms of the Home Loans Purchase and Servicing Agreement and which have not been retransferred, or been the subject of a transfer rescission (the "**Purchased Home Loans**") and any Ancillary Rights attached to the Purchased Home Loans;

(ii) all amounts standing from time to time to the credit of the Issuer Accounts (excluding the Interest Rate Swap Collateral Account);

(iii) any Eligible Investments and income relating to any Eligible Investments; and

(iv) any other rights transferred or attributed to the Issuer under the terms of the Transaction Documents.

Home Loans

The "**Home Loans**" assigned to the Issuer by the Sellers on the Purchase Date pursuant to the Home Loans Purchase and Servicing Agreement are any and all receivables arising from home loans denominated in Euros granted pursuant to the Home Loan Agreements entered into with Borrowers. For the avoidance of doubt, when a Home Loan which is granted in relation to a property is composed of several separate tranches further to several separate drawings and each such tranche is secured by the same Home Loan Guarantee or the same Mortgage, the term "Home Loan" refers to all relevant tranches of such Home Loan, and calculation under each Transaction Document to be made in relation to such Home Loan shall be made on an aggregate basis, and in order for that Home Loan to comply with the Home Loan Eligibility Criteria, each such tranches shall comply therewith.

"**Home Loan Agreement**" means a loan agreement entered into between any Seller and a Borrower in order to acquire, to renovate, to build or to refinance a property, being a residential (and not a commercial) property.

Pursuant to the Home Loans Purchase and Servicing Agreement, each Seller will represent and warrant in respect of the Home Loans such Seller transfers to the Issuer on the relevant Purchase Date that such Home Loans satisfy the Home Loan Eligibility Criteria as of the Selection Date.

The "**Outstanding Principal Balance**" of a given Home Loan shall be, on a given Calculation Date or Re-transfer Date, the remaining amount of principal to be paid by the relevant Borrower under the relevant Home Loan, as of the immediately preceding Determination Date.

Purchase Price

General

The aggregate "**Purchase Price**" to be paid by the Issuer to each Seller for the purchase of the Home Loans shall be equal to the sum of the "**Principal Component Purchase Price**" of the Home Loans and the "**Interest Component Purchase Price**" of the Home Loans, being respectively (i) an amount equal to the aggregate of the Initial Principal Balance, as of the Selection Date, of the Home Loans to be purchased on the Purchase Date and (ii) an amount equal to the aggregate of the accrued but unpaid interest of such Home Loans on the Selection Date (excluded).

Home Loans

The Principal Component Purchase Price of the Home Loans to be purchased by the Issuer on the Purchase Date shall be paid on the Issuer Establishment Date by the Issuer to each Seller, by debiting the General Account (to the extent, as the case may be, not paid by way of set-off) outside any applicable Priority of Payments.

The Interest Component Purchase Price of the Home Loans shall be paid by debiting the General Account on the first Payment Date following the Purchase

Date and/or, as the case may be, each Payment Date thereafter, in accordance with, and subject to, the applicable Priority of Payments.

As it is agreed between the parties to the Home Loans Purchase and Servicing Agreement that the effective date (*date de jouissance*) with respect to the assignment of the Home Loans shall be the Selection Date, each Seller will transfer to the Issuer on the first Settlement Date, an amount equal to the aggregate of all the collections received under all the Home Loans sold by it to the Issuer between the Selection Date (included) and the Issuer Establishment Date (excluded).

Home Loan Eligibility Criteria

The Home Loans offered for sale by each Seller to the Issuer shall satisfy each the following criteria (the "**Home Loan Eligibility Criteria**") as of the Selection Date or, as the case may be, the relevant date specified below:

(a) the Home Loan has been originated in its ordinary course of business by an original lender with an expertise of at least 5 years in originating exposures of a similar nature as the Home Loan, being either the Seller or any other entity of the BPCE Group which has transferred the Home Loan to the Seller through merger, partial contribution of assets or any other mode of transfer by operation of law (*transmission universelle de patrimoine*)) and:

(i) prior to the date on which the Home Loan had been made available to the Borrower, all lending criteria and preconditions as applied by the originator of the Home Loan pursuant to the Credit Guidelines were satisfied and the lending procedures applied to the Home Loan was not less stringent than the lending procedure applied to similar exposures which are not securitised;

(ii) the relevant Home Loan has not been marketed and underwritten on the premise that the Borrower as loan applicant or, where applicable, intermediaries were made aware that the information provided might not be verified by the relevant Seller,

where:

"**BPCE Group**" means the group constituted by the members of the Networks and the companies affiliated thereto in accordance with the conditions of article L. 511-31 of the French Monetary and Financial Code, as provided for in article L. 512-106 of the French Monetary and Financial Code;

"**Networks**" means the group of entities composed of: (i) the Banques Populaires network, as defined in article L. 512-11 of the French Monetary and Financial Code, (ii) the Caisses d'Epargnes network as defined in article L. 512-86 of the French Monetary and Financial Code, (iii) the credit institution and financing companies which are affiliated thereto and (iv) the Crédit Maritime Mutuel network, as defined in articles L. 512-68 et seq. of the French Monetary and Financial Code;

"**Credit Guidelines**" mean the Sellers' usual policies, procedures and practices relating to the operation of their home loan business including, without limitation, the usual policies, procedures and practices adopted by them as the grantor of credit in relation to Home Loans and/or (as the case may be) their usual policies, procedures and practices for dealing with matters

relating to the obligations and liabilities of the Sellers under applicable laws and regulations, for determining the creditworthiness of home loans borrowers, the extension of the credit, as such policies, procedures and practices may be amended or varied from time to time and as described in Sub-Section "Origination and Underwriting Procedures (Credit Guidelines)" of Section "ORIGINATION, UNDERWRITING AND MANAGEMENT PROCEDURES";

(b) prior to the Selection Date, the Home Loan has been managed in accordance with the Servicing Procedures;

(c) the Borrower is an Eligible Borrower,

"**Eligible Borrower**" refers to someone who:

(i) is an individual, who was domiciled in France on the date of granting of the relevant Home Loan (including for tax purposes), provided that in case of a Home Loan granted to several co-borrowers, this Home Loan Eligibility Criteria shall apply to each of them, where:

"**France**" refers to Metropolitan France and Guadeloupe, Guyana (*Guyane française*), Martinique, Réunion or Saint-Martin,

(ii) is not an employee of the relevant Seller (nor, if different, of the originator), provided that in case of a Home Loan granted to several co-borrowers, this Home Loan Eligibility Criteria shall apply to the main borrower (*l'emprunteur principal*) only);

(iii) is not unemployed, provided that in case of a Home Loan granted to several co-borrowers, this Home Loan Eligibility Criteria shall apply to the main borrower (*l'emprunteur principal*)) only;

(iv) is not subject to any legal protective regime (*tutelle, curatelle* or *sauvegarde de justice*);

(v) has a current debt to income ratio ("**DTI**") determined according to the Credit Guidelines of the relevant Seller not exceeding 55%; and

(vi) is not a credit-impaired obligor, where a credit-impaired obligor is any obligor that, to the best of the Seller's knowledge:

(a) (1) has been declared insolvent (meaning for the purpose of this Home Loan Eligibility Criteria, being subject to a judicial liquidation proceedings (*procédure de rétablissement personnel*), pursuant to the provisions of Title IV of Livre VII of the French Consumer Code (or, before the 1st of July 2016, Titre III of Livre III of the French Consumer Code), to any insolvency proceeding pursuant to the provisions of articles L. 620-1 *et seq.* of the French Commercial Code or to a review by a jurisdiction pursuant to article 1343-5 of the French Civil Code (or, before the 1st of October 2016, article 1244-1 of the French Civil Code) before a court), or (2) has agreed with his creditors to a debt dismissal or reschedule (meaning for the purpose of this Home Loan Eligibility Criteria, being subject to a commission

responsible for reviewing the over-indebtedness of consumers (*commission de surendettement des particuliers*)), or (3) had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment, in relation to each of items (1), (2) and (3), within three (3) years prior to the date of origination of the relevant Home Loan, or (4) has undergone a debt restructuring process with regard to his non-performing exposures;

(b) is on the Issue Date, and was, at the time of origination, on an official registry of persons with adverse credit history (meaning for the purpose of this Home Loan Eligibility Criteria being registered in the Banque de France's FICP file);

(c) has a credit assessment by an ECAI or has a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the Seller which are not securitised or a significant risk that contractually agreed payments will not be made compared to the average obligor for this type of loans in France,

it being specified for the interpretation of the above that:

(A) the Seller will not necessarily have been made aware of the occurrence of the events listed in (a) having occurred and the Seller's information is limited to the period elapsed since the date the Seller first entered into an agreement with the Borrower, which may be shorter than three (3) years preceding the date of origination of the relevant Home Loan;

(B) the FICP file does not keep track of any historical information on the credit profile of the Borrower to the extent that the circumstances that would have justified its inclusion on the FICP have disappeared; and

(C) for the purpose of assessing whether the Borrower is not a credit-impaired obligor within the meaning of this Home Loan Eligibility Criteria, the Seller only takes into account the internal credit score assigned by it to the Borrower.

(d) the Home Loan Agreement is governed by French law;

(e) in respect of each Home Loan Agreement entered into by several co-borrowers, these co-borrowers were, at the time such Home Loan Agreement has been executed, jointly and severally liable (*co-débiteurs solidaires*) for the full payment of the corresponding Home Loan;

(f) the Home Loan is denominated and payable in Euro;

(g) all sums due under the Home Loan are fully secured either:

(i) by a first ranking Mortgage, provided that in such case, the relevant Home Loan was granted to finance the acquisition of the main residence of that Borrower, being a property located in France; or

(ii) by a Home Loan Guarantee, provided that in such case:

(A) the relevant Home Loan was granted to acquire, to renovate, to build or to refinance the main residence of that Borrower, being a property located in France;

(B) there was no Mortgage lien on the underlying property on the date on which the Home Loan was granted;

(C) if the Home Loan was granted from the 1st of January 2014, the Borrower is contractually committed not to grant any Mortgage lien on the underlying property without the consent of the Seller; and

(D) the benefit of the Home Loan Guarantee will be transferred to the Issuer by way of the Transfer Document, without the need to obtain the prior consent of the relevant Home Loan Guarantor;

(h) the current Outstanding Principal Balance of such Home Loan is no more than EUR 1,000,000 and not less than EUR 500;

(i) the Current LTV of the Home Loan is no more than one hundred per cent. (100%);

(j) the scheduled final maturity date of the Home Loan is not occurring beyond the last day of October 2048 and the remaining maturity of the Home Loan is at least six (6) months;

(k) the Borrower has paid at least one (1) instalment in respect of the Home Loan;

(l) the Home Loan is not in arrears, has not been accelerated or declared due and payable and is not subject to legal proceedings;

(m) the Home Loan is a monthly amortising loan with constant or progressive instalment (consisting of interest and principal) over the term of such Home Loan;

(n) the internal Basel II credit score of the Borrower as assigned by the relevant Seller is between 1 and 8 and, indicates that the Borrower is not in default on any other loan granted by the Seller nor that the Borrower is unlikely to pay its obligations to the Seller in full, without recourse by the Seller to action such as realising security;

(o) the Lender does not use set-off as means of payment of the amounts due and payable under the Home Loans;

(p) the Borrower does not benefit from a contractual right of set-off pursuant to the relevant Home Loan Agreement;

(q) the Home Loan Agreement does not include any provision which expressly states that any right or claim of the relevant Seller against the relevant Borrower under the Home Loan Agreement from which the Home Loan is deriving is closely connected (*connexes*) to any reciprocal

right or claim of the relevant Borrower against the relevant Seller under any other contractual arrangement;

(r) the opening by the Borrower of a bank account dedicated to payments due under the Home Loan is not provided in the relevant contractual arrangements as a condition precedent to the originator of the Home Loan making the Home Loan available to the Borrower under the Home Loan;

(s) under the Home Loan Agreement from which the Home Loan is deriving, the Borrower is not entitled to redraw any amount drawn down under the Home Loan;

(t) the principal amount of the Home Loan has been disbursed in full by the relevant Lender to the relevant Borrower;

(u) each Home Loan Agreement constitutes the legal, valid, binding and enforceable contractual obligations of the relevant Borrower, with full recourse to the relevant Borrower (except that enforceability may be limited by (i) bankruptcy or insolvency of the Borrower or other laws relating to over-indebtedness (*surendettement*) or enforcement of general applicability affecting the enforcement rights of creditors generally or (ii) the existence of unfair contract terms (*clauses abusives*) as defined by articles L.212-1 *et seq.* of the French Consumer Code in the Home Loan Agreements (provided they would not (A) affect the right of the Issuer to purchase the Home Loan as contemplated under the Home Loan Purchase and Servicing Agreement or (B) deprive the Issuer of its rights to receive principal and to receive interest as provided for under the Home Loan);

(v) the relevant Seller has full title to the Home Loans and the related Ancillary Rights immediately prior to their assignment and the status and enforceability of neither the Purchased Home Loans nor the related Ancillary Rights are subject to, either in whole or in part, any assignment, delegation or pledge, attachment, warranty claims, set-off nor encumbrance of whatever type, in particular any rights of third parties, or otherwise in a condition, that can be foreseen to adversely affect the enforceability of the assignment of the Home Loans or any related Ancillary Right to the Issuer;

(w) neither the Home Loan Agreement, the Mortgage or the Home Loan Guarantee is not tainted with any legal default making it voidable, rescindable, or subject to legal termination;

(x) each Home Loan is separately individualised and identified in the systems of the relevant Seller on or before the relevant Purchase Date such that the Management Company may at any time separately identify the relevant Purchased Home Loans;

(y) the Home Loan is not secured by a cash deposit (*gage-espèces*);

(z) the Home Loan Agreement has been executed between the relevant Seller and a Borrower pursuant to the applicable legal and regulatory provisions;

(aa) the Home Loan Agreement does not require the relevant Borrower's consent to be obtained before an assignment of the relevant Home Loan and the associated Ancillary Rights to the Issuer can occur;

(bb) the relevant Seller has complied with all its obligations in originating the relevant Home Loan Agreement, including without limitation any duty of care (*obligation de conseil*) in the execution of such Home Loan Agreement;

(cc) the Home Loan bears a fixed interest rate equal to or greater than two per cent (2.0%) *per annum* (excluding insurance premia);

(dd) each Home Loan Agreement has been originally entered into on or after 1 January 2009 and on or before 31 August 2018;

(ee) the Home Loan is not a bridge loan (*crédit relais*);

(ff) the Home Loan is not a subsidised loan (such as a PTZ, "prêt à taux zero") nor regulated loan (such as PEL or FGAS);

(gg) the Home Loan does not result from an equity release loan where the Borrower has monetized its property for etiher a lump sum of cash or regular periodic income.

(hh) the Borrower makes all payments under the Home Loan through monthly automatic debit of a bank account located in France;

(ii) the Borrower is not in the process of a Commercial Renegotiation with the Seller on the Selection Date;

(jj) no postponement or suspension of Home Loan Instalment has been granted to the Borrower by the Seller on the Selection Date.

For the avoidance of doubt, the Home Loans do not include transferable securities, as defined in point (44) of Article 4(1) of Directive 2014/65/EU nor any securitisation position nor any derivatives.

Portfolio Conditions

As of the Selection Date, the Home Loans offered for sale to the Issuer shall comply with the LTV Criteria, the RWA Limit and the Borrower Concentration (together the "**Portfolio Conditions**"), where:

(a) "**LTV Criteria**" refers to the following loan-to-value ("**LTV**") portfolio limits:

(1) the weighted average of the Current LTV of the Home Loans offered for sale by all Sellers and benefiting from Home Loan Guarantees does not exceed eighty per cent (80%); and

(2) the weighted average of the Current LTV of the Home Loans offered for sale by all Sellers and benefiting from Mortgages does not exceed eighty per cent (80%).

(b) "**RWA Limit**" refers to the following limit: the weighted average of the Home Loans risk weights under the Standardised Approach (as defined in the Capital Requirements Regulations) is equal to or smaller than 40%; and

(c) "**Borrower Concentration**" refers to the following limit: the aggregate Outstanding Principal Balance of the Home Loans granted to a single Borrower and offered for sale by all Sellers on the Purchase Date is lower than an amount equal to 2 per cent. of the aggregate Outstanding Principal

Balance of all the Home Loans offered for sale by all Sellers on such Purchase Date.

Mortgage means any *in rem* security interests being either first ranking:

(a) *privilèges du prêteur de deniers* (lender's privileges) as provided under article 2374-2 of the French Civil Code; or

(b) first ranking mortgages (*hypothèques de premier rang*), as provided under article 2393 of the French Civil Code.

Home Loan Guarantee means any joint and several guarantee (*cautionnement solidaire*) or other type of guarantee securing the repayment of any given Home Loan and granted by:

(a) Parnasse Garanties; or

(b) Compagnie Européenne de Garanties et Cautions ("**CEGC**" and together with Parnasse Garanties, the "**Home Loan Guarantors**").

Ancillary Rights Pursuant to the terms of the Home Loans Purchase and Servicing Agreement, the Sellers will sell and transfer together with the Purchased Home Loans, the related Ancillary Rights. In respect of any Home Loan, "**Ancillary Rights**" means:

(a) the benefit of any Mortgage and/or any Home Loan Guarantee;

(b) any and all present and future claims benefiting to the Sellers under any Insurance Contract (where an "**Insurance Contract**" means any insurance contract entered into by a Borrower with an insurer with respect to a (A) Home Loan, to cover the risks of (i) death of the Borrower, (ii) total and irreversible loss of independence of the Borrower, (iii) temporary incapacity to work of the Borrower and/or(iv) the risk of the redundancy or loss of employment of the Borrower, and/or (B) as applicable, a property financed with the proceeds of a Home Loan (building insurance));

(c) the benefit of any other, security interest or guarantee or equivalent right attached to the Home Loans (including without limitation, mortgage promises (*promesses d'hypothèques*), bank account pledges (*nantissements de comptes bancaires*), securities account pledges (*nantissements de comptes titres*), personal guarantees (*cautions ou autres types de guaranties personnelles*), life insurance policies); and

(d) the benefit of any claim or right of action the relevant Seller may have against any notaries (*notaires*) in relation to any Mortgage or Home Loan.

Rescission and indemnity in case of non-conformity Under the Home Loans Purchase and Servicing Agreement, if the Management Company, any Seller or the Transaction Agent becomes aware that any of the representations or warranties given or made by such Seller in relation to the conformity of any Purchased Home Loans to the Home Loan Eligibility Criteria was false or incorrect by reference to the facts and circumstances existing on the Selection Date or, as applicable, on the relevant date specified in the relevant Home Loan Eligibility Criteria or in the event that, for any reason whatsoever, the Transfer Document executed by such Seller in respect of the assignment of such Purchased Home Loan is not or ceases to be effective, the Management Company, the relevant Seller or the Transaction Agent (as the case may be) will promptly inform the other parties to the Home Loans Purchase and Servicing Agreement. Such breach will be corrected by the Seller, by (i) to the extent possible, taking

any appropriate steps and as soon as practicable, to rectify the breach by no later than the second Payment Date following the date on which the Management Company or the Seller, as applicable, has become aware of the relevant non-compliance or (ii) if the relevant breach cannot be rectified, implementing one of the below remedies, on the second Re-transfer Date following the date on which the Management Company or the Seller, as applicable, has become aware of the relevant non-compliance:

(a) by the rescission (*résolution*) of the sale of the relevant Purchased Home Loan, provided that such rescission shall only occur subject to the payment by the relevant Seller to the Issuer of a rescission amount equal to (i) the then Outstanding Principal Balance of such Purchased Home Loan as at the Determination Date immediately preceding the date of rescission, plus (ii) any amount due and capitalised under such Purchased Home Loan during the period from and excluding to the preceding Determination Date to, and excluding such date of rescission, and plus (iii) unpaid interest and any other outstanding amounts of interest, expenses and other ancillary amounts (excluding, for the avoidance of doubt, any insurance premium) relating to such Purchased Home Loan as at the date of rescission (a "**Rescission Amount**"); or

(b) should the relevant breach be such that the sale of the relevant Purchased Home Loan will be deemed not to have occurred or the rescission is not possible, by paying to the Issuer an indemnity equal to (i) the then Outstanding Principal Balance of such Purchased Home Loan as at the Determination Date immediately preceding the date of indemnification, (ii) any amount due and capitalised under such Purchased Home Loan during the period from and excluding to the preceding Determination Date to, and excluding such date of indemnification, and (iii) plus any unpaid interest and any other outstanding amounts of interest, expenses and other ancillary amounts (excluding, for the avoidance of doubt, any insurance premium) relating to such Purchased Home Loan as at the date of indemnification (an "**Indemnity Amount**").

Once a rescission or indemnification has occurred in accordance with the above, any collections received by the Issuer (if any) after such rescission or indemnity in relation to the relevant Purchased Home Loans will be repaid to the relevant Seller outside any Priority of Payments.

The remedies above are the sole remedy available to the Issuer in respect of the non compliance of any Home Loan or Ancillary Rights with the Home Loan Eligibility Criteria or in the event that, for any reason whatsoever, the Transfer Document executed by such Seller in respect of the assignment of such Purchased Home Loan is not or ceases to be effective. Under no circumstances may the Management Company request an additional indemnity from any Seller relating to the non compliance of any Home Loan or Ancillary Rights with the Home Loan Eligibility Criteria or in the event that, for any reason whatsoever, the Transfer Document executed by such Seller in respect of the assignment of such Purchased Home Loan is not or ceases to be effective. In particular, the Sellers give no warranty as to the ongoing solvency of Borrowers. Furthermore, the representations, warranties and undertakings of the Sellers shall not entitle the Noteholders to assert any claim directly against the Sellers, the Management Company having the exclusive competence under article L. 214-183 of the French Monetary and Financial Code to represent the Issuer as against third parties and in any legal proceedings.

Deemed Collections

If, in relation to any Purchased Home Loan assigned by a Seller, any decrease in the principal amount of such Purchased Home Loan has arisen as a result of any set-off (whether such set-off is imposed by operation of law, by contract or by a competent court) and as a result of any such event, the Issuer is not lawfully entitled to receive a portion of the principal amount or the entire principal amount due with respect to such Purchased Home Loan, then such Seller will pay to the Issuer such portion or such principal amount as deemed collections, each, "**Deemed Collections**".

Any Deemed Collections due in respect of any Quaterly Collection Period by a Seller with respect to Home Loans assigned to the Issuer by such Seller will be paid by such Seller on the Settlement Date following such Quaterly Collection Period, to the Issuer by way of cash settlement.

Re-transfers

Pursuant to the Home Loans Purchase and Servicing Agreement and in accordance with, and subject to the provisions of article L. 214-183 of the French Monetary and Financial Code:

(a) if it is in the interest of the Noteholders and the Residual Unitholders, the Management Company may (but shall not be under the obligation to) offer to any Seller to repurchase Purchased Home Loans transferred by it to the Issuer which have become entirely due (*échues*) or have been entirely accelerated (*déchues de leur terme*), provided that such Seller shall in any case be free to accept or refuse such offer. Any such repurchase shall take place on a Re-transfer Date and the repurchase price of the Purchased Home Loans repurchased by any Seller shall be equal to the Re-transfer Price;

(b) any Seller may, for as long as it also acts as Servicer of the Home Loans it has transferred to the Issuer, (but shall not be under the obligation to) request to repurchase Purchased Home Loans which raise management and/or operational issues for such Seller or the corresponding Servicer, provided that the Management Company shall in any case be free to accept or refuse such request, considering the interest of the Noteholders and the Residual Unitholders. Any such repurchase shall take place on a Re-transfer Date and the repurchase price of the Purchased Home Loans repurchased by the relevant Seller shall be equal to the Re-transfer Price; and

(c) in the event that any Servicer enters into any Commercial Renegotiation which would result in the breach of its undertakings under the Home Loans Purchase and Servicing Agreement, the corresponding Seller shall repurchase the corresponding Home Loan within two calendar months following the date on which the modification was notified by a party to the other (or within such delay otherwise agreed with the Management Company) for a price equal to the Re-transfer Price.

Once the re-transfer of any Purchased Home Loans has occurred, any collections received by the Issuer (if any) after the Re-transfer Date in relation to such Home Loans will be repaid to the relevant Seller, outside of the relevant Priority of Payments.For the avoidance of doubt, re-transfers of Purchased Home Loans by the Issuer shall only occur in the circumstances pre-defined above or in case of liquidation of the Issuer, and the Management Company shall not carry out any active management of the portfolio of Purchased Home Loans on a discretionary basis.

"**Re-transfer Price**" means the price to be paid by any Seller to the Issuer for the retransfer of that Home Loan, which shall be equal to:

(a) with respect to a Performing Home Loan: the aggregate of (i) the Outstanding Principal Balance of such Home Loan as at the Determination Date preceding the relevant Re-transfer Date (as applicable before any commercial renegotiation); plus (ii) any amount due and capitalised under such Purchased Home Loan during the period from and excluding to the preceding Determination Date to, and excluding such Re-transfer Date (as applicable before any commercial renegotiation); and plus (iii) any unpaid outstanding amount of interest, expenses and other ancillary amounts but excluding any insurance premium and administrative and handling fees (*frais de dossier*) relating to such Home Loan as at the Re-transfer Date; and; and

(b) with respect to any Defaulted Home Loan secured by a Mortgage, the product of:

(i) the fair market value of assets having similar characteristics to the relevant Purchased Home Loans (expressed in percentage); and

(ii) the aggregate of: (i) the Outstanding Principal Balance of such Home Loan as at the Determination Date preceding the relevant Re-transfer Date (as applicable before any commercial renegotiation); plus (ii) any amount due and capitalised under such Purchased Home Loan during the period from and excluding to the preceding Determination Date to, and excluding such Re-transfer Date (as applicable before any commercial renegotiation); and plus (iii) any unpaid outstanding amount of interest, expenses and other ancillary amounts but excluding any insurance premium and administrative and handling fees (*frais de dossier*) relating to such Home Loan as at the Re-transfer Date;

provided that, except if additional information are provided by the Seller to the Management Company for the purposes of the establishment of the Re-transfer Price, such "fair market value" will be considered as being equal to one hundred per cent. (100%); and

(c) with respect to any Defaulted Home Loan secured by a Home Loan Guarantee, the positive difference between:

(i) the aggregate of: (i) the Outstanding Principal Balance of such Home Loan as at the Determination Date preceding the relevant Re-transfer Date (as applicable before any commercial renegotiation); plus (ii) any amount due and capitalised under such Purchased Home Loan during the period from and excluding to the preceding Determination Date to, and excluding such Re-transfer Date (as applicable before any commercial renegotiation); and plus (iii) any unpaid outstanding amount of interest, expenses and other ancillary amounts but excluding any insurance premium and administrative and handling fees (*frais de dossier*) relating to such Home Loan as at the Re-transfer Date; and

(ii) any indemnity amount paid to the Issuer by the relevant Servicer in the event that, following a default of the relevant Borrower, and following the call made by such Servicer of the relevant Home Loan Guarantee, the relevant Home Loan Guarantor has refused to pay the amount due by such Borrower because the conditions of enforcement of the relevant Home Loan Guarantee had not been complied with by the relevant Servicer,

provided that the Management Company and the Seller could agree that the Re-transfer Price can be calculated on the basis of any other percentage on the condition that no such change shall result in the downgrading or withdrawal of the then current ratings of the Class A Notes by any of the Rating Agencies unless such change limits such downgrading.

Eligible Investments

The Cash Manager may, in accordance with and subject to the Account Bank and Cash Management Agreement, invest the Issuer Cash in the following investments (the "**Eligible Investments**"):

(a) Euro denominated cash deposits (*dépôts en espèces*) with a credit institution whose registered office is located in a member state of the European Economic Area or the Organisation for Economic Cooperation and Development and rated at least A2 (long-term) or at least P-1 (short-term) by Moody's, and at least A (long term) and A-1 (short-term) by S&P, with a zero or positive yield and which may be repaid or withdrawn at no cost or penalty at any moment at the request of the Issuer in order to make sums available within twenty-four (24) hours at the latest, having a maturity date at the latest on the next Settlement Date;

(b) treasury bills (*bons du trésor*) denominated in Euros which are backed by the full faith and credit of the Republic of France;

(c) debt instruments (*titres de créances*) referred to in paragraph 2° of article D. 214-219 of the French Monetary and Financial Code, denominated in Euro, subject to such securities being admitted for trading on a regulated market located in a European Economic Area member state and not conferring any direct or indirect right to the share capital of any company; and

(d) negotiable debt instruments (*titres de créances négociables*) within the meaning of articles L. 213-1 *et seq*. of the French Monetary and Financial Code (other than asset-backed commercial papers), denominated in Euros which have a maturity at the time of issuance of not exceeding nine months, exclusive of days of grace, or upon any renewal thereof, the maturity of which is likewise limited,

provided that in all cases:

(i) the investment shall repay the fixed principal amount at par and not be purchased at premium over par;

(ii) such investments will only be made such that there is no withholding or deduction for or on account of taxes applicable thereto;

(iii) the investment cannot be made in tranches of other asset-backed securities, securities indexed to a credit risk, swaps or other derivative instruments, synthetic securities or similar receivables;

(iv) the investments described in items (b), (c), and (d) will be rated:

(A) with respect to S&P:

(I) at least A-1 by S&P for any investment with a maturity up to and including (60) days; or

(II) at least AA- or A-1+ by S&P for any investment with a maturity of more than sixty (60) days and less than three hundred and sixty five (365) days; and

(B) with respect to Moody's: at least A2 (long-term) or at least P-1 (short-term) by Moody's, for investments with a maturity up to and including three (3) months,

it being understood that the Management Company will ensure that the Cash Manager complies with the investment rules set out in the Account Bank and Cash Management Agreement.

THE NOTES AND THE RESIDUAL UNITS

Description of the Notes and Residual Units

Issue of the Notes and the Residual Units

Pursuant to the Issuer Regulations, on the Issuer Establishment Date, the Issuer will issue the Class A Notes, the Class B Notes and the Residual Units.

The Issuer will not issue any further Notes or Residual Units after the Issuer Establishment Date.

Denomination and Issue Price

The 10,000 Class A Notes will be issued by the Issuer in denominations of EUR 100,000 each with an aggregate amount of EUR 1,000,000,000 due October 2053.

The 125,000 Class B Notes will be issued by the Issuer in denominations of EUR 1,000 each with an aggregate amount of EUR 125,000,000 due October 2053.

The 2 Residual Units will be issued by the Issuer in denominations of EUR 6,500 each with an aggregate amount of EUR 13,000 with unlimited duration.

The Notes and the Residual Units will be backed by the Assets Allocated to the Issuer.

The Class A Notes will be issued at a price of 100.366 per cent. of their Initial Principal Amount.

The Class B Notes and the Residual Units will be issued at a price of 100 per cent. of their Initial Principal Amount.

Form and title

Transferable securities and financial instruments

The Notes and the Residual Units are transferable securities (*valeurs mobilières*) within the meaning of article L. 211-2 of the French Monetary and Financial Code. The Notes and the Residual Units are financial instruments (*instruments financiers*) within the meaning of article L. 211-1 of the French Monetary and Financial Code. The Notes are bonds (*obligations*) within the meaning of article L. 213-5 of the French Monetary and Financial Code. The Residual Units are units (*parts*) within the meaning of article L. 214-169 of the French Monetary and Financial Code.

Book-entry securities and registration

The Notes and the Residual Units are issued in book entry form (*dématérialisées*). No physical documents of title will be issued in respect of the Notes or the Residual Units. The Class A Notes will be issued in bearer form (*au porteur*) and the Class B Notes will be issued in registered form (*au nominatif*).

The Class A Notes will, upon issue (i) be admitted to the operations of Euroclear France (acting as central depositary) which shall credit the accounts of Account Holders affiliated with Euroclear France and (ii) be admitted in the Clearing Systems. In this paragraph, "**Account Holder**" shall mean any investment services provider, including Clearstream Banking, société anonyme ("**Clearstream Banking**") and Euroclear Bank S.A./N.V. ("**Euroclear Bank S.A./N.V.**").

Title

Title to the Class A Notes passes upon the credit of those Class A Notes to an account of an intermediary affiliated with the Clearing Systems. The transfer of the Class A Notes in registered form shall become effective in respect of the Issuer and third parties by way of transfer from the transferor's account to the transferee's account following the delivery of a transfer order (*ordre de mouvement*) signed by the transferor or its agent. Any fee in connection with such transfer shall be borne by the transferee unless agreed otherwise by the transferor and the transferee.

Title to the Class B Notes shall at all times be evidenced by entries in the register of the Custodian, in its capacity as registrar, and a transfer of such Class B Notes may only be effected through registration of the transfer in such register.

Title to the Residual Units shall at all times be evidenced by entries in the register of the Custodian, in its capacity as registrar, and a transfer of such Residual Units may only be effected through registration of the transfer in such register.

Terms and Conditions of the Notes

The terms and conditions of the Notes are set out in Section "Terms and Conditions" of the Prospectus.

Listing

The Class A Notes to be issued under the Transaction will be listed on the Paris Stock Exchange (Euronext Paris).

The estimate of the total expenses related to admission to trading on the Paris Stock Exchange (Euronext Paris) of the Class A Notes to be issued on the Issue Date is

equal to EUR 13,200 (taxes excluded). Such expenses will be paid by the Transaction Agent on behalf of the Sellers.

In accordance with article L. 214-181 and the first paragraph of article L. 412-1, I of the French Monetary and Financial Code, the Management Company and the Custodian have prepared the Prospectus.

The Class B Notes and the Residual Units shall not be listed.

Placement

Class A Notes

The Class A Notes must be sold in accordance with and subject to the selling restrictions set out in the Class A Notes Subscription Agreement and any other applicable laws and regulations.

Class B Notes and Residual Units

The Class B Notes will be subscribed by the Class B Notes Subscribers on the Issue Date in accordance with the provisions set out in the Class B Notes Subscription Agreement.

The Residual Units will be subscribed by the Residual Units Subscriber on the Issue Date in accordance with the provisions set out in the Residual Units Subscription Agreement.

Rating

Class A Notes

It is a condition precedent to the issuance of the Class A Notes on the Issue Date that the Class A Notes are assigned a AAA(sf) rating by S&P and a Aaa (sf) rating by Moody's.

There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by either or both of the Rating Agencies as a result of changes in or unavailability of information or if, in the judgment of the Rating Agencies, circumstances so warrant. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the Rating Agencies. As of 1 May 2018, S&P and Moody's are registered under the Regulation 1060/2009/EC of the European Parliament and the Council of 16 September 2009 on credit rating agencies, as amended pursuant to Regulation 513/2011/EU of the European Parliament and the Council of 11 May 2011 and to Regulation 462/2013/EU of the European Parliament and of the Council of 21 May 2013 (the "**CRA Regulation**") according to the list published by the European Securities and Markets Authority on its website (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs).

Class B Notes and Residual Units

The Class B Notes and the Residual Units shall not be rated.

Paying Agency Agreement

Under the terms of a paying agency agreement entered into on or before the Issuer Establishment Date and made between the Management Company, the Custodian, the Paying Agent and the Listing Agent (the ***Paying Agency Agreement***), provision is made for the payment, on behalf of the Issuer, of principal and interest payable on the Class A Notes on each Payment Date and for the administrative aspects of the issuance and listing of the Class A Notes.

Status and Relationship between the Class A Notes, the Class B Notes and the Residual Units

Status

The Class A Notes constitute direct, unsubordinated limited recourse obligations of the Issuer and all payments of principal and interest on the Class A Notes shall be made to the extent of the Available Distribution Amount, subject to the relevant Priority of Payments.

The Class B Notes constitute direct, subordinated and limited recourse obligations of the Issuer and all payments of principal and interest on the Class B Notes shall be made to the extent of the Available Distribution Amount, subject to the relevant Priority of Payments.

Relationship between the Class A Notes, the Class B Notes and the Residual Units

During the Amortisation Period and the Accelerated Amortisation Period, (i) payments of interest and principal due and payable in respect of the Class B Notes are subordinated to payments of interest and principal due and payable in respect of the Class A Notes and (ii) payments of interest and principal due and payable in respect of the Residual Units are subordinated to payments of interest and principal in respect of the Notes of all Classes.

Use of Proceeds

On the Issue Date, the proceeds arising from the issue of the Class A Notes, the Class B Notes and the Residual Units will be applied by the Management Company (i) to finance the purchase of the Home Loans from the Sellers in accordance with and subject to the terms of the Home Loans Purchase and Servicing Agreement and (ii) to pay on the Issue Date the Issuance Premium Amount to the Transaction Agent on behalf of the Sellers as premium according to the Home Loans Purchase and Servicing Agreement.

Representation and voting rules

The Noteholders of each class of Notes will be automatically grouped for the defence of their respective common interests in a masse (each a "**Masse**").

If, and to the extent that, all Notes of a particular Class are held by a single Noteholder, the rights, powers and authority of the relevant Masse will be vested in such Noteholder and no representative will need to be appointed.

Each Masse shall be governed by:

(i) articles L. 228-46 *et seq.* of the French Commercial Code and by articles R. 228-57 *et seq*. of the French Commercial Code, to the extent such provisions are applicable, given that the Issuer, being a *fonds commun de titrisation*, has no legal personality, and is subject to the provisions of the Issuer Regulations; and

(ii) articles L. 214-169 *et seq.* of the French Monetary and Financial; and

(iii) the laws and regulations governing *fonds communs de titrisation.*

Each Masse will be a separate legal entity (*personnalité civile*) pursuant to the provisions of article L. 228-46 and article L. 228-47 of the French Commercial Code represented by one representative (each a "**Noteholder Representative**"). The relevant Masse alone, to the exclusion of any Noteholder of the relevant class of Notes, shall exercise the common rights, actions and benefits which may accrue now or in the future with respect to the relevant class of Notes.

The initial Noteholders Representative in respect of the Class A Notes will be:

Antoine LACHENAUD, Avocat
SELARL MCM Avocat
10, rue de Sèze 75009 Paris

The initial Noteholders Representative in respect of the Class B Notes will be:

Philippe MAISONNEUVE, Avocat
SELARL MCM Avocat
10, rue de Sèze 75009 Paris

In the event of death, resignation, retirement or revocation of a Noteholders Representative, a substitute Noteholders Representative will be appointed by a Noteholders' Meeting in respect of the relevant class of Notes.

The initial substitute Noteholders Representative in respect of the Class A Notes will be:

Pierre-Igor LEGRAND, Avocat
AARPI KLEM AVOCATS
2, rue de Logelbach 75017 PARIS

The initial substitute Noteholders Representative in respect of the Class B Notes will be:

Pierre-Igor LEGRAND, Avocat
AARPI KLEM AVOCATS
2, rue de Logelbach 75017 PARIS

Any interested party shall have the right to obtain the name and address of a Noteholders Representative at the office of the Management Company.

Convocation of a Noteholders' Meetings

General meeting (*assemblée générale*) of the Noteholders of a class of Notes (each a "**Noteholders' Meeting**") shall be held in France and at any time, upon convocation by the relevant Noteholder Representative or, as the case may be, by the Management Company. One or more Noteholders of the relevant class of Notes holding at least one-thirtieth of the outstanding Notes of that Class may address to the relevant Noteholder Representative with a copy to the Management Company, a demand for convocation of a Noteholders' Meeting in respect of that class of Notes. If such Noteholders' Meeting has not been convened within two (2) months from such demand, the Noteholders of the relevant class of Notes may commission one of them to petition the competent court in Paris to appoint an agent (*mandataire*) who will call the Noteholders' Meeting.

Notice of the date, hour, place, agenda and quorum requirements of any Noteholders' Meeting will be notified as provided in the Terms and Conditions not less than fifteen (15) calendar days prior to the date of the relevant Noteholders'

Meeting for the first convocation and not less than ten (10) calendar days in the case of a second convocation prior to the date of the reconvened Noteholders' Meeting.

Each Noteholder of a class of Notes shall have the right to participate in any Noteholders' Meeting in respect of that class of Notes in person or by proxy. Each Note of a Class carries the right to one vote in respect of that class of Notes.

Any Noteholders' Meeting not convened in accordance with the foregoing provisions shall nonetheless be validly convened if all the Noteholders of the relevant class of Notes are present or represented at the Noteholders' Meeting.

Powers of Noteholders' Meetings

Noteholders' Meetings are entitled to deliberate on the dismissal and replacement of the relevant Noteholder Representative, on all measures intended to ensure the defence of the Noteholders of a class of Notes, on any other common matter relating to a class of Notes and the Terms and Conditions relating thereto and on any proposal aimed at amending the Terms and Conditions in respect of that class of Note, provided that Noteholders' Meetings may not increase the obligations of the Noteholders of the relevant class of Note, establish unequal treatment between those Noteholders nor alter the obligations of the Noteholders of the other class of Notes.

Quorum and majority rules

Noteholders' Meetings may deliberate validly on first convocation only if the Noteholders of the relevant class of Notes present or represented hold at least one fifth of the principal amount outstanding the Notes of that Class. On second convocation, no quorum shall be required.

Decisions at Noteholders' Meetings shall be taken at a two-third majority of votes cast by the Noteholders of the relevant class of Notes attending, or represented at, such Noteholders' Meeting.

Notices of decisions and information of Noteholders of a class of Notes

Decisions of any Noteholders' Meeting must be published in accordance with the Terms and Conditions not later than ninety (90) calendar days from the date of such Noteholders' Meeting.

Each Noteholder of a class of Notes or the Noteholder Representative in respect of that class of Notes shall have the right, during the fifteen (15) calendar day period preceding the holding of a Noteholders' Meeting in respect of the relevant class of Notes, 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 such Noteholders' Meeting which will be available for inspection at the head office of the Management Company and at the specified office of the Paying Agent and at any other place as specified in the notice for that Noteholders' Meeting.

Management Company, conflicts between Masses and conflicts between holders of securities issued by the Issuer

In the case of a conflict between the decisions taken by the different Masses of Notes and/or between the decisions taken by the Masses of Notes and the Residual Unitholders, the Management Company shall act in accordance with the decision of the Most Senior Class of Notes Outstanding unless such decision would result

in an Amendment to the Financial Characteristics of another Class of Notes or of the Residual Units issued by the Issuer (including those of a junior rank). In such a case, and unless the holders affected by such decision agree to such modification, the Management Company shall not be bound to act pursuant to such decisions and shall incur no liability for such inaction, where:

"**Amendment to the Financial Characteristics**" means, in respect of a specified Class of Notes or the Residual Units, any amendment or waiver of the Terms and Conditions of the Notes of the relevant Class or the Residual Units (as applicable) (other than an amendment to correct a manifest error or which is of a formal, minor or technical nature) or to any of the Funds Allocation Rules but only if the proposed amendment or waiver impacts the timing and/or amount of payments owed under the Notes of such Class or the Residual Units (as applicable) or the level of risk relating to such other Class or the Residual Units (as applicable), such as, without limitation, by way of an increase in the amounts payable by the Issuer to creditors of a higher rank than such Class or the Residual Units (as applicable) (to the exception of any increase of any Issuer Expenses in accordance with the provisions of the Issuer Regulations); and

"**Most Senior Class of Notes Outstanding**" means:

(i) for so long as the Class A Notes remain outstanding, the Class A Notes; and

(ii) provided that the Class A Notes have been fully redeemed and for so long as the Class B Notes remain outstanding, the Class B Notes.

Rate of Interest

The rate of interest applicable to the Class A Notes (the "**Class A Notes Interest Rate**") will be equal to the aggregate of EURIBOR plus the Class A Margin provided that, if EURIBOR plus the Class A Margin is less than zero (0), the Class A Notes Interest Rate will be deemed to be zero (0).

Where:

"**EURIBOR**" means the interest rate applicable to deposits in euros in the Eurozone for three (3) month-Euro deposits (or in the case of the first Interest Period, the linear interpolation of three (3) and six (6) month Euro deposits) as determined by the Management Company on any Interest Rate Determination Date in accordance with Condition 3(c)(ii).

"**Class A Margin**" means before and including the First Optional Redemption Date, 0.45% *per annum* and from and excluding the First Optional Redemption Date, 0.90% *per annum*.

The Class A Notes interest rate will be determined by the Management Company on each Interest Rate Determination Date prior to the commencement of each Interest Period.

The rate of interest applicable to the Class B Notes (the "**Class B Notes Interest Rate**") in respect of any Interest Period will be a fixed rate of 0.50% *per annum*.

Interest under the Notes

The Notes will bear interest on their respective Principal Amount Outstanding from (and including) the Issue Date, where the "**Principal Amount Outstanding**" of a Note on a particular date is equal to the Initial Principal Amount of that Note less the aggregate amount of all principal payments paid in respect of that Note prior to such date. The principal payments shall be calculated by the Management Company in accordance with the amortisation formula applicable during (i) the

Amortisation Period and (ii) the Accelerated Amortisation Period, as set forth in Condition 4 of the Notes.

Interest in respect of the Notes is payable in Euro quarterly in arrears on each Payment Date in respect of the Interest Period ending immediately prior thereto.

Interest applicable to the Class A Notes in respect of any Interest Period or any other period will be calculated on the basis of the actual number of days in the relevant Interest Period and a 360 day year.

Interest applicable to the Class B Notes in respect of any Interest Period or any other period will be calculated on the basis of 30-day months and a 360 day year

Interest under the Units

As interest, the Residual Unitholders will receive payment of the remaining credit balance of the General Account, if any, on *pari passu* and *pro rata* basis, after payment of all items ranking higher in the applicable Priority of Payment, on each Payment Date during the Amortisation Period and the Accelerated Amortisation Period.

Payment Date

means, in respect of any principal and/or interest payment in respect of the Notes or the Residual Units, the last Business Day of the first calendar month of each quarter (being the months of January, April, July and October in each year), provided that the first Payment Date will fall in January 2019.

Interest Period

means, in respect of the Notes, the period commencing on (and including) the Issue Date and ending on (but excluding) the first Payment Date, and, thereafter, each period from (and including) the next (or first) Payment Date to (but excluding) the next following Payment Date.

Redemption

Amortisation Period

On each Payment Date during the Amortisation Period, all Class A Notes shall be subject to mandatory partial redemption on a *pari passu* and *pro rata* basis, to the extent of the Class A Notes Amortisation Amount, and in accordance with subject to the Normal Priority of Payments, until the earlier of (i) the date on which the Principal Amount Outstanding of each Class A Note is reduced to zero and (ii) the Final Legal Maturity Date and, provided that the Class A Notes have been redeemed in full, all Class B Notes shall be subject to mandatory partial redemption on a *pari passu* and *pro rata* basis, to the extent of the Class B Notes Amortisation Amount, and in accordance with subject to the Normal Priority of Payments, until the earlier of (a) the date on which the Principal Amount Outstanding of each Class B Note is reduced to zero and (b) the Final Legal Maturity Date.

Accelerated Amortisation Period

On each Payment Date during the Accelerated Amortisation Period and on the Issuer Liquidation Date, all Class A Notes shall be subject to mandatory redemption on a *pari passu* and *pro rata* basis, to the extent of the Class A Notes Amortisation Amount, and in accordance with subject to the Accelerated Priority of Payments, until the earlier of (i) the date on which the Principal Amount Outstanding of each Class A Note is reduced to zero and (ii) the Final Legal Maturity Date and, provided that the Class A Notes have been redeemed in full, all Class B Notes shall be subject to mandatory redemption on a *pari passu* and *pro rata* basis, to the extent of the Class B Notes Amortisation Amount, and in accordance with subject to the Accelerated Priority of Payments, until the earlier

of (a) the date on which the Principal Amount Outstanding of each Class B Note is reduced to zero and (b) the Final Legal Maturity Date.

Amortisation Amounts

On each Calculation Date, the Management Company will determine:

(a) if the Payment Date immediately following such Calculation Date falls in the Amortisation Period, the Expected Amortisation Amount and the Principal Amortisation Amount in respect of such Payment Date;

(b) the Class A Notes Amortisation Amount in respect of the then outstanding Class A Notes on the Payment Date immediately following such Calculation Date;

(c) the Class B Notes Amortisation Amount in respect of the then outstanding Class B Notes on the Payment Date immediately following such Calculation Date; and

(d) the Principal Amount Outstanding of each Note on the Payment Date immediately following such Calculation Date,

it being provided that:

(a) the "**Expected Amortisation Amount**" shall be equal to the amount as calculated on each Calculation Date with respect to the immediately following Payment Date during the Amortisation Period, an amount equal to the positive difference between (A) and (B), where:

(A) is the aggregate of the Class A Notes Outstanding Amount and the Class B Notes Outstanding Amount, both as at the immediately preceding Payment Date after giving effect to any payment in accordance with the Normal Priority of Payments (or, as the case may be, on the Issuer Establishment Date in case of the first Payment Date), and of the Residual Units nominal amount; and

(B) is the sum of the aggregate Outstanding Principal Balance of the Performing Home Loans on the Determination Date immediately preceding such Calculation Date, excluding the Purchased Home Loans subject to a re-transfer or rescission or in relation to which an Indemnity Amount has been paid on or prior the immediately following Payment Date; where:

"**Performing Home Loan**" means, as of any Calculation Date, any Purchased Home Loan which is not a Defaulted Home Loan;

"**Defaulted Home Loan**" means, with reference to a given date, any Purchased Home Loan in respect of which:

(I) the Borrower has been classified as "CX" (contentious) by the Servicer in accordance with the Servicing Procedures (a) following the decision of the Servicer (i) to declare such Purchased Home Loan as due and payable (déchéance du terme) and/or (ii) to transfer such Purchased Home Loan to the

litigation department and/or (b) because the related Borrower has become subject to an insolvency (*procédure de rétablissement personnel*); and/or

(II) the Borrower has been classified as "RX" (restructured) by the Servicer in accordance with its Servicing Procedures because of (i) the decision of the Servicer to agree with the Borrower a debt dismissal (i.e. reduction of principal, interest and/or fees) and/or a significant reschedule in the framework of an amicable or contentious recovery proceedings (restructuration forcée) as a result of a deterioration of the credit quality of the Borrower or (ii) the Borrower has become subject to an overindebtness commission (commission de surendettement des particuliers) in accordance with the applicable provisions of the French Consumer Code (Code de la consommation); and/or

(III) more than five (5) Home Loan instalments remain unpaid past their respective due date;

provided that, for the avoidance of doubt, a Purchased Home Loan will be considered as a Defaulted Home Loan as of the occurrence of the first of the events described above and the classification of a Defaulted Home Loan shall be irrevocable.

"**Class A Notes Outstanding Amount**" means, at any time, the aggregate Principal Amount Outstanding of all Class A Notes;

(b) the "**Class A Notes Amortisation Amount**" on a given Payment Date shall be an amount (rounded down to the nearest Euro cent) equal to in respect of each Class A Note:

(i) during the Amortisation Period, (A) the minimum of (x) the Principal Amortisation Amount as calculated on the immediately preceding Calculation Date and (y) the Class A Notes Outstanding Amount as at the previous Payment Date after giving effect to any payment in accordance with the relevant Priority of Payments, (B) divided by the aggregate number of Class A Notes outstanding;

(ii) during the Accelerated Amortisation Period: (A) the Class A Notes Outstanding Amount as at the immediately preceding Payment Date after giving effect to any payment in accordance with the relevant Priority of Payments, (B) divided by the aggregate number of Class A Notes outstanding;

(c) the "**Class B Notes Amortisation Amount**" on a given Payment Date shall be an amount (rounded down to the nearest Euro cent) equal to in respect of each Class B Note:

(i) during the Amortisation Period, (A) the minimum of (x) the Principal Amortisation Amount, as calculated on the immediately preceding Calculation Date and (y) the Class B Notes Outstanding Amount as at the previous Payment Date after giving effect to any payment in accordance with the relevant

Priority of Payments, (B) divided by the aggregate number of Class B Notes outstanding;

(ii) during the Accelerated Amortisation Period, (A) the Class B Notes Outstanding Amount as at the previous Payment Date after giving effect to any payment in accordance with the relevant Priority of Payments (B) divided by the aggregate number of Class B Notes outstanding.

where the "**Class B Notes Outstanding Amount**" means, at any time, the aggregate Principal Amount Outstanding of the Class B Notes;

(d) the "**Principal Amortisation Amount**" shall be equal to the amount as calculated on each Calculation Date during the Amortisation Period, equal to:

(i) for the purpose of calculating the Class A Notes Amortisation Amount, the lower of:

(A) the Available Distribution Amount on such Calculation Date minus all amounts falling due and payable under items (1) to (4) of the Normal Priority of Payments on the immediately following Payment Date; and

(B) the Expected Amortisation Amount on such Calculation Date;

(ii) for the purpose of calculating the Class B Notes Amortisation Amount, the lower of:

(A) the Available Distribution Amount on such Calculation Date minus all amounts falling due and payable under items (1) to (9) of the Normal Priority of Payments on the immediately following Payment Date; and

(B) the positive difference between (i) the Expected Amortisation Amount and (ii) the amount paid in accordance with item (5) of the Normal Priority of Payments on such Calculation Date.

Residual Units

The Residual Unitholders will not receive any repayment of principal on any Payment Date, except on the Issuer Liquidation Date, on which they will be redeemed to the extent of the Available Distribution Amount and subject to the applicable Priority of Payments.

Early redemption in full on the First Optional Redemption Date or on any of the three (3) subsequent Payment Dates

The Notes will be subject to early redemption in full on the First Optional Redemption Date or on any of the three (3) subsequent Payment Dates occurring after such First Optional Redemption Date if the Management Company receives a request in writing by the Transaction Agent on behalf of the Sellers at the latest fifteen (15) calendar days prior to the contemplated early redemption date, to redeem all (but not some only) of the Notes, subject to the Sellers or any other entity authorised to purchase the Home Loan having agreed to repurchase the outstanding Purchased Home Loans at a purchase price which shall be sufficient, taking into account for this purpose the Issuer Cash, excluding the amount of the Commingling Reserve, to enable the Issuer to repay in full all amounts outstanding

in respect of the Notes after payment of all other amounts due by the Issuer and ranking senior to the Notes in accordance with the Accelerated Priority of Payments.

The Management Company will send a notice to the Transaction Agent at the latest ninety (90) calendar days before the First Optional Redemption Date to remind the Transaction Agent with the early redemption option available to the Sellers.

Early redemption in full in case of Tax Event

The Class A Notes will also be redeemed in whole by the Issuer following the occurrence of a Tax Event and following a request of the Class A Noteholders acting by a general assembly resolution or of the sole holder of the Class A Notes, as the case may be, to liquidate the Issuer, subject to the Sellers or any other entity authorised to purchase the Home Loan having agreed to repurchase the outstanding Purchased Home Loans at a purchase price which shall be sufficient, taking into account for this purpose the Issuer Cash, excluding the amount of the Commingling Reserve, to enable the Issuer to repay in full all amounts outstanding in respect of the Notes after payment of all other amounts due by the Issuer and ranking senior to the Notes in accordance with the Accelerated Priority of Payments.

A "**Tax Event**" will occur when, by reason of a change in, or amendment to, tax law (or regulation or the application or official interpretation thereof), which change becomes effective on or after the Issue Date, on the next or any subsequent Payment Date, the Issuer or the Paying Agent on its behalf would become obliged to deduct or withhold from any payment of principal or interest in respect of the Class A Notes any amount for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the French Republic.

Final Legal Maturity Date

Unless previously redeemed, each of the Notes will be redeemed at its Principal Amount Outstanding on the Payment Date falling in October 2053, subject to the Priority of Payments applicable during the Accelerated Amortisation Period and to the extent of the Available Distribution Amount.

Prescription

If the Issuer has not been liquidated earlier, on the Final Legal Maturity Date, any principal and/or interest amount remaining unpaid in respect of the Notes (after applying on such date the Priority of Payments applicable during the Accelerated Amortisation Period) shall be automatically and without any formalities (*de plein droit*) cancelled, and as a result, with effect from the relevant Final Legal Maturity Date, the Noteholders shall no longer have any right to assert a claim in respect of the Notes against the Issuer, regardless of the amounts which may remain unpaid after the relevant Final Legal Maturity Date.

Non petitition and Limited Recourse – Decisions binding

Non Petition

Pursuant to article L. 214-175, III of the French Monetary and Financial Code, Book VI of the French Commercial Code is not applicable to the Issuer.

Limited Recourse

In accordance with article L. 214-169 of the French Monetary and Financial Code, the Noteholders, the Residual Unitholders and the creditors which have agreed to them (*créanciers les ayant acceptés*), shall be bound by each of the Funds Allocation Rules (including, without limitation, the Priority of Payments) as set out in the Issuer Regulations, notwithstanding the opening against them of an insolvency proceeding pursuant to the provisions of Book VI of the French Commercial Code or any equivalent procedure governed by any foreign law

(*procédure équivalente sur le fondement d'un droit étranger*) and such Funds Allocation Rules (including, without limitation, the Priority of Payments) shall apply even in case of liquidation of the Issuer.

In accordance with article L. 214-169 of the French Monetary and Financial Code, the Issuer's assets may only be subject to civil proceedings (*mesures civiles d'exécution*) to the extent (*dans le respect*) of the applicable Funds Allocation Rules (including, without limitation, the applicable Priority of Payments).

In accordance with article L. 214-175, III of the French Monetary and Financial Code, the Issuer is liable for its debts (*n'est tenu de ses dettes*) to the extent of its assets (*qu'à concurrence de son actif*) and in accordance with the rank of its creditors as provided by law (*selon le rang de ses créanciers défini par la loi*) or, pursuant to article L. 214-169 of the French Monetary and Financial Code, in accordance with the provisions of the Issuer Regulations.

Pursuant to article L. 214-183, I of the French Monetary and Financial Code, only the Management Company may enforce the rights of the Issuer against third parties. Accordingly, the Noteholders shall have no recourse whatsoever against the Borrowers under the Purchased Home Loans.

In addition, each party to the Transaction Documents has undertaken, to the extent that it may have any claim (including any contractual claim or action (*action en responsabilité contractuelle*)) against the Issuer the payment of which is not expressly contemplated under any applicable Funds Allocation Rules (including, without limitation, the Priority of Payments) set out in these Issuer Regulations, to waive to demand payment of any such claim as long as all Notes and Residual Units issued by the Issuer have not been repaid in full.

Decisions binding

In accordance with Article L. 214-169 II of the French Monetary and Financial Code, the Noteholders, the Residual Unitholders and any creditors of the Issuer and the creditors which have agreed to them (*créanciers les ayant acceptés*) will be bound by the rules governing the decisions made by the Management Company in accordance with the provisions of the Issuer Regulations and the decisions made by the Management Company on the basis of such rules.

Withholding Tax

Payments of interest and principal in respect of the Notes will be made subject to any applicable withholding or deduction for or on account of any tax and neither the Issuer nor the Paying Agent will be obliged to pay any additional amounts as a consequence.

MAIN DATES AND PERIODS UNDER THE TRANSACTION

Issuer Establishment Date and Issue Date

means the date of establishment of the Issuer and of issuance of the Class A Notes, the Class B Notes and the Residual Units falling on or around 29 October 2018.

Purchase Date

means the date of transfer of the Purchased Home Loans to the Issuer, falling on the same date as the Issuer Establishment Date.

Settlement Date

means the date falling two (2) Business Days prior to each Payment Date. The first Settlement Date will fall on 29 January 2019.

Selection Date

means the date on which the Home Loans shall be selected by the Sellers, i.e. 13 October 2018.

Re-transfer Date	means, with respect to any Purchased Home Loan, the date on which the relevant Seller repurchases such Purchased Home Loan to the Issuer, under and subject to the terms of the Home Loans Purchase and Servicing Agreement, which shall be agreed between such Seller and the Management Company.
Monthly Collection Period	means each calendar month, from a Determination Date (excluded) to the next Determination Date (included); provided that the first Monthly Collection Period shall begin on (and exclude) the Selection Date and shall end on (and include) the first Determination Date.
Quarterly Collection Period	means, in respect of a Payment Date, the three (3) Monthly Collection Periods immediately preceding such Payment Date provided that the first Quarterly Collection Period shall begin on (and exclude) the Selection Date and shall end on (and include) the second (2^{nd}) Determination Date.
Reporting Date	means a date at the latest on the second (2^{nd}) Business Day before each Information Date. On each Reporting Date, each Servicer shall provide the Transaction Agent with its Individual Servicer Report concerning the Purchased Home Loans with respect to the preceding Monthly Collection Period.
Calculation Date	means a date at the latest on the sixth (6^{th}) Business Day prior to each Payment Date. On each Calculation Date, the Management Company shall make the calculations and determinations required pursuant to the Issuer Regulations.
Interest Rate Determination Date	In respect of the first Interest Period, two (2) TARGET Business Days before the Issue Date and, in respect of all subsequent Interest Periods, the day which is two (2) TARGET Business Days before the first day of each such Interest Period.
Information Date	means a date at the latest on the seventh (7^{th}) Business Day after each Determination Date. On each Information Date, the Transaction Agent shall provide the Management Company with the Master Servicer Report concerning the Purchased Home Loans transferred by all Sellers to the Issuer and with respect to the preceding Monthly Collection Period.
Determination Date	means the last calendar day of each calendar month, provided that the first Determination Date will be 30 November 2018.
Management Reporting Date	means a date falling three (3) Business Days prior to the last Business Day of each calendar month and which is not an Investor Reporting Date.
Investor Reporting Date	means the date falling three (3) Business Days prior to each Payment Date.
First Optional Redemption Date	means the Payment Date falling in October 2023.
Amortisation Period	The Amortisation Period is, subject to the non-occurrence of an Accelerated Amortisation Event or an Issuer Liquidation Event, the period commencing on and excluding the Issuer Establishment Date, and ending on the earlier of (a) the Payment Date (excluded) falling on or after the occurrence of an Accelerated Amortisation Event and (b) the Issuer Liquidation Date (excluded)). During the Amortisation Period, the Issuer shall not be entitled to purchase additional Home Loans and shall repay the Notes in accordance with the applicable Priority of Payments.

Accelerated Amortisation Event	The occurrence of the following event during the Amortisation Period shall constitute an Accelerated Amortisation Event: any amount of interest due and payable on the Class A Notes remains partially or totally unpaid after five (5) Business Days following the relevant Payment Date.
Accelerated Amortisation Period	The Accelerated Amortisation Period will start from the Payment Date (included) falling on or after the occurrence of an Accelerated Amortisation Event and end on the Issuer Liquidation Date (included). During the Accelerated Amortisation Period, the Issuer shall not be entitled to purchase additional Home Loans and shall repay the Notes in accordance with the applicable Priority of Payments.
Other events and triggers	Other relevant events and triggers are listed throughout this Section "Overview of the Transaction".

RESERVES

General Reserve	Under the Home Loans Purchase and Servicing Agreement, the Reserves Provider has undertaken to guarantee the performance of the Purchased Home Loans, up to an amount equal to, on the Issuer Establishment Date, the General Reserve Initial Cash Deposit Amount, in accordance with and subject to the provisions of the Reserve Cash Deposits Agreement. Under the performance guarantee referred to above, the financial obligations (*obligations financières*) of the Reserves Provider towards the Issuer will consist in the obligation to make a payment to the Issuer if and to the extent where the Issuer is not able to make any of the payments set out in paragraphs (1), (2) and (3) of the applicable Priority of Payments on any relevant Payment Date during the Amortisation Period and the Accelerated Amortisation Period, on the basis of the funds available to it on such date, provided that in any case, whatever the amount of any such payments which the Issuer would not be able to make, the amount of the corresponding financial obligation (*obligation financière*) of the Reserves Provider under its performance guarantee shall be equal to the minimum of (i) the amount of that payment and (ii) the amount of the General Reserve Cash Deposit still outstanding as of the date on which that financial obligation (*obligation financière*) becomes due and payable pursuant to the performance guarantee referred to above, so that the aggregate of all financial obligations (o*bligations financières*) of the Reserves Provider under its performance guarantee will never exceed the amount of the General Reserve Initial Cash Deposit. In accordance with articles L. 211-36 and L. 211-38 to L. 211-40 of the French Monetary and Financial Code and with the provisions of the Reserve Cash Deposits Agreement, as security for the full and timely payment of its financial obligations (*obligations financières*) under such performance guarantee, the Reserves Provider will make, on the Issuer Establishment Date, the General Reserve Initial Cash Deposit with the Issuer by way of full transfer of title (*remise de sommes d'argent en pleine propriété à titre de garantie*). The General Reserve Initial Cash Deposit Amount will be equal to the General Reserve Required Amount applicable on the Issuer Establishment Date. The General Reserve Initial Cash Deposit will constitute the initial balance standing to the credit of the General Reserve Account. For the purpose of the above: "**General Reserve Cash Deposit**" means, pursuant to the Reserve Cash Deposits Agreement, the sum of the General Reserve Initial Cash Deposit less any amount

reimbursed directly to the Reserves Provider or used in accordance with the applicable Priority of Payments;

"**General Reserve**" means the amounts standing to the credit of the General Reserve Account from time to time. Subject to sufficient funds being available and the applicable Priority of Payments, the General Reserve shall, at any time, be equal to the General Reserve Required Amount;

"**General Reserve Initial Cash Deposit**" means the cash deposit for an amount equal to the General Reserve Initial Cash Deposit Amount made by the Reserves Provider under the terms of the Reserve Cash Deposits Agreement on the Issuer Establishment Date. The General Reserve Initial Cash Deposit will be credited to the General Reserve Account;

"**General Reserve Initial Cash Deposit Amount**" means EUR 5,000,000;

"**General Reserve Required Amount**" means:

(a) on any Payment Date falling before the General Reserve Final Utilisation Date, the higher of:

(i) an amount equal to 0.50% of the Principal Amount Outstanding of the Class A Notes as of the immediately preceding Payment Date (after the application of the relevant Priority of Payments) (rounded upward to the nearest € 1,000); and

(ii) EUR 500,000.

(b) on any Payment Date falling on or after the General Reserve Final Utilisation Date, zero.

"**General Reserve Final Utilisation Date**" means the earlier of (i) the Payment Date following the Calculation Date on which the Management Company determines that the Class A Notes Outstanding Amount is lower than the amount standing to the credit of the General Reserve Account as at such Calculation Date and (ii) the Final Legal Maturity Date.

Commingling Reserve

The Commingling Reserve is made available to protect the Issuer against the risk of delay or default of any Servicer in its financial obligations under the Home Loans Purchase and Servicing Agreement.

The amount standing to the credit of the Commingling Reserve Account shall at least be equal to the Commingling Reserve Required Amount.

Pursuant to the Reserves Cash Deposits Agreement, the Reserves Provider has agreed to be jointly and severally liable (*co-débiteur solidaire*) for the full and timely payment by the Servicers of their payment obligations towards the Issuer under the Home Loans Purchase and Servicing Agreement, within the limit of an amount standing at any time to the credit of the Commingling Reserve Account, and undertaken to credit on the date on which the Commingling Reserve Required Amount becomes positive, the Commingling Reserve Account with the Commingling Reserve Required Amount applicable on that date, as a guarantee for its financial obligations as joint and several debtor (*co-débiteur solidaire*), pursuant to articles L. 211-36 and L. 211-38 to L. 211-40 of the French Monetary and Financial Code (*remise de sommes d'argent en pleine propriété à titre de garantie*).

For the purpose of the above:

"**Commingling Reserve Required Amount**" means on any Settlement Date, the sum (rounded upward to the nearest EUR 1,000) of:

(a) the Level 1 Commingling Reserve Required Amount; and

(b) the Level 2 Commingling Reserve Required Amount,

where:

"**Level 1 Commingling Reserve Required Amount**" means:

(a) as long as the Class A Notes are not redeemed in full, if the senior unsecured, unsubordinated and unguaranteed debt obligations of BPCE are rated below (long-term) BBB by S&P (or such other rating which is acceptable to S&P) or the counterparty risk assessment of BPCE by Moody's (or if BPCE is not assigned any long-term counterparty risk assessment by Moody's, the senior unsecured, unsubordinated and unguaranteed debt obligations of BPCE are rated below Baa3 (long-term) by Moody's (or such other rating which is acceptable to Moody's), an amount as calculated by the Management Company equal to the product as calculated by the Management Company of (A) and (B) on a Settlement Date (or for the initial amount within thirty (30) calendar days of such downgrade),

where:

(A) "**AOB**" means the aggregate amount of the Outstanding Principal Balances of the Performing Home Loans at of the preceding Determination Date (excluding the Purchased Home Loans subject to a Re-Transfer or rescission or in relation to which an Indemnity Amount has been paid on or prior the immediately following Settlement Date);

(B) "**MPR**" means one (1) month of prepayment calculated by using the higher of (i) the Monthly Prepayment Rate on a base of a 8% annual rate and (ii) the maximum of the Monthly Prepayment Rate on the last 12 Determination Dates as determined by the Management Company (and for dates before the Issuer Establishment Date, assuming that the Monthly Prepayment Rate is equal to 8%), provided that the "**Monthly Prepayment Rate**" shall be equal in respect of a given Calculation Date to the ratio of:

(I) the part of the AOB of the Performing Home Loans which have been subject to a Prepayment during the immediately preceding Monthly Collection Period; and

(II) the AOB of the Performing Home Loans as calculated on the Determination Date preceding such immediately preceding Monthly Collection Period;

(b) otherwise, zero (0).

it being specified that the Reserves Provider shall cease to be obliged to remit the Level 1 Commingling Reserve Required Amount on the earlier of (i) the date on which BPCE agains benefits from the required ratings, (ii) the date on which the all Class A Notes have been redeemed in full, (iii) the Issuer Liquidation Date and (iv) the date which is the latter of (a) the date on which the Servicer is replaced in

accordance with the Home Loans Purchase and Servicing Agreement and (b) the date falling one month after the date on which the last Borrower under the Home Loans included in the Portfolio is notified of the assignment of the Home Loans in accordance with the Home Loans Purchase and Servicing Agreement; and

"**Level 2 Commingling Reserve Required Amount**" means:

(a) if the Class A Notes are redeemed in full or if the Specially Dedicated Account Bank (or, as the case may be, the replacement specially dedicated account bank appointed by the Management Company and the Custodian in accordance with the provisions of the Specially Dedicated Account Agreement) has the Account Bank Required Ratings, zero (0),

(b) as long as the Class A Notes are not redeemed in full and if the Specially Dedicated Account Bank ceases to have the Account Bank Required Ratings, on a Settlement Date (or for the initial amount within thirty (30) calendar days after such downgrade), the sum (rounded upward to the nearest EUR 1,000) as calculated by the Management Company of:

1) the product as calculated by the Management Company of:

(A) AOB; and

(B) MPR; and

2) the aggregate of the Home Loans instalments which are expected to be collected by the Servicers on the Performing Home Loans (as at the preceding Determination Date) during the next two Monthly Collection Periods (from such preceding Determination Date), in accordance with the amortisation schedule of such Home Loans.

where:

"**AOB**" means the aggregate amount of the Outstanding Principal Balances of the Performing Home Loans as of the preceding Determination Date (excluding the Purchased Home Loans subject to a Re-Transfer or rescission or in relation to which an Indemnity Amount has been paid on or prior the immediately following Settlement Date);

"**MPR**" means two (2) months of prepayments calculated by using the higher of (i) the Monthly Prepayment Rate on a base of a 8% annual rate and (ii) the maximum of the Monthly Prepayment Rate on the last 12 Determination Dates as determined by the Management Company (and for dates before the Issuer Establishment Date, assuming that the Monthly Prepayment Rate is equal to 8%), provided that the "**Monthly Prepayment Rate**" shall be equal in respect of a given Calculation Date to the ratio of:

(I) the part of the AOB of the Performing Home Loans which have been subject to a Prepayment during the immediately preceding Monthly Collection Period; and

(II) the AOB of the Performing Home Loans calculated on the Determination Date preceding such immediately preceding Monthly Collection Period.

In the event of a breach by any Servicer of its payment obligations under the Home Loans Purchase and Servicing Agreement, the payment obligations of the Reserves Provider under the Reserves Cash Deposits Agreement in its capacity as joint and

several debtor (*co-débiteur solidaire*) for the full and timely payment by the Servicers of their payment obligations towards the Issuer under the Home Loans Purchase and Servicing Agreement shall become immediately due and payable and the Management Company will be entitled to set off the restitution obligations of the Issuer under the Commingling Reserve against the amount of the breached financial obligations of the Reserves Provider, up to the lowest of (i) the unpaid amount in respect of the Available Collections arisen during such Quarterly Period which are under the responsibility of such Servicer as set out in the three (3) Master Servicer Reports that the Transaction Agent should have transferred to the Issuer; and (ii) the amount then standing to the credit of the Commingling Reserve Account, in accordance with the article L. 211-38 of the French Monetary and Financial Code, and to apply the corresponding funds as part of the Available Distribution Amount in accordance with the Priority of Payments applicable on the immediately following Payment Date, without the need to give prior notice of intention to enforce the Commingling Reserve (*sans mise en demeure préalable*).

Under the Home Loans Purchase and Servicing Agreement, it has been expressly agreed that, as long as the Servicers meet their financial obligations (*obligations financières*) under the Home Loans Purchase and Servicing Agreement (failing which the above provisions shall apply), the Commingling Reserve shall not be included in the Available Distribution Amount nor be applied to cover any payments due in accordance with and subject to the applicable Priority of Payments and that, under no circumstance shall the Commingling Reserve be used to cover any Borrowers' defaults.

ISSUER ACCOUNTS, FUNDS ALLOCATION RULES AND PRIORITIES OF PAYMENTS

Issuer Accounts

All payments received or to be received by the Issuer shall be credited to the Issuer Accounts opened with the Account Bank in accordance with the terms of the Account Bank and Cash Management Agreement. The Issuer Accounts comprise:

(a) the General Account;

(b) the General Reserve Account;

(c) the Commingling Reserve Account;

(d) the Interest Rate Swap Collateral Account; and

(e) any additional or replacement accounts (including, if applicable, any securities accounts) opened in the name of the Issuer pursuant to Account Bank and Cash Management Agreement after the Issuer Establishment Date.

The Issuer Accounts will be credited and debited upon instructions given by the Management Company in accordance with the provisions of the Issuer Regulations, to the extent of available funds standing to the credit of such Issuer Accounts.

Interest Rate Swap Collateral Account

The Interest Rate Swap Collateral Accounts, which shall be credited from time to time with collateral transferred by the Interest Rate Swap Counterparty in accordance with the terms of the Interest Rate Swap Agreement and shall be debited with such amounts as are due to be transferred to the Interest Rate Swap Counterparty, as the case may be, under the Interest Rate Swap Agreement.

The Interest Rate Swap Collateral Accounts will comprise (a) a collateral cash account when collateral is posted in the form of cash by the Interest Rate Swap Counterparty to the Issuer pursuant to the terms of the Interest Rate Swap Agreement and (b) a collateral securities account (which shall be opened in the books of the Custodian) when collateral is posted in the form of eligible securities by the Interest Rate Swap Counterparty to the Issuer pursuant to the terms of the Interest Rate Swap Agreement.

No payments or deliveries may be made in respect of the Interest Rate Swap Collateral Accounts other than the transfer of collateral to the Issuer or the return of excess collateral to the Interest Rate Swap Counterparty in accordance with the terms of the Interest Rate Swap Agreement, subject to the allocation of any Interest Rate Swap Collateral Account Surplus in accordance with the terms of the Issuer Regulations, and unless upon termination of the Interest Rate Swap Agreement, an amount is owed by the Interest Rate Swap Counterparty to the Issuer, in which case, the collateral held on the Interest Rate Swap Collateral Accounts may form a part of the Available Distribution Amount of the Issuer and be applied in accordance with the applicable Priority of Payments, except if used in accordance with the below.

All or part of the Interest Rate Swap Termination Amount payable to the Issuer or the Interest Rate Swap Collateral Liquidation Amount (as the case may be) may be applied by the Issuer to pay all or part of any replacement swap premium to be paid by the Issuer to any replacement swap counterparty upon the entry into a new interest rate swap agreement. Such payment by the Issuer to the replacement swap counterparty shall be made outside the Priority of Payments.

Funds Allocation Rules and Priority of Payments

Pursuant to the Issuer Regulations, the Management Company will make appropriate calculation and give appropriate instructions to the Custodian, the Account Bank and the Cash Manager in order to ensure that all allocations, distributions and payments required under the rules pertaining to the allocation of the funds received by the Issuer (*règles d'affectation de sommes recues par l'organisme*) set out in the Issuer Regulations (together, the "**Funds Allocation Rules**"), including without limitation, the relevant priority of payments (the "**Priorities of Payments**"), are made in a timely manner and in accordance with such Funds Allocation Rules and Priority of Payments during the Amortisation Period and, as the case may be, the Accelerated Amortisation Period.

Available Collections

means, on each Calculation Date, in respect of the Quarterly Collection Period immediately preceding such Calculation Date, an amount equal to the aggregate of:

(a) all cash collections in relation to the Purchased Home Loans and the related Ancillary Rights collected or received by the Servicers during such Quarterly Collection Period, excluding for the avoidance of doubt any insurance premium in respect of any Insurance Contracts including:

(i) interest payments including late payment interest, interest arrears regularisations;

(ii) any fees including late penalties, prepayment penalties, filing fees and other ancillary payments;

(iii) all principal amounts paid in connection with the Home Loans, including in connection with any Prepayments;

(iv) all Recoveries in relation to the Defaulted Home Loans which are not included in (i) above; and

(v) any insurance benefit or other amounts paid to any of the Sellers by any insurance company under the Insurance Contracts, which are not included in (iv) above,

(b) plus or minus, as the case may be, any amounts corresponding to any adjustment of the Available Collections which occurred in the course of any of the two previous Quarterly Collection Periods, including for instance adjustments for overpayments from Borrowers (the "**Adjusted Available Collections**"), provided that the credit balance of the General Account is sufficient to enable such adjustment,

where:

"**Prepayment**" means any payment made by a Borrower or any third party in addition to the Home Loan instalment in order to reduce in whole or in part the Outstanding Principal Balance of a Home Loan with the consent of the relevant Seller in its capacity of Servicer, in accordance with and subject to the Servicing Procedures and subject to the provisions of the Home Loans Purchase and Servicing Agreement.

"**Recoveries**" means any amounts of instalment, arrears and other amounts received, in respect of an enforcement proceeding, by the relevant Servicer, acting in accordance with the Servicing Procedures over any Purchased Home Loan which has become a Defaulted Home Loan, pursuant to the terms of the Home Loans Purchase and Servicing Agreement. The Recoveries shall be, as the case may be, any amount received in relation to any Defaulted Home Loan from the relevant Borrower, guarantors or other sources (e.g. insurance company), according to the Home Loan Agreements and laws and regulations in force from time to time.

Available Distribution Amount

means, on each Calculation Date, an amount equal to the aggregate of (without double counting):

(a) all Available Collections received in respect of the Quarterly Collection Period immediately preceding such Calculation Date;

(b) all Deemed Collections (if any) to be paid by any Seller on the immediately following Settlement Date to the Issuer in accordance with the Home Loans Purchase and Servicing Agreement in respect of the Quarterly Collection Period immediately preceding such Calculation Date;

(c) the aggregate of all Re-transfer Prices, Rescission Amounts and Indemnity Amounts paid or to be paid by the Sellers between the last Payment Date (or in relation to the Available Distribution Amount calculated on the first Calculation Date, as of the close of the Issue Date) (included) and the immediately succeeding Payment Date (excluded);

(d) the credit standing to the General Reserve Account as of the immediately following Settlement Date;

(e) any amount to be debited from the Commingling Reserve Account and credited to the General Account on the immediately following Settlement Date pursuant to the Reserves Cash Deposits Agreement;

(f) any Interest Rate Swap Net Amount to be paid by the Interest Rate Swap Counterparty to the Issuer and/or Interest Rate Swap Termination Amount paid to the Issuer (save to the extent used to pay directly any Replacement Swap Premium to any replacement Interest Rate Swap Counterparty) and/or Interest Rate Swap Collateral Liquidation Amount (save to the extent used to pay directly any Replacement Swap Premium to any replacement Interest Rate Swap Counterparty) and/or any Replacement Swap Premium and/or any Interest Rate Swap Collateral Account Surplus (if any) paid to the Issuer;

(g) the income generated by the investment of the Issuer Cash standing to the credit of the General Account (only) together with any remuneration received from the Account Bank relating to any sums standing to the credit of the General Account and to be credited to the General Account on the immediately following Settlement Date pursuant to the Account Bank and Cash Management Agreement;

(h) plus in respect of the last Calculation Date prior to the Issuer Liquidation Date, the proceeds resulting from the sale of the then outstanding Purchased Home Loans, as the case may be; and

(i) any other amounts standing to the credit of the General Account (including, for the avoidance of doubt, any amount received directly by the Issuer following a notification of any Borrowers, insurers and Home Loan Guarantors of the assignment of the Home Loans) as of the close of the immediately preceding Payment Date (after the application of the relevant Priority of Payments) (or in relation to the Available Distribution Amount calculated on the first Calculation Date, as of the close of the Issue Date) to the extent not designated for any other purpose.

Priority of Payments during the Amortisation Period (Normal Priority of Payments)

On each Payment Date falling within the Amortisation Period, the Management Company shall apply the Available Distribution Amount standing to the credit of the General Account (and calculated on the Calculation Date preceding such Payment Date), towards the following payments or provisions in the following order of priority but in each case only to the extent that all payments or provisions of a higher priority due to be paid or provided for on such Payment Date have been made in full:

(1) payment on a *pro rata* basis and *pari passu* basis of the Issuer Expenses then due and payable by the Issuer to each relevant creditor;

(2) payment to the Interest Rate Swap Counterparty of the Interest Rate Swap Net Amount due and payable by the Issuer (if any) and/or of any Interest Rate Swap Senior Termination Payment due and payable by the Issuer (if any) ;

(3) payment *pari passu* and pro rata of the Class A Notes Interest Amount then due and payable to the Class A Noteholders in respect of the Interest Period ending on such Payment Date;

(4) transfer into the General Reserve Account of an amount being equal to

the General Reserve Required Amount applicable on such Payment Date;

(5) payment to the Class A Noteholders, on *pari passu* and *pro rata* basis, of the aggregate amount of Class A Notes Amortisation Amount in respect of all Class A Notes, due and payable on that Payment Date;

(6) if a Servicer Termination Event referred to in paragraph (h) of the definition of "Servicer Termination Event" has occurred and is continuing, transfer into the Commingling Reserve Account with the necessary amount in order for the credit standing to the Commingling Reserve Account to be at least equal to the Commingling Reserve Required Amount applicable on the previous Settlement Date ;

(7) payment *pari passu* and *pro rata* of the Class B Notes Interest Amount then due and payable to the Class B Noteholders in respect of the Interest Period ending on such Payment Date;

(8) payment to the Reserves Provider of the General Reserve Decrease Amount (if positive);

(9) payment to the Sellers of the Interest Component Purchase Price of the Purchased Home Loans assigned to the Issuer on the Purchase Date (unless already paid in full);

(10) only once the Class A Notes have been amortised in full, payment to Class B Noteholders, on *pari passu* and *pro rata* basis, of the aggregate amount of Class B Notes Amortisation Amount in respect of all Class B Notes, due and payable on that Payment Date, until the full and definitive redemption of the Class B Notes;

(11) payment to the Interest Rate Swap Counterparty of the Interest Rate Swap Subordinated Termination Payment due and payable by the Issuer (if any);

(12) in or towards payment of any reasonable and duly documented fees and expenses (other than the Issuer Expenses) as the case may be incurred by the Issuer in connection with the operation of the Issuer pursuant to the relevant terms of the Transaction Documents to which the Issuer is party and then due and payable by the Issuer to the relevant creditors of such fees and expenses; and

(13) payment of the remaining credit balance of the General Account to the Residual Unitholders, on *pari passu* and *pro rata* basis, as interest under the Residual Units.

Priority of Payments during the Accelerated Amortisation Period and on the Issuer Liquidation Date (Accelerated Priority of Payments)

On any Payment Date falling within the Accelerated Amortisation Period, and on the Issuer Liquidation Date, the Management Company shall apply the Available Distribution Amount standing to the credit balance of the General Account as calculated on the Calculation Date preceding such Payment Date, towards the following payments or provisions in the following order of priority but in each case only to the extent that all payments or provisions of a higher priority due to be paid or provided for on such Payment Date have been made in full:

(1) payment on a *pro rata* basis and *pari passu* basis of the Issuer Expenses then due and payable by the Issuer to each relevant creditor;

(2) payment of the Interest Rate Swap Net Amount due and payable by the Issuer to the Interest Rate Swap Counterparty (if any) and/or of any Interest Rate Swap Senior Termination Payment then due and payable to the relevant Interest Rate Swap Counterparty under the Interest Rate Swap Agreement;

(3) payment *pari passu* and *pro rata* of the Class A Notes Interest Amount then due and payable to the Class A Noteholders in respect of the Interest Period ending on such Payment Date;

(4) transfer into the General Reserve Account of an amount being equal to the General Reserve Required Amount as at such Payment Date (except on the Issuer Liquidation Date);

(5) payment to the Class A Noteholders, on *pari passu* and *pro rata* basis, of the aggregate amount of Class A Notes Amortisation Amount in respect of all Class A Notes, due and payable on that Payment Date, until the full and definitive redemption of the Class A Notes;

(6) only once the Class A Notes have been amortised in full, payment *pari passu* and *pro rata* of the Class B Notes Interest Amount then due and payable to the Class B Noteholders in respect of the Interest Period ending on such Payment Date;

(7) repayment to the Reserves Provider of any part of the General Reserve Cash Deposit not otherwise repaid;

(8) payment to the Sellers of the remaining portion of the Interest Component Purchase Price of the Purchased Home Loans assigned to the Issuer on the Purchase Date;

(9) only once the Class A Notes have been amortised in full, payment to the Class B Noteholders on *pari passu* and *pro rata* basis of the aggregate amount of Class B Notes Amortisation Amount in respect of all Class B Notes, due and payable on that Payment Date, until the full and definitive redemption of the Class B Notes;

(10) payment of any Interest Rate Swap Subordinated Termination Payment then due and payable;

(11) in or towards payment of any reasonable and duly documented fees and expenses (other than the Issuer Expenses) as the case may be incurred by the Issuer in connection with the operation of the Issuer pursuant to the relevant terms of the Transaction Documents to which the Issuer is party and then due and payable by the Issuer to the relevant creditors of such fees and expenses; and

(12) on the Issuer Liquidation Date, repayment to the Residual Unitholders of the nominal amount of the Residual Units and payment on a *pro rata* basis of the Liquidation Surplus.

Deferral

If on any applicable Payment Date, the Available Distribution Amount is not sufficient to pay, transfer to another Issuer Account or redeem any amount then due and payable (including, without limitation, any amount of principal or interest in respect of any class of Notes) or to be transferred or to be redeemed, such unpaid amount shall constitute arrears which will become due and payable by the Issuer on the next following Payment Date, at the same rank, but in priority to the

payment of the amounts of same nature in the applicable Priority of Payments and to the extent of the Available Distribution Amount. Such unpaid amount will not accrue default interest until full payment. For the avoidance of doubt, the failure by the Issuer to pay in full any amount of interest due and payable on the Class A Notes in accordance with the Conditions, where non-payment continues for a period of five (5) Business Days, will constitute an Accelerated Amortisation Event.

Return of swap collateral On any Payment Date, any amount of collateral credited to the Interest Rate Swap Collateral Accounts due to be retransferred by the Issuer to the Interest Rate Swap Counterparty pursuant to the terms and conditions of the Interest Rate Swap Agreement will be transferred directly to the Interest Rate Swap Counterparty, outside of any Priority of Payments.

Replacement swap premium Upon termination of the Interest Rate Swap Agreement and the entry of the Issuer into a replacement Interest Rate Swap Agreement, any Replacement Swap Premium payable by the Issuer to such replacement Interest Rate Swap Counterparty will be paid by the Issuer directly to such replacement Interest Rate Swap Counterparty, outside of any Priority of Payments, by using the Interest Rate Swap Termination Amount payable by the outgoing Interest Rate Swap Counterparty to the Issuer or, to the extent that such amount is unpaid by the outgoing Interest Rate Swap Counterparty, by using any Interest Rate Swap Collateral Liquidation Amount.

Master Servicer Report Delivery Failure In the event that the Management Company does not receive, or there is a delay in the receipt of, any of the three Master Servicer Reports in respect of the Quarterly Collection Period preceding a Calculation Date (a "**Master Servicer Report Delivery Failure**"), the Management Company will make any calculations that are necessary to make payments in accordance with the relevant Priority of Payments applicable on the following Payment Date, on the basis of the latest information received from the Servicers or the Transaction Agent, as applicable. In particular:

(a) the Outstanding Principal Balance of the Performing Home Loans as at the Determination Date preceding such Calculation Date; and

(b) the Available Collections arisen during the Quarterly Collection Period preceding such Calculation Date,

will be determined on the basis of the last Master Servicer Report received, including the last available amortisation schedule contained in such Master Servicer Report and using, as prepayment default and recovery rates assumptions, the average prepayment rates, default rates and recovery rates calculated by the Management Company on the basis of the last three (3) available Master Servicer Reports delivered to the Management Company, provided that upon receipt of the relevant Master Servicer Report, the Management Company shall reconcile the calculations and the actual collections, determine the applicable regularisation amount and adjust the amounts to be paid to the Class A Noteholders, the Class B Noteholders, the Residual Unitholders and the Interest Rate Swap Counterparty (as the case may be) on the next applicable Payment Date(s).

LIQUIDATION OF THE ISSUER

Issuer Liquidation Date means the date on which the Issuer is liquidated, which shall be the Final Legal Maturity Date, unless the Issuer is liquidated earlier following the occurrence of an Issuer Liquidation Event, in which case the Issuer Liquidation Date shall be the

Payment Date on which all of the then outstanding Purchased Home Loans will have been sold by the Issuer.

Issuer Liquidation Event - Clean-up offer

Pursuant to the Issuer Regulations, the Management Company may decide to declare the dissolution of the Issuer and liquidate the Issuer in one single transaction in case of the occurrence of any of the following events, provided that the Management Company shall not declare any such event to have occurred unless it has found an entity agreeing to purchase the then outstanding Purchased Home Loans under the conditions set out hereinafter) (each a "**Issuer Liquidation Event**"):

(a) the liquidation is in the interest of the Noteholders and the Residual Unitholders; or

(b) the Notes and the Residual Units issued by the Issuer are held by a single holder and such holder requests the liquidation of the Issuer; or

(c) the Notes and the Residual Units issued by the Issuer are held solely by the Sellers and the Management Company receives a request in writing by the Sellers (or the Transaction Agent on their behalf), acting unanimously, to liquidate the Issuer; or

(d) at any time, the aggregate of the Outstanding Principal Balances (*capital restant dû*) of the undue (*non échues*) Performing Home Loans held by the Issuer falls below 10 per cent. of the maximum aggregate of the Outstanding Principal Balances (*capital restant dû*) of the undue (*non échues*) Performing Home Loans recorded since the Issuer Establishment Date and the Management Company receives a request in writing by the Sellers (or the Transaction Agent on their behalf), acting unanimously, to liquidate the Issuer; or

(e) after the occurrence of a Tax Event, a general assembly resolution of the Class A Noteholders is passed, or a decision of the sole holder of the Class A Notes is made, as the case may be, requesting the liquidation of the Issuer; or

(f) on the First Optional Redemption Date or any of the three (3) subsequent Payment Dates (only) occurring after such First Optional Redemption Date the Management Company receives a request in writing by the Sellers (or the Transaction Agent on their behalf), acting unanimously, to liquidate the Issuer.

In such case, the Management Company will propose to each Seller to repurchase in a single transaction all Purchased Home Loans transferred by it to the Issuer and comprised within the Assets Allocated to the Issuer (See Section "Liquidation of the Issuer, Clean-up Offer and Re-purchase of the Home Loans").

The purchase price of the Home Loans proposed by the Management Company to each Seller shall be based on the fair market value of assets having similar characteristics to the Home Loans having regard to the sum of the Outstanding Principal Balances of those Home Loans on the preceding Determination Date. In addition, the purchase price of the Home Loans, taking into account for this purpose the Issuer Cash, excluding the amount of the Commingling Reserve, must be sufficient to enable the Issuer to repay in full all amounts outstanding in respect of the Notes after payment of all other amounts due by the Issuer and ranking senior to the Notes in accordance with the Accelerated Priority of Payments.

On the Issuer Liquidation Date, the Management Company will apply the Issuer Cash (excluding the amounts of the Commingling Reserve) in accordance with and subject to the applicable Priority of Payments, and any amount standing to the credit of the Commingling Reserve Account upon the liquidation of the Issuer shall be released and retransferred directly to the Reserves Provider, in accordance with and subject to the Home Loans Purchase and Servicing Agreement.

In accordance with the provisions set out in the Issuer Regulations, the Management Company shall inform of its decision to liquidate the Issuer (i) the Noteholders and the Residual Unitholders, (ii) the Rating Agencies and (iii) the AMF.

Miscellaneous

Credit Enhancement

Credit enhancement for the Class A Notes will be provided by (a) the excess margin which will provide the first loss protection, (b) the General Reserve (subject to the specific rules pertaining to the allocation of the General Reserve), (c) the subordination of the Residual Units and (d) on each Payment Date, the subordination of payments of interest and principal due in respect of the Class B Notes to payments of interest and principal due in respect of the Class A Notes.

In the event that the credit enhancement provided by the General Reserve is reduced to zero without any possibility of being further increased by debiting the General Account and the protection provided by the excess margin and the subordination of the Residual Units and the Class B Notes is reduced to zero, the Class A Noteholders will directly bear the risk of loss of principal and interest related to the Purchased Home Loans.

Interest Rate Swap Agreement

FBF Master Agreement

On or prior to the Issuer Establishment Date, the Issuer, represented by the Management Company, will enter into an interest rate swap agreement to hedge the floating interest rate on the Class A Notes (the " **Interest Rate Swap Agreement**") with the Custodian and Natixis (the "**Interest Rate Swap Counterparty**"). The Interest Rate Swap Agreement is governed by the 2013 *Fédération Bancaire Francaise* (FBF) master agreement relating to transactions on forward financial instruments (*convention-cadre FBF relative aux operations sur instruments financier*s *a terme* or the "**FBF Master Agreement**") as amended by a supplementary schedule and confirmed by one written swap confirmation (the "**Swap Confirmation**").***Purpose of the Interest Rate Swap Agreement***

The purpose of the Interest Rate Swap Agreement is to enable the Issuer to meet its interest payment obligations under the Class A Notes, in particular by hedging the Issuer against the risk of a difference between the EURIBOR-based floating rate applicable for the relevant Interest Period (on each relevant Payment Date) with respect to the Class A Notes and the fixed interest rate payments received in respect of the Purchased Home Loans.

Notional Amount

In accordance with the Interest Rate Swap Agreement, the "**Notional Amount**" shall be, on any Payment Date, equal to the lesser of:

(i) the aggregate of the Principal Amount Outstanding of the Class A Notes on the immediately preceding Payment Date after giving effect to the

applicable Priority of Payments (or the Issue Date in respect of the first Payment Date) as determined by the Management Company; and

(ii) the Outstanding Principal Balance of the Performing Home Loans on the Determination Date immediately preceding such Payment Date (or in case of the first Payment Date, the Selection Date);

provided that if the Management Company has not been able to provide such calculations, then the Interest Rate Swap Counterparty will calculate such amounts in a commercially reasonable manner).

Payments under the Interest Rate Swap Agreement

Pursuant to the Interest Rate Swap Agreement, on each Payment Date, the Interest Rate Swap Counterparty shall pay to the Issuer the swap floating amount (the " **Floating Amount**") and the Issuer shall pay to the Interest Rate Swap Counterparty the swap fixed amount (the "**Fixed Amount**"). On each Payment Date, a set-off shall be made between the Floating Amount and the Fixed Amount.

The Floating Amount shall, on any Payment Date in respect of the Interest Period ending on such Payment Date, be an amount equal to the product of (A) the actual number of days in the relevant Interest Period divided by 360, (B) the greater between: (x) zero and (y) the aggregate of (i) EURIBOR (as determined for such Interest Period ending on such Payment Date in accordance with the Conditions of the Class A Notes or any replacement rate determined in accordance with the Reference Rate Determination Process) and (ii) the Class A Margin, both for the relevant Interest Period and (C) the relevant Notional Amount of the Interest Rate Swap Transaction.

The Fixed Amount shall be equal to the product of (i) the Interest Rate Swap Fixed Rate, (ii) the Notional Amount, (iii) the number of days in the relevant Interest Period (for the avoidance of doubt, in the case of the first Payment Date only, starting on the Issue Date) on the basis of a thirty (30) day month divided by 360,

where the "**Interest Rate Swap Fixed Rate**" means the fixed rate determined on or about 25 October 2018 and not greater than 1.15% *per annum*.

Retention and disclosure requirements under the Capital Requirements Directive

The Sellers have undertaken to each of the Joint-Arrangers, the Joint Lead Managers, the Management Company and the Custodian pursuant to the Class A Notes Subscription Agreement that, during the life of the Class A Notes, they shall comply with the provisions of article 405 paragraph (1) of Regulation (EU) n° 575/2013 of the European Parliament and the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms amending the Regulation (EU) n° 648/2012 (the "**Capital Requirements Regulations**"), article 51 paragraph (1) of Section 5 of Chapter III of the Commission Delegated Regulation (EU) n° 231/2013 of 19 December 2012 ("**Section 5**") implementing AIFM Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers ("**AIFM**"), article 254(2) of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (the "**Solvency II Delegated Act**") and article 6 of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (the "**STS Regulation**") and therefore retain on

an ongoing basis a material net economic interest in the transaction which, in any event, shall not be less than 5 per cent.

At the Issue Date, such material net economic interest shall be retained by each Seller as originator, pursuant to option (d) of article 405 paragraph (1) of the Capital Requirements Regulations, article 51 paragraph (1) of Section 5 implementing AIFM, article 254(2) of the Solvency II Delegated Act and of article 6(3) of the STS Regulation, through the subscription of the Class B Notes in relation to the proportion of the total securitised exposures for which it is the originator.

For further details, please refer to the Section of this Prospectus entitled "*REGULATORY COMPLIANCE*".

Volcker Rule

Please refer to the Section of this Prospectus entitled "*REGULATORY COMPLIANCE*".

Eurosystem Eligibility

The Class A Notes to be issued under the Transaction are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes to be issued under the Transaction are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as common safekeeper but does not necessarily mean nor imply any guarantee that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will, *inter alia*, depend upon satisfaction of the Eurosystem eligibility criteria.

Modifications to the Transaction

Modification of the elements contained in the Prospectus

The Management Company and the Custodian may agree to any modification of the elements contained in the Prospectus, except in the case of a transfer of the management further to a withdrawal of the licence of the Management Company, in respect of which the decision is taken solely by the Custodian.

After the listing of the Class A Notes on the Paris Stock Exchange (Eurolist by Euronext Paris S.A.), any event which may have an impact on the Class A Notes and any modification of characteristic elements (*éléments caractéristiques*) contained in the Prospectus shall be made public in accordance with article 223-21 of the AMF General Regulations (*Règlement Général* de l'*Autorité des Marchés Financiers*).

Any new facts or any error or inaccuracy relating to the information contained in the Prospectus which may have a material impact on the valuation of the Class A Notes and which occurs or is observed on a date falling between the date of the visa granted by the AMF in relation to the Prospectus and the Issue Date, shall be mentioned in a complementary information note (*note complémentaire*) which, prior to its diffusion, is submitted to the approval of the *Autorité des Marchés Financiers*.

This complementary information note (*note complémentaire*) shall be annexed to the Prospectus and incorporated in the next Investor Report. Any such modification will be binding with respect to the Class A Noteholders within three (3) Business Days after they have been informed thereof.

Modification of the Transaction Documents

The Management Company and the Custodian, acting in their capacity as founders of the Issuer, may agree to amend from time to time the provisions of the Issuer Regulations or any other Transaction Documents, provided that:

(a) other than for amendments of a minor or mere technical nature or made to correct a manifest error, and, unless otherwise consented to or directed by the Noteholders (in accordance with the Conditions) and the Residual Unitholders (acting unanimously), amendments to the Issuer Regulations or to any other Transaction Documents shall be made provided that the Rating Agencies have received prior notice of any amendment and that such amendment shall not result, in the reasonable opinion of the Management Company, in the placement on "negative outlook" or as the case may be on "rating watch negative" or on "review for possible downgrade", or the downgrading or the withdrawal of any of the ratings of the Class A Notes or that such amendment limits such downgrading or avoids such withdrawal;

(b) any Amendment to the Financial Characteristics of the Class A Notes shall require the prior approval of the Class A Noteholders (by a decision of the general assembly of the relevant Masse or of the sole holder of the Class A Notes, as the case may be);

(c) any Amendment to the Financial Characteristics of the Class B Notes issued by the Issuer shall require the prior approval of the Class B Noteholders (by a decision of the general assembly of the Masse or of the sole holder of the Class B Notes, as the case may be);

(d) any Amendment to the Financial Characteristics of the Residual Units issued by the Issuer shall require the prior approval of the relevant Residual Unitholder(s); and

(e) subject to paragraphs (a) to (d) above, any amendments to the Issuer Regulations shall be notified to the Noteholders and the Residual Unitholder(s), it being specified that such amendments shall be, automatically and without any further formalities (*de plein droit*), enforceable as against such Noteholders and Residual Unitholder(s) within three Business Days after they have been notified thereof.

In the case of a conflict between the decisions taken by the different Masses of Notes and/or between the decisions taken by the Masses of Notes and the Residual Unitholders, the Management Company shall act in accordance with the decision of the Most Senior Class of Notes Outstanding unless such decision would result in an Amendment to the Financial Characteristics of another Class of Notes or of the Residual Units issued by the Issuer (including those of a junior rank). In such a case, and unless the holders affected by such decision agree to such modification, the Management Company shall not be bound to act pursuant to such decisions and shall incur no liability for such inaction.

Any modification of any of the provisions of the Transaction Documents which is made in order (a) to obtain or maintain the eligibility of the Class A Notes to the Eurosystem legal framework related to monetary policy, (b) for the Transaction to be able to qualify as a simple, transparent and standardised securitisation in accordance with the provisions of Regulation 2017/2402 of the European Parliament and of the Council dated 12 December 2017 relating to transparent and standardised securitisation transactions (the "**STS Regulation**") and the related regulatory technical standards and implementing technical standards, (c) to comply with any new requirement received from the Rating Agencies in relation

to their rating methodology, (d) to comply with the LCR Delegated Regulation as amended by the provisions of Regulation 2017/2402 of the European Parliament and of the Council dated 12 December 2017 relating to transparent and standardised securitisation transactions and as further amended from time to time (the "**LCR Regulation**") and the related regulatory technical standards and implementing technical standards, (e) to implement the changes required by or comply with government order n°2017-1432 of 4 October 2017 (*ordonnance n°2017-1432 of 4 October 2017 portant modernisation du cadre juridique de la gestion d'actifs et du financement par la dette*) (the "**2017 Order**") (including, without limitation, (i) any amendment made to the provisions of the AMF General Regulations following the Issue Date in order to implement the 2017 Order and (ii) any other text implementing or ratifying the 2017 Order as will be adopted or will enter into force following the Issue Date), (f) to comply with any changes in the requirements of the CRA Regulation, (g) to enable the Class A Notes to be (or to remain) listed and admitted to trading on Euronext Paris or (h) to enable the Issuer and/or the Interest Rate Swap Counterparty to comply with any obligation which applies to it under EMIR, will not necessarily require consent from the Noteholders or the Residual Unitholders, if such modification (1) (i) does not result in the placement on "negative outlook", "rating watch negative" or "review for possible downgrade" or the downgrading or withdrawal of any of the ratings of the Class A Notes or (ii) limits such downgrading of or avoids such withdrawal of the rating of any Class A Notes which could have otherwise occurred and (2) is not an Amendment to the Financial Characteristics of the Notes, provided that the Management Company shall remain entitled to consult the Noteholders and the Residual Unitholders in relation to any such modification to obtain their view on the same.

In addition, for the avoidance of doubt, notwithstanding the above provisions and notwithstanding the potential Amendment to the Financial Characteristics of the Class B Notes and potential Amendment to the Financial Characteristics of the Residual Units that would be triggered by any modification to the way of determining the Class A Notes Interest Rate implemented in accordance with the Reference Rate Determination Process, such modification will not require to call a Noteholders' Meeting for the Class A Noteholders or the Class B Noteholders or to consult the Residual Unitholders.

Any amendment to the relevant Transaction Documents shall require the prior consent of the Interest Rate Swap Counterparty:

(i) where such amendment has or could have a material adverse effect on the interests of the Interest Rate Swap Counterparty under the Interest Rate Swap Agreement or under the relevant Transaction Documents; or

(ii) if any Funds Allocation Rules are amended.

Notwithstanding the provisions set out in the sections "Modification of the elements contained in the Prospectus" and "Modification of the Transaction Documents" above, the Management Company will, under all circumstances, act in the interest of the Noteholders and the Residual Unitholders.

Governing Law

The Transaction Documents, the Notes and the Residual Units will be governed by and interpreted in accordance with French Law.

Jurisdiction

The parties to the Transaction Documents have agreed to submit any dispute that may arise in connection with the Transaction Documents to the exclusive

jurisdiction of the competent courts in commercial matters within the jurisdiction the *Cour d'Appel* of Paris.

GENERAL DESCRIPTION OF THE ISSUER

Legal Framework

BPCE HOME LOANS FCT 2018 is a French *fonds commun de titrisation* jointly established by the Custodian and the Management Company on the Issuer Establishment Date. The Issuer is established in accordance with the provisions of articles L. 214-166-1 to L. 214-175, L. 214-175-1, L. 214-180 to L. 214-186, L. 231-7 and R. 214-217 to R. 214-235 of the French Monetary and Financial Code. The Issuer is governed by the provisions of L. 214-166-1 to L. 214-175, L. 214-175-1, L. 214-180 to L. 214-186, L. 231-7 and R. 214-217 to R. 214-235 of the French Monetary and Financial Code and by the Issuer Regulations.

In accordance with article L. 214-180 of the French Monetary and Financial Code, the Issuer is a co-ownership entity (*copropriété*) of receivables, and has been established as a special purpose entity, the sole purpose of which is to purchase, on the Purchase Date, Home Loans from the Sellers and issue the asset-backed securities which are the Class A Notes, Class B Notes and Residual Units.

The Issuer does not have a legal personality (*personnalité morale*) and is neither subject to the provisions of the French Civil Code relating to the rules of *indivision* (co-ownership) nor to the provisions of articles 1871 to 1873 of the French Civil Code relating to *societes en participation* (partnerships).

The Issuer has no place of registration, no registration number and no telephone number.

The government order n°2017-1432 of 4 October 2017 (*ordonnance n°2017-1432 of 4 October 2017 portant modernisation du cadre juridique de la gestion d'actifs et du financement par la dette*) (the "**2017 Order**") entered into force on 3 January 2018, amending certain provisions of the French Monetary and Financial Code applicable to French *fonds commun de titrisation.* The 2017 Order adds new duties to the Custodian's existing duties which will be applicable as from 1 January 2019, subject to adoption of the relevant implementation measures in the AMF General Regulations. The Custodian will have the obligations to comply with such new duties in accordance with the terms of the Issuer Regulations.

Issuer Regulations

The Custodian and the Management Company will enter into, on or before the Issuer Establishment Date, the Issuer Regulations which include, among other things, the general operating rules of the Issuer, the general rules concerning the creation, the operation and the liquidation of the Issuer, the characteristics of the Purchased Home Loans purchased by the Issuer, the characteristics of the Residual Units and the Notes issued in respect of the Issuer in connection with its funding strategy, the Funds Allocations Rules (including, without limitation, the Priorities of Payments), the credit enhancement set up in relation to the Issuer, any specific third party undertakings and the respective duties, obligations, rights and responsibilities of the Management Company and of the Custodian.

The Issuer Regulations are governed by French law. Any dispute regarding the establishment, the operation or the liquidation of the Issuer, the Notes and the Residual Units and the Transaction Documents will be submitted to the exclusive jurisdiction of the competent courts in commercial matters within the jurisdiction the *Cour d'Appel* of Paris.

As a matter of French law, the Noteholders and the Residual Unitholders are bound by the Issuer Regulations. A hard copy of the Issuer Regulations shall be made available for inspection by the Noteholders and Residual Unitholders free of charge during normal business hours at the registered office of the Management Company and the Custodian upon request by the Noteholders or the Residual Unitholders. An electronic version of the Issuer Regulations shall be sent by email by the Management Company upon request by the Noteholders. In addition, the Management Company shall publish the Prospectus on its website.

Non Petition

Pursuant to article L. 214-175, III of the French Monetary and Financial Code, Book VI of the French Commercial Code is not applicable to the Issuer.

Limited Recourse

In accordance with article L. 214-169 of the French Monetary and Financial Code, the Noteholders, the Residual Unitholders and the creditors which have agreed to them (*créanciers les ayant acceptés*), shall be bound by each of the Funds Allocation Rules (including, without limitation, the Priority of Payments) as set out in the Issuer Regulations, notwithstanding the opening against them of an insolvency proceeding pursuant to the provisions of Book VI of the French Commercial Code or any equivalent procedure governed by any foreign law (*procédure équivalente sur le fondement d'un droit étranger*) and such Funds Allocation Rules (including, without limitation, the Priority of Payments) shall apply even in case of liquidation of the Issuer.

In accordance with article L. 214-169 of the French Monetary and Financial Code, the Issuer's assets may only be subject to civil proceedings (*mesures civiles d'exécution*) to the extent (*dans le respect*) of the applicable Funds Allocation Rules (including, without limitation, the applicable Priority of Payments).

In accordance with article L. 214-175, III of the French Monetary and Financial Code, the Issuer is liable for its debts (*n'est tenu de ses dettes*) to the extent of its assets (*qu'à concurrence de son actif*) and in accordance with the rank of its creditors as provided by law (*selon le rang de ses créanciers défini par la loi*) or, pursuant to article L. 214-169 of the French Monetary and Financial Code, in accordance with the provisions of the Issuer Regulations.

Pursuant to article L. 214-183, I of the French Monetary and Financial Code, only the Management Company may enforce the rights of the Issuer against third parties. Accordingly, the Noteholders shall have no recourse whatsoever against the Borrowers under the Purchased Home Loans.

In addition, each party to the Transaction Documents has undertaken, to the extent that it may have any claim (including any contractual claim or action (*action en responsabilité contractuelle*)) against the Issuer the payment of which is not expressly contemplated under any applicable Funds Allocation Rules (including, without limitation, the Priority of Payments) set out in these Issuer Regulations, to waive to demand payment of any such claim as long as all Notes and Residual Units issued by the Issuer have not been repaid in full.

Decision binding

In accordance with Article L. 214-169 II of the French Monetary and Financial Code, the Noteholders, the Residual Unitholders and any creditors of the Issuer and the creditors which have agreed to them (*créanciers les ayant acceptés*) will be bound by the rules governing the decisions made by the Management Company in accordance with the provisions of the Issuer Regulations and the decisions made by the Management Company on the basis of such rules.

Purpose of the Issuer

The purpose of the Issuer is (i) to purchase from the Sellers Home Loans arising from Home Loan Agreements entered into with Borrowers and (ii) to issue Notes and Residual Units backed by such Home Loans.

The Issuer will not issue any further Notes or Residual Units after the Issue Date.

Information relating to the Management Company can be found in Section "DESCRIPTION OF THE RELEVANT ENTITIES – The Management Company".

Funding Strategy of the Issuer

The funding strategy (*stratégie de financement*) of the Issuer is to issue on the Issue Date the Class A Notes, the Class B Notes and the Residual Units in order (i) to finance the purchase the Home Loans on that date from the Sellers in accordance with and subject to the terms of the Home Loans Purchase and Servicing Agreement and (ii) to pay on the Issue Date the Issuance Premium Amount to the Transaction Agent on behalf of the Sellers as premium in accordance with the Home Loans Purchase and Servicing Agreement.

Hedging Strategy

In accordance with articles R.214-217-2° and R.214-224 of the French Monetary and Financial Code and pursuant to the terms of the Issuer Regulations, the hedging strategy (*stratégie de couverture*) of the Issuer is to enter into the Interest Rate Swap Agreement to hedge the mismatch between interest rates payable under the Purchased Home Loans and the floating rate payable on the Class A Notes (see the Section entitled "*DESCRIPTION OF THE INTEREST RATE SWAP AGREEMENT*"). Aside from the Interest Rate Swap Agreement, the Issuer shall not enter into derivative contracts.

Limitations

Without prejudice to the obligations and rights of the Issuer, as a matter of French law the Noteholders and Residual Unitholders have no direct recourse whatsoever toward the Borrowers (nor toward any related insurer under any insurance policies).

Material Contracts

Apart from the Transaction Documents to which it is a party, the Issuer has not entered into any material contracts other than in the ordinary course of its business.

Financial Statements

The Issuer has not commenced operations before the Issue Date and no financial statements have been made up as at the date of this Prospectus.

Litigation

The Issuer has not been and is not involved in any litigation or arbitration proceedings that may have any material adverse effect on the financial position of the Issuer. The Issuer is not aware that any such proceedings or arbitration proceedings are imminent or threatening, which could adversely affect the Issuer's business, results of operations or financial condition.

Issuer Indebtedness

The provisional Issuer's indebtedness when it is established (taking into account, the issue of the Notes and the Residual Units on the Issue Date) will be as follows:

Indebtedness (on the Issue Date, subject to, and taking into account, the issue of the Notes and the Residual Units)	**EUR**
Class A Notes	1,000,000,000
Class B Notes	125,000,000
Residual Units	13,000

DESCRIPTION OF THE RELEVANT ENTITIES

THE MANAGEMENT COMPANY

France Titrisation
1, Boulevard Haussmann
75009 Paris
France

General

The Management Company is France Titrisation, a *société par actions simplifiée*, whose registered office is located at 1, Boulevard Haussmann , 75009 Paris, France, registered with the Trade and Companies Registry (*Registre du commerce et des sociétés*) of Paris (France) under number 353 053 531, licensed and supervised by the AMF (*Autorité des Marchés Financiers*) as a *société de gestion de portefeuille* (portfolio management company) under number GP 14000030 and authorised to manage securitisation vehicles (*organismes de titrisation*).

The sole corporate purpose of France Titrisation is to manage French securitisation vehicles (*organismes de titrisation*). The Management Company is regulated, *inter alia*, under the provisions of articles L. 214-180 to L. 214-186 of the French Monetary and Financial Code and of the AMF Regulations (*Règlement général de l'Autorité des Marchés Financiers*). As of the date of this Prospectus, France Titrisation is a wholly-owned subsidiary of BNP Paribas Securities Services.

The Noteholders may obtain a copy of the financial statements of the Management Company at the Trade and Companies Registry (*Registre du commerce et des sociétés*) of Paris (France).

Role of the Management Company

The Management Company establishes the Issuer jointly with the Custodian in accordance with the conditions described in the Issuer Regulations. The Management Company represents the Issuer as against third parties, in particular in any legal action or proceedings whether as a plaintiff or as a defendant. The Management Company is responsible for the management of the Issuer.

Pursuant to the provisions of Issuer Regulations, the Management Company is specifically in charge of:

(a) verifying that the payments received by the Issuer are consistent with the sums due to it with respect to the Assets Allocated to the Issuer, and, if necessary, enforcing the rights of the Issuer under the Transaction Documents;

(b) providing all necessary information and instructions to the Custodian and/or the Account Bank in order for it to operate the Issuer Accounts in accordance with the Issuer Regulations;

(c) determining, and giving effect to, the occurrence of an Accelerated Amortisation Event, an Issuer Liquidation Event or a Servicer Termination Event and informing the Noteholders of the occurrence of any such event in the immediately following Investor Report;

(d) allocating any payment received by the Issuer in accordance with the Issuer Regulations in particular the applicable Priority of Payments and the Funds Allocation Rules;

(e) making such determinations, estimations and calculations as are necessary to operate the Issuer in the manner, and prepare the allocations, distributions and payment instructions, provided for in the Issuer Regulations, for the purposes notably of applying the Funds Allocation Rules (including, without limitation, the relevant Priority of Payments) and notifying accordingly the relevant parties to the Transaction Documents, in particular:

(i) on each Interest Rate Determination Date, the Class A Notes Interest Rate in order to determine the Class A Notes Interest Amount due to the Class A Noteholders in relation to the immediately following Interest Period;

(ii) on each Calculation Date, determining (A) the Class B Notes Interest Amount due in respect of each Interest Period, (B) the Class A Notes Amortisation Amount and the Class B Notes Amortisation Amount, (C) the Principal Amount Outstanding of each Note (and arrears thereof);

(iii) on each Calculation Date, determining any Interest Rate Swap Net Amount and/or any Interest Rate Swap Termination Amount and/or any Replacement Swap Premium and/or any Interest Rate Swap Collateral Liquidation Amount and/or any Interest Rate Swap Collateral Account Surplus;

(iv) (A) within five (5) Business Days following the date on which the Specially Dedicated Account Bank is downgraded below the Account Bank Required Ratings or BPCE is downgraded below the ratings indicated in the definition of Level 1 Commingling Reserve Required Amount (as applicable), and (B) then on each Calculation Date, determining the Commingling Reserve Required Amount (if positive) on the basis of the latest information provided to it in the Master Servicer Report and notifying such amount to the Reserves Provider; and

(v) on each Calculation Date, determining the General Reserve Required Amount and the General Reserve Decrease Amount (if any);

(f) ensuring that all allocations, distributions and payments required under the applicable Funds Allocation Rules (including, without limitation, the relevant Priority of Payments) are made in a timely manner and in accordance with such applicable Funds Allocations Rules and Priority of Payments during the Amortisation Period and, as the case may be, the Accelerated Amortisation Period, and giving appropriate instructions to the Custodian, the Account Bank, the Servicers, the Cash Manager, the Paying Agent and the Data Protection Agent for such purpose, provided that such allocations, distributions and payments shall be made only in accordance with the instructions of the Management Company, provided that no amount will be withdrawn from an Issuer Account if the relevant Issuer Account would have a debit balance as a result thereof (see Section "DESCRIPTION OF THE ISSUER ACCOUNTS");

(g) jointly executing, renewing and terminating with the Custodian and the other parties involved, the Transaction Documents necessary for the establishment and the operation of the Issuer;

(h) monitoring the performance of the Issuer Regulations and any agreements to which the Management Company (acting on behalf of the Issuer) is a party and, performing the obligations expressed to be performed by the Management Company or the Issuer under such documents;

(i) ensuring, on the basis of the information made available to it, that the Transaction Agent, the Reserves Provider, each Seller and each Servicer will comply with the provisions of the Home Loans Purchase and Servicing Agreement, the Specially Dedicated Account Bank Agreements and the Reserve Cash Deposits Agreement to which it is a party;

(j) appointing and, if applicable, replacing the statutory auditor of the Issuer, pursuant to article L. 214-185 of the French Monetary and Financial Code;

(k) preparing, under the supervision of the Custodian, the documents required, under article L. 214-175, articles D. 214-227 to D. 214-229 and R. 214-230 to R. 214-235 of the French Monetary and Financial Code and the other applicable laws and regulations, for the information of, if applicable, the *Autorité des Marchés Financiers*, the *Banque de France*, the Noteholders, the Residual Unitholders, the Rating Agencies and any relevant supervisory authority, securities market (such as Euronext Paris S.A.) and clearing systems (such as Euroclear France and Clearstream Banking). In particular, the Management Company shall prepare the various documents required to provide to the Noteholders and the Residual Unitholders on a regular basis the information which is required to be disclosed to them;

(l) taking the decision to liquidate the Issuer in accordance with applicable laws and regulations and, upon any liquidation of the Issuer, releasing any Liquidation Surplus to the Residual Unitholders as payment of principal and interest under the Residual Units;

(m) notifying (or instructing any authorised third party to notify) the Borrowers, any relevant insurance company under any Insurance Contract (if known) and Home Loan Guarantor under any Home Loan Guarantee relating to the relevant Home Loans in accordance with the provisions of the Home Loans Purchase and Servicing Agreement;

(n) replacing, if applicable, the Cash Manager, the Paying Agent, the Listing Agent, the Specially Dedicated Account Bank, the Interest Rate Swap Counterparty, the Data Protection Agent and/or any Servicer under the terms and conditions provided by applicable laws at the time of such replacement and the terms of the relevant Transaction Documents;

(o) supervising the investment of the Issuer Cash made by the Cash Manager in the Eligible Investments pursuant to the Account Bank and Cash Management Agreement;

(p) giving such instructions as are necessary to the Custodian and the Account Bank to ensure that each of the Issuer Accounts is credited or, as the case may be, debited in the manner described below under the Section "DESCRIPTION OF THE ISSUER ACCOUNTS – The Issuer Accounts";

(q) preparing and providing to the Custodian the Investor Report on each Calculation Date and, after validation by the Custodian which shall occur at the latest three (3) Business Days before the immediately following Payment Date, making available and publishing on its internet website, the Investor Report three (3) Business Days prior to the relevant Payment Date (each, an "**Investor Reporting Date"**);

(r) preparing and publishing, in accordance with Section "INFORMATION RELATING TO THE ISSUER" the annual, half-yearly and any additional information in respect of the Issuer;

(s) publishing the cash flows and the performance overview on Bloomberg and on any other relevant modelling platform on each Investor Reporting Date;

(t) on each Management Reporting Date, providing the Transaction Agent with the Monthly Management Report concerning the preceding Monthly Collection Period;

(u) providing on-line secured access to certain data for investors and the *Banque de France*, as the case may be, (through website facilities/intralink) in order to distribute any information provided by the Sellers pursuant to article 409 of the Capital Requirements Regulation, articles 22 and 23 of Regulation (EU) No. 625/2014 of 13 March 2014, items (e) to (g) of article 52 of Section 5 implementing AIFM, article 254 of the Solvency II Delegated Act and, in the event that an STS notification, as defined in Article 27(1) of the STS Regulation, is sent to ESMA, article 7 of the STS Regulation;

(v) controlling any evidence brought by any Servicer in relation to sums standing to the credit of its Specially Dedicated Bank Account(s) but which would correspond to amounts not owed (directly or indirectly) to the Issuer;

(w) computing all the information and sending all relevant notifications in relation with the issuance of Notes on the Issue Date and any retransfer of Purchased Home Loans;

(x) to the extent applicable to the Management Company or the Issuer, complying with the requirements deriving from the CRA Regulation on credit rating agencies as amended from time to time, EMIR, SFTR and STS Regulation;

(y) making any each FATCA and AEOI declaration required on behalf of the Issuer; and

(z) as from the date upon which the Sellers and the Transaction Agent decide to delegate such task to the Management Company and the Management Company accepts such delegation, ensuring that the loan-level data with respect to the Purchased Home Loans is made available on a quarterly basis on the website of the European DataWarehouse within one (1) month of each Payment Date, for as long as the loan-level

data reporting requirements for asset-backed securities with respect to the Eurosystem's collateral framework is effective and to the extent such information is available to it.

The Management Company may terminate all Transaction Documents if (i) the entire issue of the Notes and the Residual Units has not been completed on the Issue Date or at any later date agreed between the parties to the relevant subscription agreement or (ii) the total amount received in respect of the subscription of the Notes and the Residual Units from the corresponding subscribers is less than the sum of the Principal Component Purchase Prices of the Purchased Home Loans.

Performance of the Obligations of the Management Company

The Management Company will, under all circumstances, act in the interest of the Noteholders and of the Residual Unitholders. It irrevocably waives all its rights of recourse against the Issuer with respect to the contractual liability of the Issuer. In particular, the Management Company will have no recourse against the Issuer or the Assets Allocated to the Issuer in respect of a default in the payment, for whatever reason, of the fees due to the Management Company.

Delegation

The Management Company may sub-contract or delegate all or part of its obligations with respect to the management of the Issuer or appoint any third party (other than an entity within the BPCE Group) to perform all or part of its obligations, subject to:

(a) the Management Company arranging for the sub-contractor, the delegate, the agent or the appointee to irrevocably waive all its rights of recourse against the Issuer with respect to the contractual liability of the Issuer;

(b) such sub-contracting, delegation, agency or appointment complying with the applicable laws and regulations;

(c) the *Autorité des Marchés Financiers* having received prior notice, if required by the AMF General Regulations (*Règlement général de l'Autorité des Marchés Financiers*);

(d) the Rating Agencies having received prior notice and such sub-contract, delegation, agency or appointment will not result, in the reasonable opinion of the Management Company, in the placement on "negative outlook", or as the case may be on "rating watch negative" or "review for possible downgrade", or the downgrading or the withdrawal of any of the ratings of the Class A Notes or that such sub-contract, delegation, agency or appointment limits such downgrading or avoids such withdrawal; and

(e) the Custodian having previously and expressly approved such sub-contract, delegation, agency or appointment and the identity of the relevant entity, provided that such approval may not be refused without a material and justified reason,

provided that notwithstanding such sub-contracting, delegation, agency or appointment, the Management Company shall continue to be bound to comply with its obligations to the Noteholders, the Residual Unitholders and the Custodian pursuant to the Issuer Regulations.

Substitution of the Management Company

The cases and conditions of substitution of the Management Company are provided for in the Issuer Regulations.

THE CUSTODIAN

Natixis
30, avenue Pierre Mendès France

75013 Paris
France

General

The Custodian is Natixis, a *société anonyme*, incorporated under the laws of France, whose registered office is located at 30, avenue Pierre Mendès France, 75013 Paris (France), registered with the Trade and Companies Registry of Paris (France) under number 542 044 524, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution* in its capacity as co-founder of the Issuer and Custodian of the assets of the Issuer, under the Issuer Regulations.

Natixis, acting as Custodian, has jointly established the Issuer with the Management Company.

Pursuant to the provisions of Issuer Regulations, the Custodian shall:

(a) in accordance with articles L. 214-181, L. 214-183, II and D. 214-229 of the French Monetary and Financial Code, act as custodian of the Issuer and the Issuer's receivables and cash (*créances et trésorerie*);

(b) in accordance with article D. 214-229, 1° of the French Monetary and Financial Code, hold, on behalf of the Issuer, each Transfer Document;

(c) in accordance with article L. 214-183, II of the French Monetary and Financial Code, ensure that the decision making of the Management Company is conducted properly including, without limitation, in relation to the management of the Purchased Home Loans, it being provided that the Custodian shall take all necessary and appropriate steps in the event of failure by, incapacity or wilful misconduct (*faute dolosive*) of, the Management Company to perform its duties under the Transaction Documents;

(d) control that the Management Company has, pursuant to Article L. 214-175 II of the French Monetary and Financial Code, no later than six (6) weeks following the end of each semi-annual period of each financial period of the Issuer, prepared an inventory report of the Assets of the Issuer (*inventaire de l'actif*);

(e) in accordance with article 425-15 of the AMF General Regulations, ensure that the Management Company has drawn up and published, (i) no later than four (4) months following the end of each financial period and (ii) no later than three (3) months following the end of the first half-year period of each financial period, an inventory (*inventaire*) of the assets of the Issuer and, more generally, be responsible for supervising the information published by the Management Company with respect to the Issuer, save for the additional information published by the Management Company within the conditions set out in Section "INFORMATION RELATING TO THE ISSUER - Additional information";

(f) verify the instructions given by the Management Company to the Account Bank to debit or credit, as the case may be, the Issuer Accounts, in accordance with the provisions of the Issuer Regulations;

(g) replace, if applicable, the Account Bank under the terms and conditions provided by applicable laws at the time of such replacement and by the Account Bank and Cash Management Agreement;

(h) in its capacity as a registrar, keep and maintain the register of Class B Noteholders and Residual Unitholders; and

(i) ensure that it has established appropriate procedures and steps in accordance with the provisions of Title VI on the obligations relating to anti-money laundering and combating financial terrorism of Book V of the French Monetary and Financial Code.

In case of a dispute arising between the Management Company and the Custodian, each of them will be able to inform the *Autorité des Marchés Financiers* and will be able, if applicable, to take all precautionary measures which it considers appropriate to protect the interests of the Noteholders and of the Residual Unitholders.

Performance of the obligations of the Custodian

The Custodian shall act, in all circumstances, in the interests of the Noteholders and of the Residual Unitholders. The Custodian irrevocably waives all its rights of recourse against the Issuer with respect to the contractual liability of the Issuer.

In order to allow the Custodian to perform its supervisory duties, the Management Company has undertaken to provide the Custodian with:

(a) each Monthly Management Report and each Investor Report;

(b) any information provided by the Sellers, the Servicers, the Transaction Agent, the Specially Dedicated Account Bank, the Account Bank and the Cash Manager and the Interest Rate Swap Counterparty pursuant to the Home Loans Purchase and Servicing Agreement, the Specially Dedicated Account Bank Agreements, the Account Bank and Cash Management Agreement and the Interest Rate Swap Agreement, as applicable; and

(c) all calculations made by the Management Company on the basis of such information to make payments due with respect to the Issuer.

In addition, and more generally, the Management Company has undertaken to provide the Custodian, on first demand and before any distribution to a third party, with any information or document related to the Issuer generally in order to allow the Custodian to perform its supervision duty as described above.

Delegation

The Custodian may sub-contract or delegate part of its obligations with respect to the Issuer or appoint any third party to perform all or part of its obligations, subject to:

(i) the Custodian arranging for the sub-contractor, the delegate, the agent or the appointee to irrevocably waive all its rights of recourse against the Issuer with respect to the contractual liability of the Issuer;

(ii) such sub-contracting, delegation, agency or appointment complying with applicable laws and regulations;

(iii) the *Autorité des Marchés Financiers* having received prior notice;

(iv) the Rating Agencies having received prior notice and such sub-contract, delegation, agency or appointment will not result, in the reasonable opinion of the Management Company, in the placement on "negative outlook", or as the case may be on "rating watch negative" or "review for possible downgrade", or the downgrading or the withdrawal of any of the ratings of the Class A Notes or that the such sub-contract, delegation, agency or appointment limits such downgrading or avoids such withdrawal; and

(v) the Management Company having previously and expressly approved such sub-contract, delegation, agency or appointment and the identity of the relevant entity, provided that such approval may not be refused without a material and justified reason and if it is exclusively in the interests of the Noteholders and of the Residual Unitholders,

provided that notwithstanding such sub-contracting, delegation, agency or appointment, the Custodian shall continue to be bound to comply with its obligations to the Noteholders, the Residual Unitholders and the Management Company pursuant to the Issuer Regulations.

Substitution of the Custodian

The cases and conditions of substitution of the Custodian are provided for in the Issuer Regulations.

THE SELLERS

The Sellers are each of (i) the Banque Populaire; and (ii) the Caisse d'Epargne, acting in their capacity as seller of the Home Loans on the date of signing of the Home Loans Purchase and Servicing Agreement, where:

(i) a ***Banque Populaire*** is each of the following entities, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution* and regulated by articles L. 512-2 *et seq.* of the French Monetary and Financial Code:

(a) Banque Populaire Alsace Lorraine Champagne, a société anonyme coopérative de banque populaire, whose registered office is at 3, rue François de Curel, - BP 40124, 57021 Metz cedex 1, registered with the Trade and Companies Register of Metz under registration no. 356 801 571;

(b) Banque Populaire Aquitaine Centre Atlantique, a *société anonyme coopérative de banque populaire*, whose registered office is at 10, quai des Queyries, 33072 Bordeaux, registered with the Trade and Companies Register of Bordeaux under registration no. 755 501 590;

(c) Banque Populaire Auvergne Rhône Alpes, a *société anonyme coopérative de banque populaire*, whose registered office is at 4, boulevard Eugène Deruelle, 69003 Lyon, registered with the Trade and Companies Register of Lyon under registration no. 605 520 071;

(d) Banque Populaire Bourgogne Franche Comté, a *société anonyme coopérative de banque populaire*, whose registered office is at 14, boulevard de La Trémouille, 21000 Dijon, registered with the Trade and Companies Register of Dijon under registration no. 542 820 352;

(e) Banque Populaire Grand Ouest, a société anonyme coopérative de banque populaire, whose registered office is at 15, boulevard de la Boutière, 35768 Saint Gregoire Cedex, registered with the Trade and Companies Register of Rennes under registration no. 857 500 227;

(f) Banque Populaire Méditerranée, a *société anonyme coopérative de banque populaire*, whose registered office is at 457 Promenade des Anglais, 06200 Nice, registered with the Trade and Companies Register of Nice under registration no. 058 801 481;

(g) Banque Populaire du Nord, a *société anonyme coopérative de banque populaire*, whose registered office is at 847, avenue de la République, 59700 Marcq en Baroeul, registered with the Trade and Companies Register of Lille under registration no. 457 506 566;

(h) Banque Populaire Occitane, a *société anonyme coopérative de banque populaire*, whose registered office is at 33-43, avenue Georges Pompidou, 31130 Balma, registered with the Trade and Companies Register of Toulouse under registration no. 560 801 300;

(i) Banque Populaire Rives de Paris, a *société anonyme coopérative de banque populaire*, whose registered office is at 76, avenue de France, 75013 Paris, registered with the Trade and Companies Register of Paris under registration no. 552 002 313;

(j) Banque Populaire du Sud, a *société anonyme coopérative de banque populaire*, whose registered office is at 38, boulevard Georges Clémenceau, 66000 Perpignan, registered with the Trade and Companies Register of Perpignan under registration no. 554 200 808; and

(k) Banque Populaire Val de France, a *société anonyme coopérative de banque populaire*, whose registered office is at 9, avenue Newton, 78180 Montigny le Bretonneux, registered with the Trade and Companies Register of Versailles under registration no. 549 800 373; and

(ii) a ***Caisse d'Epargne*** is any of the following entities, duly licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution* and regulated by articles L. 512-87 *et seq.* of the French Monetary and Financial Code:

(a) Caisse d'Epargne CEPAC, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at Place Estrangin Pastré, BP 108, 13254 Marseille cedex 06, registered with the Trade and Companies Register of Marseille under registration no. 775 559 404; and

(b) Caisse d'Epargne et de Prévoyance Aquitaine Poitou-Charentes, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 1, Parvis Corto Maltese, 33000 Bordeaux, registered with the Trade and Companies Register of Bordeaux under registration no. 353 821 028 ;

(c) Caisse d'Epargne et de Prévoyance d'Auvergne et du Limousin, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 63, rue Montlosier, 63000 Clermont-Ferrand, registered with the Trade and Companies Register of Clermont-Ferrand under registration no. 382 742 013;

(d) Caisse d'Epargne et de Prévoyance de Bourgogne Franche-Comté, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 1, Rond Point de la Nation, 21000 Dijon, registered with the Trade and Companies Register of Dijon under registration no. 352 483 341;

(e) Caisse d'Epargne et de Prévoyance de Bretagne – Pays de Loire, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 2, place Graslin, 44911 Nantes Cedex 9, registered with the Trade and Companies Register of Nantes under registration no. 392 640 090;

(f) Caisse d'Epargne et de Prévoyance Côte d'Azur, cooperative bank (banque coopérative), a société anonyme à directoire et conseil de surveillance referred to as "Conseil d'Orientation et de surveillance", whose registered office is at 455, promenade des Anglais, 06200 Nice, registered with the Trade and Companies Register of Nice under registration no. 384 402 871;

(g) Caisse d'Epargne et de Prévoyance de Grand Est, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 5, Parvis des Droits de l'Homme, 57102 Metz, registered with the Metz Trade and Companies Register (Registre du commerce et des sociétés de Metz) under registration no. 775 618 622;

(h) Caisse d'Epargne et de Prévoyance Hauts de France, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 135, Pont de Flandres, 59777 Euralille, registered with the Trade and Companies Register of Amiens under registration no. 383 000 692;

(i) Caisse d'Epargne et de Prévoyance Ile-de-France, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 19, rue du Louvre, 75001 Paris, registered with the Trade and Companies Register of Paris under registration no. 382 900 942;

(j) Caisse d'Epargne et de Prévoyance du Languedoc Roussillon, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at Zone d'Activités Commerciales d'Alco, 254 rue Michel Teule, 34000 Montpellier, registered with the Trade and Companies Register of Montpellier under registration no. 383 451 267;

(k) Caisse d'Epargne et de Prévoyance Loire-Centre, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 7, rue d'Escures, 45000 Orleans, registered with the Trade and Companies Register of Orleans under registration no. 383 952 470

(l) Caisse d'Epargne et de Prévoyance de Loire Drôme Ardèche, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 17, rue des Frères Ponchardier, Espace Fauriel, 42100 St Etienne, registered with the Trade and Companies Register of St Etienne under registration no. 383 686 839;

(m) Caisse d'Epargne et de Prévoyance de Midi Pyrénées, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 10, avenue James Clerk Maxwell, 31100 Toulouse, registered with the Trade and Companies Register of Toulouse under registration no. 383 354 594;

(n) Caisse d'Epargne et de Prévoyance Normandie, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 151, rue d'Uelzen, 76230 Bois-Guillaume, registered with the Trade and Companies Register of Rouen under registration no. 384 353 413;

(o) Caisse d'Epargne et de Prévoyance de Rhône Alpes, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 116 Cours Lafayette, 69003 Lyon, registered with the Trade and Companies Register of Lyon under registration no. 384 006 029.

On the Purchase Date, the Sellers will sell Home Loans to the Issuer in accordance with the Home Loans Purchase and Servicing Agreement.

For further details on the Sellers, please refer to Section "Description of the BPCE Group, the Transaction Agent, the Reserves Provider, the Sellers and the Servicers".

THE SERVICERS

The Servicers are each of the Sellers, appointed by the Management Company, with the prior approval of the Custodian, as servicer of the Purchased Home Loans transferred by it to the Issuer under the Home Loans Purchase and Servicing Agreement in accordance with the provisions of article L. 214-172 of the French Monetary and Financial Code.

Upon termination of the appointment of any Servicer (or from the occurrence of a Servicer Termination Event in respect of that Servicer if necessary to protect the interest of the Issuer) pursuant to the Home Loans Purchase and Servicing Agreement, and subject to the receipt from the Data Protection Agent of the relevant Decryption Key in accordance with the terms of the Data Protection Agreement, the Management Company shall, as soon as possible upon receipt of such Decryption Key and at the latest within thirty (30) calendar days of such receipt (or shall instruct any substitute servicer or any third party appointed by it, following prior information of the Custodian) to) (i) notify the relevant Borrowers, and any relevant insurance company under any Insurance Contract (if known) and Home Loan Guarantor under any Home Loan Guarantee relating to the relevant Home Loans of the assignment of the relevant Home Loans to the Issuer and (ii) instruct the relevant Borrowers, insurance company and Home Loan Guarantor to pay any amount owed by them under the relevant Purchased Home Loans, Insurance Contract or Home Loan Guarantee (as applicable) into any account specified by the Management Company (or the relevant third party or substitute servicer) in the notification.

For further details on the Servicers, please refer to Section "Description of the BPCE Group, the Transaction Agent, the Reserves Provider, the Sellers and the Servicers".

THE TRANSACTION AGENT

BPCE

50, avenue Pierre Mendès France
75013 Paris
France

The Transaction Agent is BPCE, a *société anonyme à directoire et conseil de surveillance*, whose registered office is located at 50, avenue Pierre Mendès France, 75013 Paris (France), registered with the Trade and Companies Registry of Paris (France) under number 493 455 042, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution*.

The Transaction Agent has been appointed by the each Seller and each Servicer as its agent (*mandataire*) in relation to the provision of certain services pursuant to the provisions of the Home Loans Purchase and Servicing Agreement.

THE SPECIALLY DEDICATED ACCOUNT BANK

BPCE
50, avenue Pierre Mendès France
75013 Paris
France

The Specially Dedicated Account Bank is BPCE, a *société anonyme à directoire et conseil de surveillance*, whose registered office is located at 50, avenue Pierre Mendès France, 75013 Paris (France), registered with the Trade and Companies Registry of Paris (France) under number 493 455 042, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution.*

The Specially Dedicated Account Bank is the bank in the books of which each Specially Dedicated Bank Account is opened in the name of each Servicer in accordance with articles L. 214-173 and D. 214-228 of the French Monetary and Financial Code and pursuant to the terms of the relevant Specially Dedicated Account Bank Agreement.

For further details ont the Specially Dedicated Account Bank, please refer to Section "SPECIALLY DEDICATED ACCOUNT BANK AGREEMENT" below.

THE ACCOUNT BANK

BPCE
50, avenue Pierre Mendès France
75013 Paris
France

The Account Bank is BPCE, a *société anonyme à directoire et conseil de surveillance*, whose registered office is located at 50, avenue Pierre Mendès France, 75013 Paris (France), registered with the Trade and Companies Registry of Paris (France) under number 493 455 042, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution.*

The Account Bank is the credit institution in the books of which the Management Company has opened the Issuer Accounts under the responsibility of the Custodian, pursuant to the provisions of the Account Bank and Cash Management Agreement.

THE CASH MANAGER

BPCE
50, avenue Pierre Mendès France
75013 Paris
France

The Cash Manager is BPCE, a *société anonyme à directoire et conseil de surveillance*, whose registered office is located at 50, avenue Pierre Mendès France, 75013 Paris (France), registered with the Trade and Companies Registry of Paris (France) under number 493 455 042, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution.*

The Cash Manager is appointed by the Management Company, with the prior approval of the Custodian, to invest the amounts standing from time to time to the credit of the Issuer Accounts in accordance with the provisions of the Account Bank and Cash Management Agreement (see Section "CASH MANAGEMENT AND INVESTMENT RULES").

THE PAYING AGENT

BNP Paribas Securities Services
3, rue d'Antin
75002 Paris

The Paying Agent is BNP Paribas Securities Services, a French *société en commandite par actions*, whose registered office is located at 3, rue d'Antin, 75002 Paris (France), registered with the Trade and Companies Registry of Paris (France) under number 552 108 011, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution*, acting through its office located at 3-5-7 rue du General Compans, 93500 Pantin (France).

The Paying Agent has been appointed by the Management Company, with the prior approval of the Custodian to (i) make the payment, on the Payment Dates, of the amount of principal and interest due to the Class A Noteholders pursuant to the provisions of the Paying Agency Agreement and, as the case may be, (ii) perform the administrative servicing (*service titre*) of any registered account in respect of the relevant Class A Notes if a Class A Noteholder requests that the relevant Class A Notes it has subscribed be in the registered form.

THE DATA PROTECTION AGENT

BNP Paribas Securities Services
3, rue d'Antin
75002 Paris

The Data Protection Agent is BNP Paribas Securities Services, a French *société en commandite par actions*, whose registered office is located at 3, rue d'Antin, 75002 Paris (France), registered with the Trade and Companies Registry of Paris (France) under number 552 108 011, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution*, acting through its office located at 3-5-7 rue du General Compans, 93500 Pantin (France).

THE INTEREST RATE SWAP COUNTERPARTY

Natixis, acting through its London Branch
Cannon Bridge House, 25 Dowgate Hill
London EC4R 2YA
United Kingdom

The Interest Rate Swap Counterparty is Natixis, a *société anonyme*, incorporated under the laws of France, whose registered office is located at 30, avenue Pierre Mendès France, 75013 Paris (France), registered with the Trade and Companies Registry of Paris (France) under number 542 044 524, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the Autorité de Contrôle Prudentiel et de Résolution, acting through its London Branch located at Cannon Bridge House, 25 Dowgate Hill, London EC4R 2YA, United Kingdom.

THE JOINT ARRANGERS

BPCE
50, avenue Pierre Mendès France
75013 Paris
France

Natixis
30, avenue Pierre Mendès France
75013 Paris
France

THE JOINT LEAD MANAGERS

Natixis
30, avenue Pierre Mendès France
75013 Paris
France

Goldman Sachs International
133 Fleet Street
London EC4A 2BB
United Kingdom

THE STATUTORY AUDITOR OF THE ISSUER

Mazars
61 rue Henri Regnault
92400 Courbevoie
France

In accordance with article L. 214-185 of the French Monetary and Financial Code and following approval by the *Autorité des Marchés Financiers*, the statutory auditor of the Issuer is appointed by the Management Company. It will inform the *Autorité des Marchés Financiers* and the Management Company of any irregularities and errors that it discovers in the course of its duties. It will verify the semi-annual and annual information given to the Noteholders and the Residual Unitholders by the Management Company.

THE RATING AGENCIES

S&P Global Ratings
20 Canada Square, 11th Floor
London E14 5LH
United Kingdom

Moody's Investors Service ltd
One Canada Square Canary Wharf
London E14 5FA
United Kingdom

The Listing Agent

BNP Paribas Securities Services
3, rue d'Antin
75002 Paris

The Legal Adviser to the Joint Arrangers

Orrick Herrington & Sutcliffe (Europe) LLP
31 avenue Pierre 1er de Serbie
75016 Paris
France

The Legal Adviser to the Joint Lead Managers and the Interest Rate Swap Counterparty

Linklaters LLP
25, rue de Marignan
75008 Paris
France

RISK FACTORS

The following is a summary of certain aspects of the offering of the Class A Notes and the related transactions which prospective investors should consider (together with all of the information detailed in this Prospectus) before deciding to invest in the Class A Notes.

Prospective investors in the Class A Notes should ensure that they understand the nature of such Class A Notes issued by a French debt securitisation fund (fonds commun de titrisation) and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers in order to make their own legal, tax, accounting, prudential, regulatory and financial evaluation of the merits and risks of investing in such Class A Notes and that they consider the suitability of such Class A Notes as an investment in the light of their own circumstances and financial condition.

The risks described below are some of the risks inherent in the Transaction for the Class A Noteholders, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Class A Notes may occur for other reasons and the following statements regarding the risk of investing in or holding the Class A Notes are not exhaustive.

1. RISKS RELATING TO THE ISSUER

Limited purpose and absence of capitalisation

The Issuer is a French securitisation debt fund (*fonds commun de titrisation*) with no capitalisation and no business operations other than the issue of the Notes and the Residual Units, the purchase of the relevant Home Loans on the Issue Date and the transactions ancillary thereto.

Limited recourse to the Assets Allocated to the Issuer

The cash flows arising from the Assets Allocated to the Issuer constitute the sole financial resources of the Issuer for the payment of principal and interest amounts due in respect of the Class A Notes. The Class A Notes represent an obligation of the Issuer solely.

The Class A Notes are exclusively an obligation of the Issuer. The Class A Notes are not obligations or responsibilities of, or guaranteed by the Management Company, the Custodian, the Transaction Agent, the Reserves Provider, the Account Bank, the Sellers, the Servicers, the Listing Agent, the Cash Manager, the Paying Agent, the Specially Dedicated Account Bank, the Joint Arrangers, the Joint Lead Managers, the Interest Rate Swap Counterparty, the Statutory Auditor, the Data Protection Agent or any of their respective affiliates, and none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Class A Notes. Furthermore, no person other than the Issuer will accept any liability whatsoever to the Class A Noteholders in respect of any failure by the Issuer to pay any amount due under the Class A Notes.

Pursuant to the Issuer Regulations, the right of recourse of the Noteholders with respect to their right to receive payment of principal and interest together with any arrears is limited to the Assets Allocated to the Issuer in proportion to their respective investment in the Class A Notes which they hold, and is subject to the applicable Funds Allocation Rules (and in particular the applicable Priority of Payments) contained therein, and also specified in Section "APPLICATION OF FUNDS").

The payments on the Purchased Home Loans by the relevant Borrowers (or any insurer under any Insurance Contracts relating to such Purchased Home Loans), payments in respect of Ancillary Rights, payments by the Interest Rate Swap Counterparty to the Issuer pursuant to the terms of the Interest Rate Swap Agreement, payments to the Issuer of any Re-transfer Price, Rescission Amount, Indemnity Amount, Deemed Collection and any indemnity against any Issuer's liability, losses and damages directly resulting from breaches of Sellers' obligations by the Sellers in accordance with the terms of the Home Loans Purchase and Servicing Agreement and the proceeds of enforcement of Ancillary Rights (as the case may be) and the proceeds of Eligible Investments and the other funds standing to the credit of the Issuer Accounts (including cash reserves funded or to be funded, as the case may be, by the Reserves Provider but excluding the proceeds of Eligible Investments or other remuneration relating to any sums standing to the credit of the Commingling Reserve Account and the General Reserve Account)

are the only sources of funds available to make payments of interest on and/or repayment of principal under the Notes and the Residual Units. If such funds are insufficient, no other assets will be available for payment of the deficiency. Having applied all Funds Allocation Rules in accordance with the terms of the Issuer Regulations (and in particular the applicable Priority of Payments contained therein), after the Final Legal Maturity Date, any part of the nominal value of the Class A Notes or of the interest due thereon which may remain unpaid will be automatically cancelled and extinguished, so that the Class A Noteholders after such date, shall have no right to assert a claim in this respect against the Issuer, the Management Company, the Custodian, the Transaction Agent, the Reserves Provider, the Account Bank, the Sellers, the Servicers, the Listing Agent, the Cash Manager, the Paying Agent, the Specially Dedicated Account Bank, the Joint Arrangers, the Joint Lead Managers, the Interest Rate Swap Counterparty, the Statutory Auditor, the Data Protection Agent or any of their respective affiliates, regardless of the amounts which may remain unpaid after the Final Legal Maturity Date.

If the Class A Notes are not be redeemed on the First Optional Redemption Date or any of the three subsequent Payment Dates (which would occur if the Sellers do not exercise their call or if the Sellers or any other authorised purchaser do not agree with the Management Company, according to the provisions of the Home Loans Purchase and Servicing Agreement for the re-assignment of all Purchased Home Loans then held by the Issuer), the Issuer will be obliged to pay interest on the then outstanding Class A Notes at an increased margin until the Class A Notes are redeemed or mature. Whilst the payment obligations of the Interest Rate Swap Counterparty under the Interest Rate Swap Agreement will be increased to cover the higher Class A Margin, there will be no other additional assets receipts or other sources of funds available to the Issuer on or after the relevant First Optional Redemption Date to pay such increased Class A Margin.

More generally, if the Issuer is required to pay any fees, costs, expenses or liabilities, that are unusual, unanticipated and/or extraordinary in nature then, a shortfall in funds necessary to pay interest or other amounts on the Notes may occur.

The indemnities that may be owed by the Issuer to other parties to the Transaction Documents or to any third parties are not subject to any cap on liability but are, in so far as regards only those indemnities that may be owed to other parties to the Transaction Documents (but not third parties) subordinated to the payment of interest on the Notes and shall be paid in accordance with the applicable Priority of Payments.

The Issuer will have no recourse either directly or indirectly to the Sellers in respect of the Home Loans, other than in case of a breach of the representations and warranties made by the Sellers in respect of the same, under the Home Loans Purchase and Servicing Agreement. In such case, the Issuer shall have the right, if the rescission of the assignment of the affected Home Loan is possible, to receive payment by the Seller of a Rescission Amount or, if such rescission is not possible, to receive payment by the Seller of an Indemnity Amount, in accordance with the relevant provisions of the Home Loans Purchase and Servicing Agreement. The Issuer will also have recourse against the Sellers in its capacity as Servicer under the Home Loans Purchase and Servicing Agreement if it is in breach of its obligations under the Home Loans Purchase and Servicing Agreement.

The Issuer's recourse against any Borrower is secured by the Ancillary Rights. Only the Management Company, acting through the Servicers, is entitled to enforce the rights of the Issuer under the Home Loans and, as the case may be, the Ancillary Rights and only in limited circumstances (which include a debtor's failure to pay the relevant Home Loan when due). Neither the Noteholders nor the Residual Unitholders may enforce any Ancillary Rights, or may require the Management Company to enforce the rights of the Issuer under the Home Loans, the Ancillary Rights, or, generally, the Ancillary Rights, but the Management Company is required to act at all times in the interest of the Noteholders and the Residual Unitholders taken as a whole in accordance with the provisions of the Issuer Regulations.

The Issuer is not subject to insolvency proceedings

Pursuant to article L.214-175-III of the French Monetary and Financial Code, the provisions of Book VI of the French Commercial Code (which govern insolvency proceedings in France) are not applicable to the Issuer. In addition, the Issuer is not subject to the provisions of the French Monetary and Financial Code relating to investment companies (*entreprises d'investissement*) or undertakings for collective investment in transferable securities (*organismes de placement collectif en valeurs mobilières*). As a consequence, the Issuer's winding up or

liquidation may only be effected in accordance with the Issuer Regulations (see the Section entitled "*DESCRIPTION OF THE ISSUER*").

No direct exercise of rights by Noteholders or Residual Unitholders

The Management Company is required under French law to represent the Issuer. The Management Company has the exclusive right to exercise contractual rights against the parties which have entered into agreements with the Issuer, including, among others, the Seller and the Servicer and the Interest Rate Swap Counterparty. No holder of Notes or Residual Units will have the right to give any binding directions to the Management Company in relation to the exercise of their respective rights or to exercise any such rights directly.

2. RISKS RELATING TO THE ASSETS ALLOCATED TO THE ISSUER

Historical and other information

The historical information and the other information set out in Section "UNDERWRITING AND MANAGEMENT PROCEDURES", "HISTORICAL PERFORMANCE DATA" and "INFORMATION RELATING TO THE PROVISIONAL PORTFOLIO OF HOME LOANS" represent the historical experience and present procedures of the Sellers. None of the Management Company, the Custodian, the Account Bank, the Cash Manager, the Paying Agent, the Listing Agent, the Specially Dedicated Account Bank, the Data Protection Agent, the Interest Rate Swap Counterparty, the Joint Arrangers or the Joint Lead Managers has undertaken or will undertake any investigation, review or searches to verify such information. In addition, past performance should not be considered as a reliable indicator of future performance, and the future performance of the Purchased Home Loans might differ from these information and such differences might be significant.

Evolution of the Portfolio of Home Loans

The characteristics of the Home Loans to be transferred by the Sellers on the Issue Date may not be identical to the characteristics of the Provisional Home Loans selected as of 31 August 2018 as described in the section entitled "INFORMATION RELATING TO THE PROVISIONAL PORTFOLIO OF HOME LOANS" due to, inter alia, the exclusion of: (i) Home Loans prepaid prior to the Issue Date and (ii) Home Loans which at any time prior to the Selection Date are found not to comply with the warranties to be given in respect of the Home Loans on the Issue Date as set out in the Home Loans Purchase and Servicing Agreement.

On or after the Issue Date, the composition of the Portfolio may also change from time to time including by reason of rescission of the sale of any Home Loans or purchase by the Sellers of any Home Loans which did not comply with the Home Loan Eligibility Criteria as at the Selection Date or at the relevant date specified under the Home Loan Eligibility Criteria, the repurchase by any Seller of any Purchased Home Loans and/or the repayment and the prepayments of any Home Loans and/or Commercial Renegotiations with respect to any Home Loan.

Geographical Concentration of financed properties

The financed properties in the provisional Home Loans portfolio were located throughout France as at 31 August 2018, with the largest concentration of 17.9% of the Outstanding Principal Balance of the provisional portfolio being concentrated in the French région "Ile-de-France". If, due to the outcome of the selection process, or due to evolution of the portfolio after the Selection Date, in particular in the case of repayment or prepayment of the Home Loans, the geographic distribution of properties becomes concentrated in certain regions, cities, towns or areas, any deterioration in the economic condition of such regions, cities, towns or areas in which the properties are located, could adversely affect the ability of the Borrowers to meet their payment obligations under the Home Loans or the market value of the properties which could trigger losses of principal on the Class A Notes and/or reduce the yield of the Class A Notes.

No independent investigation - Representations and Warranties

None of the Management Company, the Custodian, the Account Bank, the Cash Manager, the Paying Agent, the Listing Agent, the Data Protection Agent, the Specially Dedicated Account Bank, the Interest Rate

Swap Counterparty, the Joint Arrangers, the Joint Lead Managers have made or will make any investigations or searches or verify the characteristics of any Purchased Home Loans, the Home Loan Agreements or the Borrowers or the solvency of the Borrowers, the insurers or any Home Loan Guarantor, each of them relying only on the representations made, and on the warranties given, by each Seller regarding, among other things, the Home Loans, the Home Loan Agreements and the Borrowers.

Article 22(2) of Regulation (EU) 2017/2402 requires that: "A sample of the underlying exposures shall be subject to external verification prior to issuance of the securities resulting from the securitisation by an appropriate and independent party, including verification that the data disclosed in respect of the underlying exposures is accurate." On 20 April 2018 the European Banking Authority issued draft guidance on the STS criteria for non-ABCP securitisation stating that, for the purposes of Article 22(2) of Regulation (EU) 2017/2402, confirmation that this verification has occurred should be included in the offering circular or in the transaction documentation and that the confirmation that the verification has occurred should indicate which parameters have been subject to the verification and the criteria that have been applied for determining the representative sample.

Accordingly, an independent third party has performed agreed upon procedures on a statistically sample randomly selected out of the Sellers eligible home loans pool (in existence on 30 June 2018) in the framework of this issuance and the other securitisation transactions of Groupe BPCE. The size of the sample has been determined on the basis of a confidence level of 99% and a maximum accepted error rate of 1%. The procedures assessed the compliance with certain eligibility criteria and also with the consistency in data as registered in the systems of the Sellers with the data as provided for in the physical home loan files. The pool agreed-upon procedures review includes the review of 31 loan characteristics, which include but are not limited to the outstanding loan amount, the interest rate, the loan purpose, the occupancy type, the geographical location, the security type, the original valuation of the property, the name of the guarantor, the name of the originator, interest, the instalment amount, the maturity date and the borrower's debt ratio. This independent third party has also performed agreed upon procedures in order to re-calculate: (i) the projections of weighted average life of the Class A Notes set out in Section "WEIGHTED AVERAGE LIFE OF THE CLASS A NOTES AND ASSUMPTIONS" and (ii) the stratification tables disclosed in Section "STATISTICAL INFORMATION RELATING TO THE Provisional PORTFOLIO OF HOME LOANS" in respect of the exposures of the provisional portfolio. The third party undertaking the review has reported the factual findings to the parties to the engagement letter. The third party undertaking the review only accepts a duty of care to the parties to the engagement letters governing the performance of the agreed upon procedures and to the fullest extent permitted by law shall have no responsibility to anyone else in respect of the work it has performed or the reports it has produced save where terms are expressly agreed.

The Management Company will carry out some consistency tests on the information provided to it by the Sellers and will verify the compliance of certain of the Receivables with the Eligibility Criteria. However, the responsibility for the non-compliance of the Home Loans transferred by the Sellers to the Issuer with the Home Loan Eligibility Criteria on the Selection Date or at the relevant date specified under the Home Loan Eligibility Criteria will at all times remain with the Sellers only (and the Management Company, the Custodian, the Account Bank, the Cash Manager, the Paying Agent, the Listing Agent, the Data Protection Agent, the Specially Dedicated Account Bank, the Interest Rate Swap Counterparty, the Joint Arrangers, the Joint Lead Managers shall under no circumstance be liable therefor) and the Management Company will therefore rely only on the representations made, and on the warranties given, by the Sellers regarding the Home Loans.

A specific rescission and indemnification procedure has been provided for in the Home Loans Purchase and Servicing Agreement to indemnify the Issuer in the case of non-conformity of one or several Purchased Home Loans with the Home Loan Eligibility Criteria (if such non-conformity is not, or not capable of being, remedied). The representations and warranties made or given by the Sellers in relation to the conformity of the Home Loans to the Home Loan Eligibility Criteria and this rescission and indemnification procedure is the sole remedy available to the Issuer in respect of the non-conformity of any Home Loan with the Home Loan Eligibility Criteria. Consequently, a risk of loss exists if such representation or warranty is breached and no corresponding indemnification payment is made by the relevant Seller. Under no circumstance may the Management Company request an additional indemnity from such Seller relating to a breach of any such representations or warranties. In addition, the Issuer will be exposed to the credit risk of the Sellers in respect of its claims for payment of any Rescission Amounts or Indemnity Amount.

The non-compliance and rescission of the transfer or the retransfer of any Purchased Home Loan shall not affect in any manner the validity of the transfer of the other Purchased Home Loans which comply with the Home Loan Eligibility Criteria.

In addition, should a Home Loan be such, at the time at which it arises, that it does not meet the Home Loan Eligibility Criteria in a manner so substantial that the common agreement of the relevant Seller and the Issuer on the object of the assignment can be deemed as never having occurred, that Home Loan may be regarded as never having been validly assigned by such Seller to the Issuer and the Issuer will only have an unsecured claim against such Seller (provided that a Purchase Price has already been paid in this respect).

To the extent that any loss arises as a result of a matter which is not covered by the representations and warranties, the loss will remain with the Issuer. In particular, none of the Sellers gives any warranty as to the on-going solvency of the Borrowers of the Purchased Home Loans.

Furthermore, the representations and warranties given or made or to be given or made by the Sellers in relation to the conformity of the Home Loans to the Home Loan Eligibility Criteria shall not entitle the Noteholders to assert any claim directly against any Seller, the Management Company having the exclusive competence under article L. 214-183 of the French Monetary and Financial Code to represent the Issuer against third parties and in any legal proceedings.

Borrowers' and Home Loan Guarantors' Ability to Pay – Exposure to losses and late payments

The Issuer is exposed to the credit risk of the Borrowers and to the credit risk of the Home Loan Guarantors. If the Issuer does not receive the full amount due from the Borrowers in respect of the Purchased Home Loans, the Noteholders may receive by way of principal repayment an amount less than the face value of their Notes and the Issuer may be unable to pay, in whole or in part, interest due on the Notes.

Neither the Issuer nor any other person (including the Sellers) guarantees or warrants the full and timely payment by the Borrowers of any sums payable under the Purchased Home Loans.

The ability of a Borrower to make timely payment of amounts due under any Home Loan will mainly depend on its assets and its liabilities as well as its ability to generate sufficient income to make the required payments. Its ability to generate income may be adversely affected by a large number of factors, some of which (i) relate specifically to the Borrower itself (including but not limited to age, health, marital status, creditworthiness or employment) while others (ii) are more general in nature (such as, without limitation, changes in governmental regulations (e.g. rent control regulations), fiscal policy, local property market conditions (e.g. the supply of and demand of residential homes) or interest rates) which may impact the market value of the property.

These and other factors may have an adverse effect on the income of a particular Borrower, his/her ability to service payments under a Home Loan and/or the market value and the proceeds of any re-sale of a Property, the credit quality of any Home Loan Guarantor or his/her ability to make payment, which could trigger losses of principal on the Class A Notes and/or reduce the yield of the Class A Notes.

As a matter of illustration, a loss arises in respect of a given Home Loan if the relevant Borrower does not make the payments scheduled under the corresponding Home Loan Agreement.

In addition, the Issuer is also subject to the risk of insufficient funds on any Payment Date as a result of payments being made late.

Credit enhancement mechanisms have been provided for as set out in Section "CREDIT STRUCTURE" to cover the exposure of the Issuer to losses and late payments. However, there is no guarantee that such credit enhancement mechanisms will be sufficient and that the Noteholders will ultimately receive the full principal amount of the Notes and interest thereon if uncovered losses are incurred in respect of the Home Loans.

Enforcement of Home Loans

Following an event of default under a Home Loan Agreement, enforcement of the relevant Home Loan Guarantee or the relevant Mortgage and recovery of the proceeds of realisation of such Home Loan Guarantee or Mortgage may not be immediate, potentially resulting in a significant delay in the recovery of amounts owed by the relevant Borrower under the relevant Home Loan.

In certain circumstances, a moratorium (or grant by a court of a delay for payment) may apply to prevent or delay enforcement. The procedure of seizure of real estate remains a long procedure under French law, which might delay the ability of the Issuer to be repaid through the sale of the property and, therefore, its ability to redeem the Class A Notes in a timely manner.

The obligations of the debtors under the Home Loans are not insured or guaranteed by the Management Company, the Custodian, the Account Bank, the Cash Manager, the Sellers, the Servicers, the Reserves Provider, the Paying Agent, the Transaction Agent, the Joint Arrangers, the Joint Lead Managers, the Interest Rate Swap Counterparty, the Statutory Auditor or the Listing Agent. Amounts received on enforcement of the security created to secure a Home Loan, following a default under the related Home Loan, including proceeds of any sale or other disposal of the properties and the amount recovered under any Home Loan Guarantee or Mortgage could be insufficient to pay such Home Loan in full, in which case Class A Noteholders may ultimately suffer a loss.

Amounts received on enforcement of the security created to secure a Home Loan, following a default under the related Home Loan, including proceeds of any sale or other disposal of the Properties and/or the amount recovered from the Home Loan Guarantor could be insufficient to pay such Home Loan in full, in which case Class A Noteholders may ultimately suffer a loss.

Enforcement of mortgages and lender's liens

Lender's lien (privilège de prêteur de deniers) and legal mortgage (hypothèque).

A lender's lien (*privilège de prêteur de deniers*) is conferred on a creditor who lends a sum of money for the financing of the purchase of real property in accordance with articles 2324 and 2374, 2° of the French Civil Code. A mortgage (*hypothèque*) is a right to real property granted to a creditor, known as a mortgagee (*créancier hypothécaire*), by a debtor, known as the mortgagor (*constituant*), relating to real property which the latter owns or in which it has a right *in rem*, in order to secure payment of a debt owed by the mortgagor to the mortgagee. A lender's lien and a mortgage have similar legal effects. However, unlike a mortgage, the lender's lien is also subject to the specific rules of article 2374, 2° of the French Civil Code.

In the context of the refinancing of a loan, a lender's lien or mortgage granted in favour of the lender whose loan is being refinanced can be transferred to the new lender by way of subrogation up to the principal outstanding amount of the loan.

The beneficiary of a registered lender's lien or a registered mortgage will rank ahead of all unsecured creditors (*créanciers chirographaires*) of the grantor of the security but will rank after the prior ranking creditors in the context of a bankruptcy and after any claim of the manager of the condominium (*copropriété*) if the property is comprised within a condominium. Secured amounts comprise the principal amount of the loan in question as well as its related rights. It should be noted, however, that only three (3) years of interest at the contractual rate can be secured on an equal rank basis with the principal by a lender's lien or a mortgage. Upon enforcement of a lender's lien or a legal mortgage, any unpaid interest in excess of three (3) year's interest at the contractual rate is not secured by such lender's lien or legal mortgage.

If the net proceeds of sale of a property are lower than the amount necessary to repay the full amount of principal and interest outstanding in respect of the relevant Home Loan, this could result in a reduction of the receipts received by the Issuer in respect of the Home Loans and adversely impact the liquidity position of the Issuer and may adversely affect the ability of the Issuer to make payments of principal and/or interest due to the Noteholders.

Peculiarities of Lender's Lien.

Pursuant to article 2374, 2° of the French Civil Code, in order for a lender's lien to be validly created, the following two conditions must be satisfied: (a) the loan must be granted for the purchase of real property and the deed evidencing the loan (*acte d'emprunt*) must expressly stipulate the purpose for which the loan was intended; and (b) the discharge receipt (*quittance*) given by the vendor of the relevant real property must certify that, up to the principal amount of the relevant loan, the payment was made out of the moneys borrowed. Both the deed evidencing the loan and the discharge receipt must be in a notarised form (*acte authentique*).

Registration of Lender's Lien and Mortgage.

In order to be enforceable against third parties, pursuant to the provisions of article 2377 of the French Civil Code, lender's liens and mortgages must be registered at the relevant French Land and Charges Registry (*Conservation des Hypothèques* or *Livre Foncier* in respect of *Alsace Moselle*).

A lender's lien is retrospectively perfected from the date of the deed of conveyance of the relevant real property if the registration of the lien occurs within a period of two (2) months after the signing of the deed of conveyance (under article 2379 of the French Civil Code). If this deed fails to be registered within this two-month period, rules applicable to mortgages will apply to the lender's lien. Mortgages are perfected from their date of registration with the French Land and Charges Registry (*Conservation des Hypothèques* or *Livre Foncier* in respect of *Alsace Moselle*).

The registration of a lender's lien or of a mortgage in France is only valid for a limited period of time. As a general rule, a lender's lien or a mortgage is valid until the date of validity specified in the registration (under article 2434 of the French Civil Code). Where the principal of the debt secured has to be repaid on one or several fixed dates, the registration period cannot expire more than one (1) year after the last due date of the debt secured, without exceeding fifty (50) years. Where the due date of the debt secured by the lender's lien or the mortgage is not expressly fixed, the validity of the registration of the lender's lien or of the mortgage is limited to fifty (50) years. Where the due date of the debt secured by the lender's lien or the mortgage is antecedent to or concomitant with the registration, the validity of the registration of the lender's lien or of the mortgage is limited to ten (10) years.

The registration of a lender's lien or of a mortgage may be renewed if the debt is not repaid at the end of the registration period. It ceases to be effective if it is not renewed on or before the last day of its current period of effectiveness.

The formalities for the registration of a lender's lien or of a mortgage are set out in articles 2426 and 2428 of the French Civil Code. The lender's lien and the mortgage should be registered at the Land Registry situated in the geographical district where the relevant property is situated.

Procedure for Enforcement of Mortgages and Lender's Liens

Mortgages and lender's liens can be enforced through a seizure of the property (*saisie immobilière*). Mortgages can also be enforced either through (i) a request for a judicial attribution or (ii) a contractual forfeiture agreement (*pacte commissoire*).

Seizure of the property

The first step is the deliverance by a bailiff (*huissier*) to the Borrower of a summons to pay with the effect of a seizure (*commandement de payer valant saisie*) which is filed at the relevant Land Registry having jurisdiction over the district in which the relevant real property is situated. The next step after the seizure of the property is to instruct a bailiff (*huissier*) to prepare a report describing the property (*procès-verbal de description*) and, then, to instruct a lawyer (*avocat*) to prepare the terms of sale at public auction (including the reserve price of the relevant real property) and the notices to be given prior to the sale and to seize the Court in charge of enforcement proceedings (*juge de l'exécution*). The Borrower may file objections against such enforcement (including the reserve price) before the Court or ask the Court to authorize the amicable sale of the property. Pursuant to article L. 322-3 of the French *Code des Procédures Civiles d'Exécution* (French Civil Enforcement Procedures Code), the Court may either (i) authorise the sale of the property through amicable sale (*vente amiable sur*

autorisation judiciaire), or (ii) order the sale of the property by Court-supervised public auction (*vente aux enchères*).

If the amicable sale of the property is authorised by the Court, the Court determines a minimum price at which the amicable sale has to occur. The sale occurs by way of notarised deed (*acte authentique*), subject to the consignation of the sale's price and expenses by the purchaser for the repayment of the lender. If the Borrower fails to perform the amicable sale within a reasonable time frame, the lender may ask the judge to order the sale of the property through Court-supervised public auction.

If no bid is made at the public auction, and provided there is only one secured creditor, such secured creditor will be deemed to be the highest bidder and is thus obliged to purchase the property at the reserve price specified in the terms of the sale. However, any interested party may re-open the auction by offering to purchase the property for a sum of ten per cent. (10%) higher than the highest bid, within ten (10) days of the auction sale. The Court must then verify each creditor's claim and its respective rank (*procédure d'ordre*), with preferred creditors ranking first. The last step is to obtain the proceeds from the *Caisse des Dépôts et Consignations* where the auction proceeds have been kept on deposit.

The procedure of seizure of real estate properties (*saisie immobilière*) has been recently amended by an Act (*Ordonnance n°2006-461 réformant la saisie immobilière*) dated 21 April 2006. The purpose of the amendment was to simplify the foreclosure process by encouraging amicable sales (*ventes à l'amiable*) and to reduce the duration and complexity of the process. The new legislation (article L. 311-1 and *seq.* of the French Civil Enforcement Procedures Code), described above, only applies to seizure proceedings started after 1st January 2007.

However, the procedure of seizure of any real estate property remains a long procedure, which might delay the ability of the Issuer to be repaid through the sale of the property and, therefore, its ability to redeem the Class A Notes in a timely manner.

Droit de suite, droit de préférence

The final secured creditor's enforcement action consists of the possibility to continue to benefit from the lender's lien or mortgage, even if the property is transferred by the Borrower to a third party. This right is known as *droit de suite*. In the event of the sale of the property by the debtor, the secured creditor may have the debts owing to him satisfied from the proceeds of the sale of the property in the order of priority of the liens and mortgages encumbering such property (*droits de préférence*), in accordance with article 2461 of the Civil Code. If the secured creditor wishes to exercise this right, it must cause an order to pay to be served on the Borrower by a bailiff and, in addition, cause a notice to be served on the third party to whom the property subject to the lender's lien or mortgage was transferred with a view either to pay the debt secured by the lender's lien or mortgage granted over the property or to surrender such property in an auction sale, where a minimum bid exceeding ten per cent. (10%) of the price paid by such third party shall be made by the creditor.

Home Loan Guarantee

Home Loans guaranteed by a Home Loan Guarantee are not necessarily secured by a mortgage. However, most of these Home Loans granted provide that the relevant Borrower undertakes not to grant a mortgage for the benefit of another creditor (*engagement de ne pas hypothéquer*) and covenants to grant a Mortgage to secure the Home Loan at the demand of the Home Loan Guarantor and/or the Lender in limited circumstances, including in case of a breach of certain of its obligations under the Home Loan Agreement. This undertaking to grant a Mortgage (*ou promesse d'hypothèque*) does not create a security interest over the relevant property until the Borrower has in fact signed a notarial deed granting a mortgage and such mortgage has been duly registered on the relevant mortgage registry. If prior to the registration of the Mortgage securing the Home Loan, another creditor of the relevant Borrower has registered a mortgage or judicial mortgage on the relevant mortgage registry, the Mortgage registered first in time would rank in priority to the Mortgage granted and registered to secure the Home Loan.

If there is a failure to pay by the underlying Borrower, the Servicer acting as agent of the Issuer shall make a demand for payment under the Home Loan Guarantee and would be exposed to the credit worthiness of the Home Loan Guarantor being either Parnasse Garanties (rated A by S&P) or CEGC (rated A by S&P). Should

Parnasse Garanties or CEGC default under any of their Home Loan Guarantees, the Issuer will use its recourse against the Borrower under the relevant Home Loan Agreement. It should be noted however that each Home Loan Guarantee provides that, where the relevant default corresponds to an insured risk, the beneficiary shall first request an indemnification from the insurer.

The enforcement of any Home Loan Guarantee remains subject to the compliance with certain conditions of enforcement, some of which depend on the performance by the Servicer of its obligations under the Home Loan Guarantee. In the event that any any of these conditions are not complied with, the Home Loan Guarantor may refuse to pay the amount due by the relevant defaulting Borrower. To mitigate this risk, each Servicer has undertaken under the Home Loans Purchase and Servicing Agreement to refrain from carrying out any action which may adversely affect the enforcement of any Home Loan Guarantee and to take all necessary steps in order to comply with the conditions of enforcement of any Home Loan Guarantee. In the event that, following a default of any Borrower which had been granted a Home Loan secured by a Home Loan Guarantee, any Servicer calls the relevant Home Loan Guarantee and the relevant Home Loan Guarantor refuses to pay the amount due by such Borrower because the conditions of enforcement of the relevant Home Loan Guarantee have not been complied with by the relevant Servicer, such Servicer shall indemnify the Issuer up to the amount which the Home Loan Guarantor would have paid to the Servicer had the conditions of enforcement of the relevant Home Loan Guarantee been complied with.

Upon payment of an amount by the Home Loan Guarantor in respect of a given Home Loan, the Home Loan Guarantor will be subrogated in the rights, actions and security interest of the Seller (or, after the transfer of the relevant Home Loans on the Purchase Date) of the Issuer, in respect of that Home Loan.

Insurance Contracts

As a condition to being granted a Home Loan, Borrowers are generally required to obtain and to maintain an insurance policy to cover risks such as (i) the death (ii) the total and irreversible loss of autonomy and/or (iii) the temporary incapacity to work of the Borrower (such policies "**Payment Protection Policies**") and, where such insurance is so required, as part of its origination process, before granting such Home Loan, each Lender obtains confirmation that the relevant Borrower has subscribed the relevant Payment Protection Policies. In accordance with article L. 313-25, 7° of the French Consumer Code, borrowers are entitled to freely choose the provider of payment protection insurance linked to loans. Hence, Borrowers can freely opt for an insurance company within the BPCE Group or affiliated to the BPCE Group or outside the BPCE Group.

Although there is an obligation on Borrowers to obtain and maintain Payment Protection Policies no assurances can be given as to whether the relevant Borrowers will make effective payments of premiums or comply with other conditions to maintain these policies in full force and effect. The scope of coverage provided by the Payment Protection Policies will depend upon the specific terms and conditions (including deductibles) of the relevant policy.

Likewise, although the Borrowers is required or encouraged under the Home Loan Agreements to obtain as at the relevant origination date a multi-risk home property insurance policy with respect to the Properties (such policies, a "**Property Insurance Policies**" and, together with the Payment Protection Policies, the "**Insurance Contracts**"), (i) there are, however, certain types of losses (such as losses resulting from war, terrorism, nuclear radiation, radioactive contamination, subsidence or settling of structures etc.) which may be or may become either uninsurable or not insurable on economic terms, or are otherwise not covered by the required insurance policies and (ii) no assurances can be given as to whether the relevant Borrowers will in fact take or renew any existing Property Insurance Policies, make payments of premiums or comply with other conditions to maintain Property Insurances Policies in full force and effect.

Under the Home Loans Purchase and Servicing Agreement, the Sellers assign to the Issuer the Home Loans and the related Ancillary Rights, which term includes any right or interest which the relevant Seller may have in relation to Insurance Contracts. Whether the Issuer will obtain the full benefit and right to enforce such Insurance Contracts will depend upon whether such insurance policies permit assignment, whether the policies are in full force and effect and the nature of the rights and interest of the Sellers under or in relation to such insurance policies. There is no certainty that all such Insurance Contracts have been effectively subscribed nor that they remain at all times in full force and effect, nor that any claims to insurance proceeds have or will be validly assigned

to the Issuer or will in practice be available to the Issuer, and whether the Issuer will in practice obtain all relevant information about such policies, as would be necessary to claim payment directly from the relevant insurer, assuming it is entitled to do so.

In addition, the Issuer will be exposed to the ability of the relevant insurance company to make payment of claims under the Insurance Contracts if an event which gives rise to a right to payment under such Insurance Contract occurs.

Article 1343-5 of the French Civil Code

Pursuant to the provisions of article 1343-5 of the French Civil Code, debtors have a right to request the competent court to postpone (*reporter*) or extend (*échelonner*) for a period of two (2) years, the payment of sums owed by them. Following such a request, the court may, by special and justified decision (*décision spéciale et motivée*), order that the sums corresponding to the postponed instalments bear interest at a reduced rate which cannot be reduced below the then applicable legal interest rate or that the payments will first reimburse the principal. In such circumstances, the Class A Noteholders are likely to suffer a delay in the repayment of the principal of the Class A Notes and the Issuer may not be in a position to pay, in whole or in part, the accrued interest in respect of the Class A Notes if a substantial part of the Portfolio of Home Loans is subject to a decision of this kind.

This risk is mitigated by the provision of liquidity from alternative sources (including the General Reserve Account), as more fully described in Section "CREDIT STRUCTURE". However, no assurance can be made as to the sufficiency of such liquidity support features, or that such features will protect the Class A Noteholders from all risk of delayed payments.

Protection of over-indebted consumers

Any individual, acting in good faith (*bonne foi*), who is a consumer having contracted consumer loans (professional debts are excluded), is entitled to contact a consumer over-indebtedness committee (*commission départementale de surendettement*) if he considers himself to be in a situation of over-indebtedness (*surendettement*). An over-indebted individual will not be considered to be acting in good faith if he has organised his own insolvency or if he has dissipated his assets. The simple fact of being the owner of his main residence, the estimated value of which at the time the application is submitted is equal to or exceeds the aggregate amount of all the non-professional debts due or falling due of the individual, cannot prevent the over-indebtedness from being characterized.

If the individual is over-indebted (*en état de surendettement*) and acting in good faith, and depending on the amount of his total debts, of his assets and his current resources, articles L. 724-1 and L. 732-1 of the French Consumer Code provide that a consumer over-indebtedness committee may propose:

(a) a contractual settlement (*plan conventionnel de redressement*) between the over-indebted individual and his creditors if the consumer over-indebtedness committee considers the over-indebted individual to be capable of paying his debts subject to their rescheduling, a reduction (or a cancellation) of the interest rates or a sale of the over-indebted individual’s assets (subject to the provision that the over-indebted individual’s assets which are essential to his life cannot be sold); or

(b) a personal recovery plan without liquidation of the individual's assets (*rétablissement personnel sans liquidation*) if the consumer over-indebtedness committee considers the over-indebted individual to be in an "irremediably compromised situation" (*situation irrémédiablement compromise*) and is therefore not capable of paying his debts with any rescheduling of his debt, or a reduction (or a cancellation) of interest rates and a sale of the over-indebted individual’s assets. The personal recovery plan without liquidation of the individual’s assets will be decided by the consumer over-indebtedness committee for over-indebted individuals who have no assets other than furniture or assets with no value; or

(c) a personal recovery plan with liquidation of the individual’s assets (*rétablissement personnel avec liquidation*) if the consumer over-indebtedness committee considers the overindebted individual to be in an "irremediably compromised situation" (*situation irrémédiablement compromise*) and is therefore not capable of paying his debts with any rescheduling of his debt, or a reduction (or a cancellation) of interest

rates and a partial sale of the over-indebted individual's assets. The personal recovery plan with liquidation of the individual's assets will be decided by the consumer over-indebtedness committee for over-indebted individuals who have some assets which can be sold but the proceeds of such sale will not be sufficient to pay the debts of the over-indebted individual. The personal recovery plan with liquidation (*rétablissement personnel avec liquidation*), when settled, will trigger the cancellation of all personal debts of the over-indebted individual.

Pursuant to article L. 722-2 of the French Consumer Code if the consumer over-indebtedness committee approves the opening of an over-indebtedness proceeding (*décision de recevabilité du dossier de surendettement*), all on-going enforcement proceedings (*procédures d'exécution forcée*) and any monetary obligations and any payment of outstanding debts will be automatically suspended for a maximum period of two years.

In addition, pursuant to articles L. 721-4 and L. 721-6 of the French Consumer Code, before the approval of the opening of an insolvency proceeding by the consumer over-indebtedness committee (*décision de recevabilité du dossier de surendettement*), any over-indebted individual may ask the consumer over-indebtedness committee to obtain from the judge (*juge d'instance*) the suspension of all on-going enforcement procedures (*procédures d'exécution forcée*) for a maximum period of two years. If such suspension is authorised by the judge (*juge d'instance*), it will be valid and effective until the decision approving the contractual settlement plan (*approbation du plan conventionnel de redressement*), the decision of the court authorising the personal recovery plan with liquidation (*rétablissement personnel avec liquidation*), the decision of the court authorising the personal recovery plan without liquidation (*rétablissement personnel sans liquidation*), the decision approving the measures set-out in article L. 733-1 of the French Consumer Code or the approval (*homologation*) of the measures recommended in accordance with articles L. 733-7, L. 733-8 and L. 741-1, respectively, of the French Consumer Code.

A specific legal regime applies to individuals living in the Haut Rhin, Bas Rhin or Moselle departments. The applicable over-indebtedness committee has three (3) months to approve or not the opening of an over-indebtedness proceeding according to the individual situation.

Upon the application of such measures in favour of any Borrowers, the Issuer may suffer a principal loss and/or a reduction in the yield of the Home Loans, which may affect the ability of the Issuer to fulfil its obligations under the Class A Notes.

Specific legal regime for Borrowers domiciled in the Moselle, Bas-Rhin or Haut-Rhin

In accordance with, and subject to, the provisions of article L. 670-1 of the French Commercial Code, physical persons (*personnes physiques*) (and their estate on death), who are domiciled in Moselle, Bas-Rhin or Haut-Rhin, and who are neither traders (*commerçants*), nor persons registered with the craftsmen's register (*artisans*), nor farmers (*agriculteurs*), nor persons running any other independent profession, including independent professional persons with a statutory or regulated status, if they are in good faith and in a state of evident and known insolvency (*insolvabilité notoire – situation durablement et irrémédiablement compromise*), may become the subject of the French insolvency provisions applicable to companies established in France (i.e. provisions of Titles II to VI of the Book VI of the French Commercial Code). If such proceedings are commenced in relation to Borrowers, this may result in a delay in recoveries or lower recoveries in respect of Home Loans when the relevant Borrower is subject to such proceedings.

3.76% of the Outstanding Principal Balance of the provisional portfolio of Home Loans described in Section "INFORMATION RELATING TO THE PROVISIONAL PORTFOLIO OF HOME LOANS" are Home Loans granted to Borrowers which, as at the relevant origination date, were resident in Moselle, Bas-Rhin or Haut-Rhin.

Compulsory purchase and expropriation of Properties

Under French law, any Property may at any time be compulsorily acquired by, inter alios, a local or public authority or a governmental department on public interest grounds, generally, in connection with proposed redevelopment or infrastructure projects.

In the event that all or part of a Property was to be compulsorily purchased, compensation would be payable to the relevant debtor and the occupational tenants according to their respective interests and based on the market value of the Property as agreed upon by the relevant parties. However, there is often a delay between the compulsory purchase of a property and the payment of compensation dependent on the parties' ability to agree upon the open market value of the property. Compensation in relation to compulsory purchase may be less than the open market value of the property prior to the announcement of the compulsory purchase.

Although this would not discharge the Borrower from its obligations under the relevant Home Loans, this could have an adverse effect whether on the aggregate amount of the proceeds derived from the sale of the Properties by the underlying Borrower or, if need be, on enforcement of the Ancillary Rights, and/or may delay the effective date of payment and receipt of such proceeds, and so adversely impact the aggregate principal amounts received by the Issuer in respect of the Home Loans and/or the liquidity position of the Issuer.

Municipal pre-emption rights (*droit de pré-emption urbain*)

The relevant local planning authority may, in certain circumstances, exercise a right of pre-emption (droit de pré-emption urbain) when real estate properties situated within the jurisdiction of such authority are the object of a proposed sale. This pre-emption right is typically exercised when the relevant real property is needed for certain public purposes such as public or social housing, general development of a town or zone or preserving buildings of cultural interest.

The pre-emption right may be exercised by the relevant local authority within a two-month period following the notice of the contemplated sale of the relevant property to be served to the competent local authority on behalf of the seller. If the local authority exercises its pre-emption right, it may propose to purchase the property for a lower price than the price agreed with the potential purchaser. In such circumstances, the seller may (i) decide not to sell its property at all, (ii) agree to sell the property at the price proposed by the local authority or (iii) decide to proceed with the sale to the local authority but to challenge the proposed lower price, in which case the sale price will be determined by a judge. As a consequence, if the local authority purports to exercise its pre-emption right, there can be no assurance that the seller will be successful in eventually selling the property at the price originally agreed with the proposed purchaser.

Although this would not discharge the Borrower from its obligations under the relevant Home Loans, the exercise of such local authority pre-emption rights upon foreclosure could have an adverse effect whether on the aggregate amount of the proceeds derived from the sale of the Properties by the underlying Borrower or, if need be, on enforcement of the Mortgages securing Home Loans and/or may delay the effective date of payment and receipt of such proceeds and so adversely impact the aggregate principal amounts to be received by the Issuer in respect of the Home Loans and/or the liquidity position of the Issuer.

Real Estate Credit Legislation

The Home Loans are subject to the provisions of the French Consumer Code applicable to mortgage loans (*crédits immobiliers*) ("**Real Estate Credit Law**"), which imposes obligations on lenders (i) to provide certain information to borrower consumers, (ii) to grant time to consumers before the entry into of a credit transaction is definitive, (iii) comply with detailed formalistic rules with regard to the contents of the credit contract, (iv) to limit the amounts that can be requested to the borrower in case of voluntary early prepayment or in case of acceleration of the loan (whether by way of indemnity, fees or through the compounding of interest) and (iv) to notify the borrowers of the global annual effective rate (*taux annuel effectif global*) applicable to the home loans which global effective rate shall not exceed the then applicable usury rate. These rules were significantly amended by the "Loi Lagarde" n° 2010-737 dated 1 July 2010 (the "**Lagarde Law**"). Certain provisions of these amended rules are subject to debate and interpretation. There is currently no or little relevant case-law on (i) how these rules should be interpreted, (ii) what should be done in practice to comply with these rules and (iii) what sanctions would apply in case of breach of or non-compliance with these provisions.

The interpretation of these rules remains subject to the views of any competent court. Infringement of those rules could conduct in particular to (a) the full deprivation of all interest on a credit (i.e. the credit will be effectively granted on an interest free basis), (b) the assessment of a fine against the relevant lender and (c) in the case of (iv) above, if the global annual effective rate (*taux annuel effectif global*) is not notified to a borrower or is

incorrect or is exceeding the then applicable usury rate, the mandatory reduction of the interest rate applicable to such home loan to a rate equal to the then applicable legal interest rate (*taux d'intérêt legal*).

If the above mentioned cases were to apply in respect of the Home Loan Agreements, this could create a restitution obligation on the relevant Seller and/or the Issuer in respect of part or all of interest amounts paid by the relevant Borrower and/or a suspension of payment of and/or reduction in the amounts of principal and/or interest due by the relevant Borrower under the relevant Loan Agreement and/or a set-off right of the Borrower in relation to such amounts.

However, the Sellers will represent and warrant that the Home Loans Agreement constitute legal, valid, binding and enforceable contractual obligations of the relevant Borrower with full recourse to the relevant Borrower (except that enforceability may be limited by (i) bankruptcy or insolvency of the Borrower or other laws relating to over-indebtedness (*surendettement*) or enforcement of general applicability affecting the enforcement rights of creditors generally or (ii) the existence of unfair contract terms (*clauses abusives*) as defined by articles L.212-1 *et seq.* of the French Consumer Code in the Home Loan Agreements (provided they would not (A) affect the right of the Issuer to purchase the Home Loan as contemplated under the Home Loan Purchase and Servicing Agreement or (B) deprive the Issuer of its rights to receive principal and to receive interest as provided for under the Home Loan) and that the Home Loan Agreement has been executed between the relevant Seller and a Borrower pursuant to the applicable provisions of the French Consumer Code applicable to mortgage loans (*crédits immobiliers*) and all other applicable legal and regulatory provisions.

Unfair contract terms (*clauses abusives*)

The provisions of the French Consumer Code on unfair contract terms (*clauses abusives*) apply to the Home Loan Agreements. In a professional to consumer or nonprofessional relationship, an unfair contract term (*clause abusive*) is a term that creates a significant imbalance between the rights and obligations of the parties to the detriment of the consumer.

The French Consumer Code sets out a non-exhaustive list of clauses that are presumed to be unfair:

(i) the "black list" relates to provisions that are always considered as unfair (i.e. the consumer does not have to establish that those provisions are indeed unfair); and

(ii) there is a presumption that provisions included in the "grey list" are unfair, the proof that such clauses are not unfair falls on the professional.

In addition, the French Unfair Terms Committee (*Commission des clauses abusives*) regularly publishes recommendations listing provisions which, according to such committee, should be regarded as unfair terms. However, French courts are not bound by those recommendations. In any event, whether a provision is to be considered as an unfair term is determined, on a case by case basis, by the courts.

The assessment of the unfairness of a contractual provision cannot relate to the remuneration of the lender or the definition of the main purpose of the contract to the extent that such provision is stated in a clear and understandable manner.

If any Home Loan Agreement or contains an unfair contract term, such term will be deemed "unwritten" (*réputée non écrite*) and is accordingly ineffective. The other provisions of such Home Loan Agreement shall remain valid to the extent such Home Loan Agreement or may remain without the relevant unfair term.

If any unfair term is included in the aforementioned "black list", the Seller may also be sanctioned by an administrative fine (such fine being in a maximum amount of EUR 15,000 for a legal entity), an injunction to remove the relevant clauses from its terms and conditions and by publicity measures (by way of publication in newspapers, electronic means or billboard display). However, the Sellers will represent and warrant that the Home Loans Agreement constitute legal, valid, binding and enforceable contractual obligations of the relevant Borrower with full recourse to the relevant Borrower (except that enforceability may be limited by (i) bankruptcy or insolvency of the Borrower or other laws relating to over-indebtedness (*surendettement*) or enforcement of general applicability affecting the enforcement rights of creditors generally or (ii) the existence of unfair contract terms

(*clauses abusives*) as defined by articles L.212-1 *et seq.* of the French Consumer Code in the Home Loan Agreements (provided they would not (A) affect the right of the Issuer to purchase the Home Loan as contemplated under the Home Loan Purchase and Servicing Agreement or (B) deprive the Issuer of its rights to receive principal and to receive interest as provided for under the Home Loan).

In addition, article 1171 of the French Civil code, which was newly introduced by ordinance n° 2016-131 of 10 February 2016, and is a rule of public policy, deems as "unwritten" any clause that is contained in an adhesion contract (*contrat d'adhésion*) and creates a significant imbalance between the parties' respective rights and obligations (but the evaluation of any such imbalance does not extend to the main contract object itself or the adequacy of the consideration payable relative to the goods or services provided), regardless as to whether the contract is entered into with a consumer or not. Pursuant to article 1110 of the French Civil Code, an adhesion contract is one whose general terms and conditions are fixed in advance by one party and not open to negotiation and it cannot be excluded that the Home Loan Agreements, might be considered to qualify as such. For the purpose of the assessment of whether a clause creates an imbalance within the meaning of article 1171, there is no similar list as set out in the French Consumer Code in so far as regards unfair contract terms (*clauses abusives*) and, at the date of this Prospectus, it remains uncertain how a judge would make such assessment.

Unfair practices directive

On 11 May 2005, the European Parliament and the Council adopted Directive 2005/29/EC concerning unfair business-to-consumer commercial practices (the "**2005 Directive**"). The 2005 Directive is transposed into French law by Law no. 2008-3 of 3 January 2008 for the development of competition for the benefit of consumers, Law N°2008-776 of 4 August 2008 on the modernisation of the economy, Law no. 2011-525 of 17 May 2011 on the simplification and improvement of the quality of law, and Law no. 2014-344 of 17 March 2014 on consumers.

The European community may adopt rules that regulate specific aspects of unfair commercial practices, which would prevail over the 2005 Directive and apply to such specific aspects (Article 3(4) of the 2005 Directive). Indeed, since the 2005 Directive, the European Parliament and the Council have adopted directives that provide specific provisions to further protect consumers from unfair commercial practices, including Directive 2008/48/EC of 28 April 2008 on credit agreement for consumers, which was transposed into French law by Law no. 2010-737 of 1 July 2010 on the reform of consumer credit.

According to article 3(9) of the 2005 Directive, in relation to "financial services […] and immovable property, Member States may impose requirements which are more restrictive or prescriptive than th[e] Directive […]". A report of the European Commission dated 14 March 2013, on the application of the 2005 Directive, further provides that in the sectors of financial services and immovable property, "Member States can impose rules which go beyond the provisions of the Directive, as long as they comply with European Union legislation".

Thus, no assurance can be given as to whether other specific European community rules concerning unfair commercial practices, or more restrictive national rules concerning such practices in the financial services and immovable property sectors, may be adopted, which may have a material adverse impact on the Home Loans, the manner in which they are serviced, or the recovery of sums in relation to them or on each Seller, the Issuer, or each Servicer and their respective operations and activities. Further, no assurance can be given as to whether French law will be further harmonised with the directives mentioned above.

EU Mortgage Credit Directive

On 4 February 2014, the European Parliament adopted a Directive (2014/17/EU) on credit agreements for consumers relating to residential immovable property amending Directive 2008/48/EC, Directive 2013/16/EC and Regulation (EU) No 1093/2010 (the "**Mortgage Credit Directive**"). The Mortgage Credit Directive has been transposed into French law by order (*ordonnance*) no 2016-351 of 25 March 2016 on credit agreements for consumers relating to residential immovable property and the decree (*décret*) n° 2016-607 (the "**Mortgage Credit Order**"). The main objectives of the Mortgage Credit Directive are:

(a) to provide better information to consumers, to give them more time to decide and to impose heightened creditworthiness assessment standards;

(b) to introduce new business conduct rules;

(c) to grant consumers a general right to repay their loans early;

(d) to establish principles for the authorisation, registration and passporting of credit intermediaries;

(e) to encourage lenders to apply reasonable forbearance when confronted with consumers with serious payment difficulties.

The Mortgage Credit Order partially applies to mortgage loan agreements in relation to which a loan offer has been issued after the 1st of July 2016, while certain provisions relating to advertising, general and pre-contractual information, foreign currency loans and the "Annual Percentage Rate of Charge" (*Taux Annuel Effectif Global*) shall only apply to mortgage loan agreements in relation to which a loan offer has been issued after the 1st of October 2016, and other provisions such as those relating to the "European Standardised Information Sheet" (*Fiche d'Informations Standardisée Européenne*) shall apply to mortgage loan agreements in relation to which a loan offer has been issued after the 1st of January 2017. No assurance can be given as to whether Mortgage Credit Order may have an adverse impact on the Home Loans, the amounts to be received by way of collections or may give rise to any delays in payment of the Home Loans or have an adverse impact on the Sellers, the Issuer or the Servicers or their respective assets, operations and activities and/or the weighted average life of the Class A Notes.

Set-off by Borrowers

Contractual set-off

The Home Loan Agreements do not include any express provision granting a contractual right of set-off to a Borrower.

Legal set-off

Absent an express exclusion by the Borrower of its set-off rights, set-off may still arise in accordance with and subject to the general rules pertaining to legal set-off (*compensation légale*), as provided for by articles 1347 and 1347-1 (or, prior to 1st October 2016, article 1289) of the French Civil Code. Under French law, two claims shall extinguish by way of legal set-off if:

(i) they are reciprocal (*réciproques*);

(ii) both are either monetary claims or fungible between themselves (*fongibles*);

(iii) their respective amount can be determined (*liquides*); and

(iv) they are due and payable (*exigibles*).

However, so long as a Borrower under a Home Loan has not been notified of the transfer of such Home Loan to the Issuer, the Borrower shall remain allowed to raise a defence of set-off against such Seller based on statutory set-off. After notification of the transfer to the Borrower, such Borrower may only be entitled to invoke statutory set-off if, prior to the notification of the transfer, the above-mentioned conditions for statutory set-off were satisfied.

Set-off of closely connected debts

Rights of set-off can also arise, even if all the conditions for a statutory set-off are not met, when two or more payment obligations owed between two parties are closely connected (*dettes connexes*). This principle has been codified under new article 1348-1 of French Civil Code. The concept of closely connected claims remains undefined in the French Civil Code and French courts determine whether two debts are *dettes connexes* on a case by case basis. Claims created under a same contract are usually considered as closely connected, whereas claims created by different contracts can be considered as closely connected if they are related to the same global economic operation. The fact that a Borrower has been duly notified of the transfer of the Home Loan will not prevent such

a Borrower invoking set-off based on debts between the relevant Seller and the Borrower which are *dettes connexes*. The Home Loan Agreement do not include any provision which expressly states that any right or claim of a Borrower against the original lender or a Seller is closely connected (*connexe*) to the Home Loan provided to such Borrower.

Judicial set-off

More generally, set-off can be decided by a court and, in this respect, new article 1348 of the French Civil Code provides that a judicial set-off may be granted by a court with respect to claims which are certain, even if such claims are not liquid and/or due. Such set-off must be requested before the court and the decision to grant such a set-off is at the discretion of the court.

In respect of Home Loans, the most likely circumstances where set-off would have to be considered are when counterclaims resulting from the existence of a current account opened in the name of the Borrower with any Seller will allow such Borrower to set-off its counterclaims arising from the existence of such current account against sums due under a Home Loan. In this situation however, several French Courts of Appeal have held that there was no connection (*connexité*) of claims, notwithstanding that the instalment under the Home Loan was to be paid by way of direct debit from the funds standing to the credit of the relevant current account, considering that, in the cases at hand, the parties did not intend to inter-relate their current account relationship and the lending transaction on an economic standpoint.

In this respect, this risk is mitigated by the facts that:

(a) the following Home Loan Eligibility Criteria that have been introduced in the Home Loans Purchase and Servicing Agreement:

(i) "*the Lender does not use set-off as means of payment of the amounts due and payable under the Home Loans*";

(ii) "*the Borrower does not benefit from a contractual right of set-off pursuant to the relevant Home Loan Agreement*":

(iii) "*the opening by the Borrower of a bank account dedicated to payments due under the Home Loan is not provided in the relevant contractual arrangements as a condition precedent to the originator of the Home Loan making the Home Loan available to the Borrower under the Home Loan*";

(iv) "*the Borrower is not an employee of the relevant Seller (nor, if different, of the originator), provided that in case of a Home Loan granted to several co-borrowers, this Home Loan Eligibility Criteria shall apply to the main borrower (l'emprunteur principal) only)*";

(v) "*the Home Loan is not secured by a cash deposit (gage-espèces)*";

(b) French banking law provides that deposits, savings and other funds of the Sellers' clients benefit from a national deposit guarantee scheme. The French deposit guarantee fund (*Fonds de garantie des dépots et de résolution*) intervenes at the request of the French banking authority (the *Autorité de contrôle prudentiel et de résolution* "**ACPR**") as soon as it finds that a credit institution (such as a Seller) is no longer able, immediately or in the short term, to repay deposits, savings and funds received from its clients. In addition, following a proposal from the ACPR, the French deposit guarantee fund (*Fonds de garantie des dépôts et de résolution*) may also intervene as a preventive measure when the situation leads the French deposit guarantee fund to fear that deposits, savings and other funds may not be available to a credit institution in the future. When, following the intervention of the French deposit guarantee fund (*Fonds de garantie des dépôts et de résolution*), the Sellers' clients have been repaid their deposits, savings and other funds, such clients would not have any claim against the Sellers under such deposits, savings and other funds.

If, notwithstanding the above considerations, a Borrower is entitled to exercise a right of set-off against sums owing to the Issuer in respect of a Purchased Home Loan (whether such set-off is imposed by operation of

law, by contract or by a competent court) and as a result of any such event, the Issuer is not lawfully entitled to receive a portion of the nominal amount or interest amount or the entire nominal amount or interest amount due with respect to such Purchased Home Loan, the Home Loans Purchase and Servicing Agreement provides that the Seller which has transferred such Purchased Home Loan to the Issuer shall pay to the Issuer such portion or such nominal amount or such interest amount as Deemed Collections. Any Deemed Collections due in respect of any Quarterly Collection Period by a Seller with respect to Home Loans assigned to the Issuer by such Seller will be paid by such Seller on the Settlement Date following such Quarterly Collection Period, to the Issuer by way of cash settlement. Such amount will form part of the Available Distribution Amount corresponding to that Collection Period, as though such amount had been paid by the relevant Borrower in cash.

Set-off in relation to any Insurance Contract

A risk of set-off may arise if an insurer under an Insurance Contract has a claim against the Lender and that insurer could raise a set-off between such claim and a claim assigned by the Lender to the Issuer. Such risk would continue to apply notwithstanding the assignment of the claim by the Lender to the Issuer and notwithstanding a notification of the assignment of that claim to the Issuer if (i) the condition of a legal set-off are met by the two claims prior to such notification or (ii) if the claim of that insurer is closely connected (*dettes connexes*) with the claim of the Lender under the relevant Home Loan Agreement.

In particular, if the Lender acting as agent of the insurer under any Insurance Contract in order to collect, on behalf of the insurer, the insurance premium paid by the Borrowers, has failed to transfer the insurance premium to the insurer, the insurer would have a claim against the Lender and may try to set off such claim with any debt towards the Lender under the relevant Insurance Contract. Under such circumstances, the relevant insurer could be entitled to raise such set-off *vis-à-vis* any assignee of the indemnity claims under the Insurance Contract (such as the Issuer, as the case may be), based on the principles mentioned above.

Set-off risk in relation to any Home Loan Guarantees

A risk of set-off would arise if the Home Loan Guarantor had a claim against the Lender and the Home Loan Guarantor could raise a set-off between such claim and a claim assigned by the Lender to the Issuer. Such risk would continue to apply notwithstanding the assignment of the claim by the Lender to the Issuer and notwithstanding a notification of the assignment of that claim to the Issuer if (i) the condition of a legal set-off are met by the two claims prior to such notification or (ii) if the claim of the Home Loan Guarantor is closely connected (*dettes connexes*) with the claim of the Lender under the relevant Home Loan Guarantee.

In particular, if a Home Loan Guarantor was to pay to the Lender an amount further to a call under a given guarantee, which appeared thereafter undue or excessive in view of the terms of the relevant Home Loan Guarantee, the Home Loan Guarantor would have a restitution claim against the Lender. Under such circumstances, the Home Loan Guarantor could be entitled to raise such set-off to any assignee of the indemnity claims under other guarantees (such as the Issuer), based on the principles mentioned above.

Interest rate renegotiation

The Borrowers under the Purchased Home Loans may attempt to renegotiate from time to time the interest rate prevailing on their Home Loan. Depending on the outcome of such renegotiation with the relevant Seller, such renegotiation may lead to a reduction in the interest rate on the relevant Home Loan. Such occurrences are more likely to happen in the current context of low market interest rates and no guarantee can be given as to, *inter alia*, the number of Home Loans that may experience an interest rate renegotiation, nor as to the magnitude of any such interest rate renegotiation. The variation in interest rate of any Home Loan may reduce the interest amounts received by the Issuer.

In the event that any Servicer enters into any Commercial Renegotiation, it shall ensure that the corresponding renegotiated Home Loans complies with the Home Loan Eligibility Criteria after such Commercial Renegotiation, and otherwise it shall be under the obligation to repurchase from the Issuer the relevant Purchased Home Loan. In this respect, the following Home Loan Eligibility Criteria has been introduced in the documentation: "the Home Loan bears a fixed of interest equal to or greater than two per cent (2.0%) (excluding insurance premia)". As a consequence, any Purchased Home Loan which interest rate is reduced below this minimum following

Commercial Renegotiation shall be repurchased by the relevant Seller. Such Home Loan repurchase may result in a reduction of the average life of the Class A Notes.

Contractual rights to defer payments

Under the terms of certain Home Loan Agreements, the Borrowers have an express contractual right to adjust their Home Loan Instalments to their financial capacity provided that the duration of the relevant Home Loan is not increased by more than a certain limit to be agreed between the Borrower and the relevant Seller in each Home Loans Agreement, it being specified that in case of Home Loans entered into with any Caisse d'Epargne such limit shall not exceed 2 years and in case of Home Loans entered into with any Banque Populaire such limit shall not exceed 5 years. If a significant number of the Borrowers exercise such rights this could have a material impact on the receipt of interest payments and principal repayments by the Issuer which could result in a lengthening of the weighted average life of the Class A Notes and/or on the ability of the Issuer to pay amounts when due.

Considerations relating to yield and prepayment

The yield to maturity of the Notes will depend on, *inter alia*, the amount and timing of payment of principal and interest on the Home Loans (including full and partial prepayments, proceeds of enforcement of the Home Loans or repurchase by the relevant Seller of any Home Loans), the amount and timing of delinquencies and defaults on the Home Loans, the occurrence of an Accelerated Amortisation Event or Issuer Liquidation Event and the price paid by the holders of the Notes. Such yield may be adversely affected by a higher or lower than anticipated rate of prepayment on the Home Loans. Prepayments on the Home Loans may result from refinancing, sales of Properties by Borrowers voluntarily or as a result of enforcement proceedings, as well as the receipt of proceeds under the insurance policies.

The rate of prepayment of Home Loans is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, changes in tax laws (including but not limited to amendments to mortgage interest tax deductibility), local and regional economic conditions and changes in the borrowers' behaviour (including but not limited to home-owner mobility). Changes in the rate of prepayments on the Home Loans may result in changes to the amortisation profile of the Class A Notes. Accelerated pre-payments will generally lead to a reduction in the weighted average life of the Class A Notes. Because these and other relevant factors are not within the control of the Issuer, no assurance can be given as to the level of prepayments that the Portfolio will experience.

In addition, if the Sellers are required, per the terms of the Home Loans Purchase and Servicing Agreement, to repurchase a Home Loan and the attached Ancillary Rights from the Issuer because, for example, one of the Home Loans does not comply in all material respects with the Representations and Warranties related to the Home Loans, then the payment received by the Issuer for such repurchase will have the same effect as a prepayment of all the Home Loans under the Portfolio.

Accordingly, the actual yield may not be equal to the yield anticipated at the time the relevant Notes were purchased, and the expected total return on investment may not be realised. An independent decision by prospective investors in any Notes as to the appropriate prepayment assumptions should be made when deciding whether to purchase any Notes.

Claims against notaries (*notaires*)

The Sellers have assigned to the Issuer, as Ancillary Rights any claim or right of action it may have against any notaries (*notaires*) which have responsibility for drafting notarial deeds of transfer (*acte authentique de vente*), drafting the mortgage deeds (where a new Mortgage is granted), drafting the registration details (*acte d'inscription hypothécaire*), registering with the relevant mortgage registry the transfer of title to a property and any legal mortgage or lender's lien securing a Home Loan. Under the general law, a notary may incur civil liability if damage results as a consequence of negligence (*toute faute*) committed by the notary in the exercise of his/her duties. Notaries are required to maintain professional civil liability insurance with a financially solvent insurance company. Professional liability claims against a notary would generally be covered by the insurance company of such notary and by the *Caisse Régionale de Garantie* established by the notaries in the relevant region (such *Caisse Régionale*

de Garantie being itself counterguaranteed by the *Caisse Nationale de Garantie* established by all French notaries and, as a last resort, covered by virtue of the common mutual responsibility (*solidarité*) of all notaries in France taken as a whole). Whether such recourse would actually be effective if the neeed arises will depend on whether the relevant notary, or failing which, the relevant insurance company or would have the ability to pay the required indemnity. This may adversely affect the ability of the Issuer to make payments of principal and/or interest due to the Noteholders.

No valuation of properties except in limited circumstances; Limitations of estimations of the value of properties

In most cases and in accordance with the general practice in the French residential loan market, the Sellers do not carry out an appraisal of the market value of a property when originating the Home Loans. Subject to consistency checks or subject to the following paragraph, the value of a property in relation to a Home Loan is determined as being equal to the price paid by the relevant Borrower for the acquisition of the said property.

In limited circumstances, appraisal of value (*expertise*) of a property in relation to a Home Loan may be carried out by staff members of the Sellers or external appraiser. Even when such an appraisal is obtained, investors should be aware that such estimations of value of the property express the opinion of the relevant staff members of the Sellers or external appraisers at such time and are not guarantees of the actual market value of such property at such time or on any future date. Given that such estimations of market value are expressions of opinion, different persons could have different opinions as to the estimated market value of a property in relation to a Home Loan. Moreover, valuations seek to establish the amount that a typically motivated buyer would pay a typically motivated seller and in certain cases, may have taken into consideration the purchase price being paid by the Borrower. There can be no assurance that the property in relation to a Home Loan could in fact be re- sold to a third -party purchaser at a price which corresponds to the estimated value established by the relevant Seller (or, where applicable, an external appraiser) whether at the date of origination of a Home Loan or on any future date.

Furthermore, if a property in relation to a Home Loan is sold following a default, there can be no assurance that the net proceeds of sale will be sufficient to pay the full amounts remaining due under the relevant Home Loan.

If the net proceeds of sale of a property in relation to a Home Loan are lower than the amount necessary to repay the full amount of principal and interest outstanding in respect of such Home Loan, this could result in a reduction of the receipts received by the Issuer in respect of such Home Loan and adversely impact the liquidity position of the Issuer and. This may also adversely affect the ability of the Issuer to make payments of principal and/or interest due to the Noteholders.

Market value of the Purchased Home Loans

In the event of the occurrence of an Issuer Liquidation Event, the amounts available redeem the Class A Notes and repay all amounts outstanding under the Class A Notes will depend on the proceeds of the sale by the Management Company of the Assets Allocated to the Issuer. There is no assurance that the market value of the Purchased Home Loans (including the related Ancillary Rights) will at any time be equal to or greater than the Principal Amount Outstanding of the Class A Notes then outstanding plus the accrued interest thereon after payment of all other amounts due by the Issuer and ranking senior to the Notes in accordance with the Accelerated Priority of Payments. In such case, the liquidation of the Issuer would not occur, and the Class A Notes would not be redeemed, notwithstanding the occurrence of an Issuer Liquidation Event.

Eligible Investments

Any available funds standing to the credit of the Issuer Accounts (prior to their allocation and distribution) may be invested by the Cash Manager in Eligible Investments. Notwithstanding strict investment and eligibility criteria, the value of the Eligible Investments may fluctuate depending on the financial markets and the Issuer may be exposed to a credit risk in relation to the issuers of such Eligible Investments. None of the Management Company, the Custodian, the Cash Manager or the Account Bank guarantees the market value of the Eligible Investments. The Management Company, the Custodian, the Cash Manager and the Account Bank shall not be liable if the market value of any of the Eligible Investments fluctuates and decreases.

3. RISK RELATED TO THIRD PARTIES

Reliance of the Issuer on third parties

The Issuer has entered into agreements with a number of third parties, which have agreed to perform services to the Issuer on an on-going basis. In particular, but without limitation, the Management Company represents the Issuer and provides all necessary advice and assistance and know-how, whether technical or otherwise, including that which is in connection with the day to day management and administrative tasks of the Issuer and to ensure that all the rights and obligations of the Issuer under the Transaction Documents will be exercised and/or, as applicable, performed.

If the Management Company or any other relevant party providing services to the Issuer under the Transaction Documents fails to perform its obligations under the relevant agreement(s) to which it is a party, the ability of the Issuer to make payments under the Notes may be affected.

The Transaction Documents provide for the ability of the Issuer under certain circumstances to terminate the appointment of any relevant third party service provider under the relevant Transaction Documents and to replace them by a suitable successor. However, there is no guarantee or assurance that a suitable successor can be appointed or as to the financial terms on which they would agree to be appointed.

Credit risk of the parties to the Transaction Documents

The ability of the Issuer to make any principal and interest payments in respect of the Class A Notes depends, to a large extent, upon the ability of the parties to the Transaction Documents to perform their payment obligations towards the Issuer. In particular and without limiting the generality of the foregoing, the timely payment of amounts due in respect of the Class A Notes depends on (a) the ability of the Servicers to transfer to the Issuer any amount collected or recovered under in relation to the Purchased Home Loans, (b) the ability of the Sellers to meet their payment obligations under the Home Loans Purchase and Servicing Agreement, (c) the creditworthiness of the Account Bank and the Specially Dedicated Account Bank and (d) the ability of the Interest Rate Swap Counterparty to pay any Interest Rate Swap Net Amount when due to the Issuer.

Failure of any such party to make a payment as expected and when due may, if the mitigants included in the structure of the Transaction are insufficient, would affect the ability of the Issuer to make principal and interest payments in respect of the Class A Notes.

Defences

Notwithstanding the assignment by a Seller of the relevant Purchased Home Loans, related insurance claims under any Insurance Contract (as the case may be) or rights under any Home Loan Guarantee (as the case may be), the relevant Borrowers, insurance company or Home Loan Guarantor will be entitled to exercise against the Issuer:

(a) all rights of defence arising from their relationship with such Seller (*exceptions nées de ses rapports avec le cédant*), such as the granting of a grace period, the reduction of the debt or the rights to set-off mutual debts that are not closely connected (*l'octroi d'un terme, la remise de dette ou la compensation de dettes non connexes*), where such rights of defence arose prior to such notice of such assignment; and

(b) all rights of defence which are inherent to their respective debts (*exceptions inhérentes à la dette*), such as the nullity, the failure to perform, the rescission or the set-off of mutual debts that are closely connected (*la nullité, l'exception d'inéxecution, la résolution ou la compensation de dettes connexes*), regardless of whether such rights of defence arose before or after such notice of such assignment.

Servicing

No initial notification of assignment of Purchased Home Loans

The Home Loans Purchase and Servicing Agreement provides that the transfer of the Purchased Home Loans (and any Ancillary Rights) will be effected through an assignment of these rights by the relevant Seller to the Issuer pursuant to article L.214-169 of the French Monetary and Financial Code. The assignment will not be initially notified to the relevant Borrowers, and any relevant insurance company under any Insurance Contract and Home Loan Guarantor under any Home Loan Guarantee relating to the relevant Home Loans.

The assignment will only be notified to the relevant Borrowers, and any relevant insurance company under any Insurance Contract (if known) and Home Loan Guarantor under any Home Loan Guarantee relating to the relevant Home Loans, upon termination of the appointment of any Servicer (or from the occurrence of a Servicer Termination Event in respect of that Servicer if necessary to protect the interest of the Issuer) pursuant to the Home Loans Purchase and Servicing Agreement, and subject to the receipt from the Data Protection Agent of the Decryption Key in accordance with the terms of the Data Protection Agreement.

However, until a Borrower, any relevant insurance company under any Insurance Contract (if known) or Home Loan Guarantor is so notified, the latter can discharge its obligations by making payment to the relevant Servicer. Accordingly, the Issuer would be exposed, prior to such notification, to the credit risk of the Servicers in respect of any such payment.

Reliance on Servicing Procedures

The Servicers will carry out the administration, the servicing, the recovery and the enforcement of the Home Loans. Accordingly, the Noteholders are relying on the expertise, the business judgement, the practices, the capacity and the continued ability to perform of the Servicers in respect of the administration, the servicing, the recovery and the enforcement of claims against Borrowers, selling the properties and/or enforcing Ancillary Rights. Each Servicer is required to follow the Servicing Procedures, being those practices, policies and procedures consistently used by such Servicer with respect to comparable home loans that it services for itself or its affiliates.

However, there is no certainty and no representation and warranty is hereby given by any of the Management Company, the Custodian, the Sellers, the Servicers, the Transaction Agent, the Account Bank, the Cash Manager, the Paying Agent, the Listing Agent, the Data Protection Agent, the Specially Dedicated Account Bank, the Interest Rate Swap Counterparty, the Joint Arrangers or the Joint Lead Managers that such Servicing Procedures will be sufficient for the efficient and successful servicing, administration, recovery and enforcement of the Home Loans.

The Servicers may sub-contract to third parties certain of its tasks and obligations under, the Home Loans Purchase and Servicing Agreement, which may give rise to additional risks (although the Servicers shall remain liable for its obligations under the Home Loans Purchase and Servicing Agreement, notwithstanding such sub-contracting).

Furthermore, any substantial amendment to or substitution of the Servicing Procedures shall require the prior written approval of the Management Company and the Custodian. The Rating Agencies and the Data Protection Agent shall be informed by the Management Company of any such substantial amendment to or substitution of Servicing Procedures and an overview of any such substantial amendment to or substitution of Servicing Procedures will be provided in the next Investor Report available to investors.

Replacement of any Servicer

If any of the Banques Populaires or the Caisses d'Epargne, were to cease to act as Servicer (or if BPCE were to cease to act as Transaction Agent), the processing of payments on the Purchased Home Loans and information relating to their collection could be delayed as a result. Such delays may have a negative impact on the timely payment of amounts due to the Noteholders. However, a Commingling Reserve will be funded by the Reserves Provider to guarantee the full and timely payment by the Servicers of their payment obligations towards the Issuer under the Home Loans Purchase and Servicing Agreement (for further details on the commingling risk, see paragraph "Commingling" below).

In addition, pursuant to the provisions of article L. 214-172 of the French Monetary and Financial Code, the Borrowers will need to be informed of the change or transfer of all or part of the servicing of the Purchased Home Loans to another entity.

No back-up servicer has been appointed and there is no assurance that any substitute servicer could be found.

Furthermore, it should be noted that any substitute servicer is likely to charge fees on a basis different to that of the replaced Servicer.

The Noteholders have no right to give orders or direction to the Management Company in relation to the duties and/or appointment or removal of the Servicers. Such rights are vested solely in the Management Company.

Termination of servicing mandate

An administrator (*administrateur judicia*ire) or, as applicable, the liquidator (*liquidateur judiciaire*) will have the ability, pursuant to article L. 622-13 of the Commercial Code, to require that the Home Loans Purchase and Servicing Agreement be continued. However, to the extent that, after the commencement of French insolvency proceedings against any Seller, such Seller does not perform its obligations as Servicer under the Home Loans Purchase and Servicing Agreement, then the Management Company will be entitled to terminate such mandate pursuant to the provisions of the Home Loans Purchase and Servicing Agreement. In such case, the Management Company shall be entitled to instruct the relevant Borrowers to pay any amount owed under the Home Loans into any account specified by the Management Company in the notification.

Commingling

There is a risk that Available Collections be commingled with other assets of any of the Servicers upon its insolvency. This risk is addressed by the fact that the Borrowers will in such case be instructed by the Management Company (or any third party or substitute servicer) to pay any amount owed under the Purchased Home Loans into any account specified by the Management Company in the notification. However, the commingling risk will arise as long as the proceeds arising out of or in connection with the Purchased Home Loans will keep on being paid by the Borrowers to the concerned Servicer. This risk is mitigated as follows.

First, in accordance with articles L. 214-173 and D. 214-228 of the French Monetary and Financial Code, the Management Company, the Custodian, each Servicer and the Specially Dedicated Account Bank will enter into a Specially Dedicated Account Bank Agreement (Convention de Compte Spécialement Affecté) on or before the Issuer Establishment Date pursuant to which at least one account of such Servicer shall be identified in order to be operated as a Specially Dedicated Bank Account (compte spécialement affecté). As a consequence, all the amounts credited to any Specially Dedicated Bank Account shall benefit exclusively (*au bénéfice exclusif*) to the Issuer and the other creditors of the Servicer in the name of which such Specially Dedicated Bank Account has been opened shall not be entitled to claim payment over the sums credited to such Specially Dedicated Bank Account, even if such Servicer becomes subject to a proceeding governed by Book VI of the French Commercial Code or any equivalent procedure governed by any foreign law (*procédure équivalente sur le fondement d'un droit étranger*). Subject to and in accordance with the provisions of the Home Loans Purchase and Servicing Agreement, each Servicer shall in an efficient and timely manner collect, transfer and credit directly or indirectly to its Specially Dedicated Bank Account(s) all Available Collections received in respect of the Purchased Home Loans transferred by it to the Issuer, provided that each Servicer has undertaken vis-à-vis the Issuer:

(i) that all Home Loans instalments paid by the Borrowers by direct debit shall be either (1) credited directly to its Specially Dedicated Bank Account(s), provided that such amounts will include any amount of insurance premium or services fees paid by the relevant Borrower, as applicable or (2) credited to another account of such Servicer and transferred on the same day to its Specially Dedicated Bank Account(s), provided that such amounts shall not include any amount of insurance premium or services fees paid by the relevant Borrower, as applicable; and

(ii) to transfer to its Specially Dedicated Bank Account(s), as soon as possible and at the latest on the Business Day following receipt, any other amount of Available Collections standing to the credit of any of its bank

accounts, provided that such amounts shall not include any amount of insurance premium or services fees paid by the relevant Debtor, as applicable.

Under the Specially Dedicated Account Bank Agreement to which it is a party and under the Home Loans Purchase and Servicing Agreement, each Servicer has undertaken to transfer to the General Account, on each Settlement Date, any amount of Available Collections collected under any Purchased Home Loan (including its Ancillary Rights) during the immediately preceding Quarterly Collection Period and standing to the credit of its Specially Dedicated Bank Account(s) as of such date.

The efficiency of the Specially Dedicated Bank Account mechanism will however be dependent upon the fact that the Specially Dedicated Account Bank agrees to comply with its undertakings to follow solely the instructions of the Management Company and cease to comply with the instructions of any Servicer following receipt of a notification to that effect. Pursuant to each Specially Dedicated Account Bank Agreement, the Specially Dedicated Account Bank shall also be entitled to close the relevant Specially Dedicated Account if it is under a legal or regulatory obligation to do so. In such case (i) the Specially Dedicated Account Bank shall promptly inform the Servicers, the Management Company, the Custodian and the Rating Agencies and transfer all sums standing upon closing to the credit of the Specially Dedicated Bank Account to the General Account and (ii) each Servicer shall promptly open a new specially dedicated account (a) in the books of a new specially dedicated account bank which shall have the Account Bank Required Ratings and (b) on such terms as are satisfactory to the Management Company and the Custodian.

In any case, the part of the Available Collections not credited directly to the Specially Dedicated Bank Accounts but transiting via other accounts of the Servicers will not be protected against the commingling risk by the Specially Dedicated Bank Account mechanism, as it is highly likely that an administrator (*administrateur judiciaire*) or, as applicable, liquidator (*liquidateur judiciaire*) of any Servicer will stop transferring any such amounts to its Specially Dedicated Bank Account(s).

To further mitigate the commingling risk, the Reserves Provider will, in accordance with the Reserves Cash Deposits Agreement, if the Management Company determines that the Commingling Reserve needs to be adjusted in order to comply with the Commingling Reserve Required Amount, credit the Commingling Reserve Account (A) within thirty (30) calendar days following the date on which the Specially Dedicated Account Bank is downgraded below the Account Bank Required Ratings or BPCE is downgraded below the ratings indicated in the definition of Level 1 Commingling Reserve Required Amount (as applicable) or (B) thereafter on the Settlement Date following the Calculation Date on which the Management Company makes such determination, with the necessary amounts in order for the credit standing to the Commingling Reserve Account to be at least equal to the Commingling Reserve Required Amount applicable on that date. In addition, the Commingling Reserve Account will cease to be adjusted downwards to repay to the Reserves Provider the excess of the Commingling Reserve over the Commingling Reserve Required Amount, in the event that, until the earlier of the date on which all Class A Notes have been redeemed in full and the Issuer Liquidation Date, a Servicer Termination Event referred to in paragraph (g) of the definition of "Servicer Termination Event" has occurred and the Management Company has not received since then a Master Servicer Report on any Subsequent Information Date.

It should be noted that neither any insurance premium nor any services fees related to any Purchased Home Loans are being assigned to the Issuer and accordingly the Issuer will have no right whatsoever on amounts collected in respect of any such insurance premium or services fees, notwithstanding the fact that any such amounts are being credited to any Specially Dedicated Bank Account.

Reliance on Servicers for the production of Individual Servicer Reports and on the Transaction Agent for the production of Master Servicer Reports

In order for the Management Company to be aware of the amounts of Outstanding Principal Balance of the Performing Home Loans and Available Collections applicable for each Collection Period, which amounts are necessary to make payments in accordance with the relevant Priority of Payments applicable on any Payment Date and more generally, in order to gather information in relation to the Home Loans, the Management Company relies on the Master Servicer Reports provided to it on each Information Date by the Transaction Agent, prepared on the

basis of each Individual Servicer Report received by the Transaction Agent from the Servicers on each Reporting Date.

In the event of a Master Servicer Report Delivery Failure (i.e. if the Management Company does not receive, or there is a delay in the receipt of, any of the three (3) Master Servicer Reports in respect of the Quarterly Collection Period preceding a Calculation Date), the Management Company will make any calculations that are necessary to make payments in accordance with the relevant Priority of Payments applicable on the following Payment Date, on the basis of the latest information received from the Servicers or the Transaction Agent, as applicable. As a consequence, on any Payment Date, Noteholders may receive less payments of principal than what they would otherwise have received, if the Master Servicer Report Delivery Failure occurs immediately following a period in which the Available Collections were particularly low.

To mitigate this risk, (i) determinations are made in that case on the basis of the last three (3) available Master Servicer Reports delivered to the Management Company and not only the last one and (ii) in the event that on three (3) consecutive Information Dates, the Transaction Agent has not provided the Management Company, with a copy to the Custodian, with a Master Servicer Report and except if all Servicers have provided the Management Company directly, with a copy to the Custodian, with their Individual Servicer Reports, a Master Servicer Termination Event shall occur.

Additionally, upon receipt of the relevant Master Servicer Report, the Management Company shall reconcile the calculations and the actual collections, determine the applicable regularisation amount and adjust the amounts to be paid to the Class A Noteholders, the Class B Noteholders, the Residual Unitholders and the Interest Rate Swap Counterparty (as the case may be) on the next applicable Payment Date(s).

Notification of the Borrowers and ability to obtain the Decryption Key

For the purpose of accessing personal data related to the Borrowers (such as, *inter alia*, their names and addresses) provided in encrypted form to the Management Company in the Encrypted Date File and notifying the relevant Borrowers (as the case may be), the Management Company will need the Decryption Key, which will not be in its possession but under the control of BNP Paribas Securities Services, in its capacity as Data Protection Agent if it has not been replaced. Accordingly, there cannot be any assurance, in particular, as to:

(x) the possibility to obtain in practice such Decryption Key and to read the relevant data; and

(y) on the ability, as the case may be, of BNP Paribas Securities Services to provide the Decryption Key if it faces difficulties; and

(z) the ability of the Management Company (or any person appointed by it) to obtain such data in time for it to validly implement the procedure of notification of the Borrowers (as the case may be) before the corresponding Home Loans become due and payable (and to give the appropriate payment instructions to the Borrowers).

As a result, the notification to the Borrowers of the assignment to the Issuer of the Home Loans in order to obtain the direct payment of sums due to the Issuer under the Home Loans may be considerably delayed. Until such notification has occurred, the Borrowers may validly pay with discharging effect to the Sellers or enter into any other transaction with regard to the Home Loans, which may affect the rights of the Issuer under the Home Loans.

That being said, it is worth noting that, pursuant to the Data Protection Agreement: in relation to paragraph (x) above, the Management Company shall on the Issuer Establishment Date and on or about each anniversary date of the Issuer Establishment Date and may, at any time, upon reasonable request, request the Data Protection Agent to test the decryption of each Encrypted Data File and, notably, test if such Encrypted Data File is capable of being decrypted and, in relation to paragraph (y) above, if BNP Paribas Securities Services faces difficulties and a Data Protection Agent Termination Event occurs, the Management Company shall, as soon as possible, terminate the appointment of the Data Protection Agent and appoint a new data protection agent.

Potential Conflicts of Interest of the parties

Conflicts of interest may arise as a result of various factors involving in particular the Issuer, the Management Company, the Custodian, the Account Bank, the Cash Manager, the Paying Agent, the Listing Agent, the Data Protection Agent, the Specially Dedicated Account Bank, the Sellers, the Servicers, the Transaction Agent, the Borrowers, the Interest Rate Swap Counterparty, the Joint Arrangers, the Joint Lead Managers, their respective affiliates and the other parties named herein.

For example (but without limitation), in France, any Servicer may hold and/or service claims against the Borrowers other than the Purchased Home Loans. The interests or obligations of such Servicer in its capacities with respect to such other claims may in certain aspects conflict with the interests of the Noteholders. In this respect, it should however be noted that:

(a) the payment of the remaining excess cash of the Issuer after payment of all other amounts by the Issuer, together with the repayment of the excess of (i) the amount standing to the credit of the General Reserve Account (if any) over (ii) the General Reserve Required Amount, pursuant to the applicable Priority of Payments, to the Reserves Provider can be considered as economic incentives for the Reserves Provider to comply with its duties under the Transaction Documents;

(b) pursuant to the Home Loans Purchase and Servicing Agreement:

(i) each Servicer has undertaken to the Management Company and the Custodian that it shall devote to the performance of its obligations at least the same amount of time and attention and overall diligence that it would normally exercise for the administration, recovery and collection of its own assets similar to the Purchased Home Loans, with the due care that would be exercised by a prudent and informed manager and, more generally, with the standard of care that it applies for its own business; and

(ii) in the event the Issuer and any Seller are respectively the creditors of a same Borrower, and in the absence of any specific instructions from the Borrower in respect of a payment made by the said Borrower to the creditors, such Servicer has undertaken to allocate the amounts paid by the Borrower between the receivables owed to it (or any other third party for which it is acting as agent) and the receivables owed to the Issuer, in accordance with the practices and allocation rules it would usually apply for its own receivables.

BPCE or related entities in the BPCE Group are involved in this transaction under the following capacities: Joint Arrangers, Joint Lead Manager, Custodian, Sellers, Servicers, Account Bank, Specially Dedicated Account Bank, Cash Manager, Transaction Agent, Reserves Provider, Interest Rate Swap Counterparty and Home Loan Guarantors. Conflicts of interest may exist or may arise as a consequence of entities of the BPCE Group having different roles in this transaction, although some of these entities are organised in such a manner as to avoid any potential conflict of interest.

In addition, pursuant to Article 318-13 of the AMF General Regulations, the Management Company shall maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to identify, anticipate, manage and monitor conflicts of interest in order to prevent them from adversely affecting the interests of the Issuer and the Noteholders and the Residual Unitholders.

All of the aforementioned parties may engage in commercial relationships, in particular, be lender, provide general banking, investment and other financial services to the Borrowers and other parties and take part in other securitisation transactions. In such relationships the aforementioned parties are not obliged to take into account the interests of the Noteholders. Accordingly, because of these relationships, potential conflicts of interest may arise out of the transaction.

4. RISKS RELATING TO THE CLASS A NOTES

The Class A Notes may not be suitable for all investors

The Class A Notes may involve substantial risks and are suitable only for sophisticated investors who possess knowledge and experience in structured finance investments and have the necessary background and

resources to evaluate the risks and the merits of an investment in the Class A Notes. Each potential investor in the Class A Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Class A Notes, the merits and risks of investing in the Class A Notes and the information contained or referred to in this Prospectus;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Class A Notes and the impact the Class A Notes will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Class A Notes (up to a total loss of the investment) without having to prematurely liquidate the investment, 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;

(d) be able to read and understand the relevant English and, when relevant, French terminology employed in this Prospectus;

(e) understand thoroughly the terms of the Class A Notes and be familiar with the behaviour of any indices and financial markets; and

(f) 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.

Furthermore, each potential investor should base its investment decision on its own and independent investigation and on the advice of its professional advisors (with whom the investor may deem it necessary to consult), be able to assess if an investment in the Notes (i) is in compliance with its financial requirements, its targets and situation (or if it is acquiring the Notes in a fiduciary capacity, those of the beneficiary); (ii) is in compliance with its principles for investments, guidelines for or restrictions on investments (regardless of whether it acquires the Class A Notes for itself or as a trustee); and (iii) is an appropriate investment for itself (or for any beneficiary if acting as a trustee), notwithstanding the risks of such investment.

Neither the Issuer, the Management Company, the Custodian, the Account Bank, the Cash Manager, the Paying Agent, the Listing Agent, the Data Protection Agent, the Specially Dedicated Account Bank, the Sellers, the Servicers, the Transaction Agent, the Interest Rate Swap Counterparty, the Joint Arrangers, the Joint Lead Managers nor any of their respective affiliates nor any other party has or assumes any responsibility for the adequacy or lawfulness of the acquisition of the Class A Notes by a prospective investor, 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.

Legality of Purchase

None of the Issuer, the Management Company, the Custodian, the Account Bank, the Cash Manager, the Paying Agent, the Listing Agent, the Data Protection Agent, the Specially Dedicated Account Bank, the Sellers, the Servicers, the Transaction Agent, the Interest Rate Swap Counterparty, the Joint Arrangers, the Joint Lead Managers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Class A Notes by a prospective investor, 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, or as to the proper characterisation that the Class A Notes are or may be given for legal, tax, accounting, capital adequacy treatment or other purposes or as to the ability of particular investors to purchase the Class A Notes under or in accordance with any applicable legal and regulatory (or other) provisions in any jurisdiction where the Class A Notes would be subscribed or acquired by any investor. All persons and institutions whose investment activities are subject to legal investments laws and regulations, regulatory capital requirements, capital adequacy rules or review by regulatory authorities should make their own judgement in determining whether and to what extent the Class A Notes constitute legal investments or are subject to investment,

capital or other restrictions. Such considerations might restrict, if applicable, the market liquidity of the Class A Notes.

Forecasts and Estimates

Estimates of the weighted average life of the Class A Notes contained in this Prospectus, together with any projections, forecasts and estimates included in this Prospectus are supplied for information only and are forward-looking statements. Such projections, forecasts and estimates are subject to risks, uncertainties and other factors and it can be expected that some or all of the assumptions underlying them may differ or may prove substantially different from the actual realised figures. Consequently, the actual results might differ from the projections and such differences might be material.

Moreover, past financial performance should not be considered as a reliable indicator of future performance and prospective purchasers of the Class A Notes should be cautioned that any forward-looking statements are not guarantees of performance and that investing in the Class A Notes involves risks and uncertainties, many of which are beyond the control of the Issuer. None of the Management Company, the Custodian, the Sellers, the Servicers, the Transaction Agent, the Account Bank, the Cash Manager, the Paying Agent, the Listing Agent, the Data Protection Agent, the Specially Dedicated Account Bank, the Interest Rate Swap Counterparty, the Joint Arrangers and the Joint Lead Managers has attempted to verify any such statements, nor does it make any representation, express or implied, with respect thereto.

Rights to payment that are senior to or *pari passu* with payments on the Class A Notes

Certain amounts payable by the Issuer to third parties such as the Issuer, the Management Company, the Custodian, the Account Bank, the Cash Manager, the Paying Agent, the Listing Agent, the Data Protection Agent, the Specially Dedicated Account Bank, the Servicers, the Transaction Agent, the Interest Rate Swap Counterparty, the Joint Lead Managers rank in priority to, or *pari passu* with, payments of interest and, as applicable, principal on the Class A Notes. The payment of such amounts will reduce the amount available to the Issuer to make payments of interest and, as applicable, principal on the Class A Notes.

No assurances can be given regarding the amount of any such reduction or its impact on the Class A Notes.

Credit enhancement and liquidity support mechanisms provide only limited protection

Credit enhancement and liquidity mechanisms established in respect of the Issuer through the issue of the Class B Notes and the Residual Units, the constitution of the General Reserve, the possibility to use principal to pay interest on the Class A Notes due to the combined nature of the Priority of Payments and the excess margin (a part of which is reliant on the Interest Rate Swap Counterparty paying the Interest Rate Swap Net Amounts, as the case may be) provide only limited protection to the Class A Noteholders. Although the credit enhancement and the General Reserve is intended to reduce the effect of delinquent payments or losses incurred in respect of the Purchased Home Loans, the amount of such liquidity support and credit enhancement is limited and, if reduced to zero (0), the Class A Noteholders will suffer from late payments or losses. As a consequence, the credit enhancement mechanisms might not be sufficient in the event of late payments or will directly bear the risk of loss in respect of interest and principal.

No default interest

In the event that on any applicable Payment Date, the amounts available to make payments of interest or principal in respect of the Class A Notes to the Issuer after payment of any amounts ranking in priority, are insufficient to pay in full any amount of interest or principal which is then due and payable in respect of the Class A Notes, such unpaid amount will not accrue default interest until full payment.

Such risk is mitigated by the fact that the failure by the Issuer to pay any amount of interest due and payable on the Class A Notes in accordance with the Conditions, where non-payment continues for a period of five (5) Business Days, will constitute an Accelerated Amortisation Event.

However, no assurance can be given that the Issuer will have sufficient resources on a Payment Date or on the Final Legal Maturity Date to pay any amount of deferred interest calculated as being due on the Class A Notes.

Market Disruption

The rate of interest in respect of the Class A Notes for each Interest Period contains provisions for the calculation of such underlying rates based on rates given by various market information sources and Condition 3 (Interest) contains an alternative method of calculating the underlying rate should any of those market information sources, including the EURIBOR, be unavailable. The market information sources might become unavailable for various reasons, including suspensions or limitations on trading, events which affect or impair the ability of market participants in general, or early closure of market institutions. These could be caused by *force majeure* events impacting the publishers of the market information sources, market institutions or market participants in general, or unusual trading, or matters such as currency changes.

The outcome of such alternative determination method cannot be foreseen and could be materially different, and possibly result in the Class A Noteholders received a materially different, possibly lower, interest amount than what would have been received had the EURIBOR been available.

Potential Reform of EURIBOR determinations

Financial market reference rates and their calculation and determination procedures have come under close public scrutiny in recent years. Starting in 2009, authorities in jurisdictions such as the European Union, the United States, Japan and others investigated cases of alleged misconduct around the rate-setting of LIBOR, EURIBOR and other reference rates. A number of initiatives to reform reference rate setting have been launched as a consequence by the regulatory and supervisory communities as well as the financial markets. These include the Final Report of ESMA-EBA on Principles for Benchmark-Setting Processes in the EU published in June 2013 and the European Commission Proposal for a Regulation on Indices used as Benchmarks in Financial Instruments and Financial Contracts of 18 September 2013.

In June 2016, the European Union adopted Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**"). The Benchmark Regulation entered into force on 20 June 2016 with the majority of its provisions applying from 1 January 2018. It provides that administrators of benchmarks in the European Union generally must be authorized by or registered with regulators no later than 1 January 2020, and that they must comply with a code of conduct designed primarily to ensure reliability of input data, governing issues such as conflicts of interest, internal controls and benchmark methodologies. The Benchmark Regulation could have a material impact on the Notes, in particular, if the methodology or other terms of EURIBOR or any other applicable reference rate are changed in order to comply with the requirements of the Benchmark Regulation.

Furthermore, EURIBOR and other interest rates or other types of rates and indices which are deemed to be "benchmarks" are subject to ongoing national and international regulatory reforms. Some of these reforms are already effective while others are still to be implemented. Following the implementation of any such reforms, the manner of the administration of such benchmarks may change with the result that they may perform differently than in the past, or their calculation method may be revised, or they could be eliminated entirely, or there could be other consequences that cannot be predicted.

It is not possible to ascertain as at the date of this Prospectus what will be the impact of these initiatives on the determination of EURIBOR in the future, how such changes may impact the determination of EURIBOR for the purposes of the Class A Notes and the Interest Rate Swap Agreement, whether this will result in an increase or decrease in EURIBOR rates or whether such changes will have an adverse impact on the liquidity or the market value of the Class A Notes.

In addition, the disappearance of EURIBOR or any change in its manner of administration could affect the ability of the Issuer to meet its obligations under the Class A Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Class A Notes, could potentially lead to the Terms and Conditions of the Notes being adjusted or otherwise impacted depending on the particular benchmark and the

applicable Terms and Conditions of the Notes, to an early redemption of the Notes, the application of a fixed rate based on the rate which applied in the previous period when EURIBOR was available or to the Notes being delisted.

Pursuant to the Terms and Conditions of the Notes, if a EURIBOR Discontinuity Event occurs, the Management will, as soon as reasonably practicable and after discussion with the Transaction Agent, follow the Reference Rate Determination Process and appoint a Rate Determination Agent, who will determine a replacement rate for the EURIBOR as well as any necessary changes to the business day convention, the definition of business day, the interest rate determination date, the day count fraction and any method for calculating the replacement rate, including any adjustment factor needed to make such replacement rate comparable to EURIBOR. Any of the foregoing determinations or actions by the Rate Determination Agent (or, as the case may be, the Alternative Rate Determination Agent or the Final Rate Determination Agent), could result in adverse consequences for the rate of interest of the Class A Notes. Any such consequences could have adverse effect on the value and marketability of, and return on, such Notes. To mitigate this risk, the Rating Agencies shall be notified of the contemplated Replacement Rate, Alternative Replacement Rate, Final Replacement Rate, as applicable, concomitantly with the notice made to the Class A Noteholders and referred to as the Replacement Rate Notice, Alternative Replacement Rate Notice or Final Replacement Rate, respectively and the replacement of the EURIBOR by such replacement rate shall not result, in the reasonable opinion of the Management Company, in the downgrading or the withdrawal of any of the ratings of the Class A Notes, or that the said replacement limits such downgrading.

Interest rate risk – Interest rate hedging

The Purchased Home Loans bear a fixed interest rate but the Issuer will pay interest on the Class A Notes issued in connection with its acquisition of such Purchased Home Loans based on the EURIBOR. The Issuer will hedge this interest rate risk by entering into an Interest Rate Swap Agreement with the Interest Rate Swap Counterparty. The floating rate payments the Issuer will receive under the Interest Rate Swap Agreement are calculated, among other things, with respect to the Notional Amount on a Payment Date which is equal to the lesser of (i) the aggregate of the Principal Amount Outstanding of the Class A Notes on the immediately preceding Payment Date after giving effect to the applicable Priority of Payments (or the Issue Date in respect of the first Payment Date) as determined by the Management Company and (ii) the Outstanding Principal Balance of the Performing Home Loans on the Determination Date immediately preceding such Payment Date (or in case of the first Payment Date, the Selection Date).

During periods in which floating rate payments payable by the Interest Rate Swap Counterparty under the Interest Rate Swap Agreement are greater than the fixed rate payments payable by the Issuer under the Interest Rate Swap Agreement, the Issuer will be more dependent on receiving net payments from the Interest Rate Swap Counterparty in order to make interest payments on the Class A Notes. If in such a period the Interest Rate Swap Counterparty fails to pay any amounts when due under the Interest Rate Swap Agreement, the Available Distribution Amount may be insufficient to make the required payments on the Class A Notes and the Class A Noteholders may experience delays and/or reductions in the interest and principal payments on the Class A Notes.

During periods in which floating rate payments payable by the Interest Rate Swap Counterparty under the Interest Rate Swap Agreement are less than the fixed rate payments payable by the Issuer under the Interest Rate Swap Agreement, the Issuer will be obliged under the Interest Rate Swap Agreement to make a net payment to the Interest Rate Swap Counterparty. The Interest Rate Swap Counterparty's claims for payment (including certain termination payments required to be made by the Issuer upon a termination of the Interest Rate Swap Agreement) under the Interest Rate Swap Agreement will rank higher in priority than payments on the Class A Notes. If a net payment under the Interest Rate Swap Agreement is due to the Interest Rate Swap Counterparty on a Payment Date, the then Available Distribution Amount may be insufficient to make such net payment to the Interest Rate Swap Counterparty and, in turn, interest and principal payments to the Class A Noteholders, so that the Noteholders may experience delays and/or reductions in the interest and principal payments on the Class A Notes.

The Interest Rate Swap Counterparty may terminate the Interest Rate Swap Agreement upon the occurrence of, amongst others, the following events: (a) if any amendment to the Transaction Documents is made without the prior consent of the Interest Rate Swap Counterparty, (i) where such amendment has or could have a material adverse effect on the interests of the Interest Rate Swap Counterparty under the Interest Rate Swap Agreement or under the relevant Transaction Documents or (ii) if any Funds Allocation Rules are amended or (b) if the Class A Notes are to be redeemed early in accordance with Condition 4(f), Condition 4(g) or Condition 4(h).

The Management Company may terminate the Interest Rate Swap Agreement if, among other things, the Interest Rate Swap Counterparty becomes insolvent, or fails to make a payment under the Interest Rate Swap Agreement when due and such failure is not remedied after the notice of such failure being given, and if performance of the Interest Rate Swap Agreement becomes illegal (see Section "DESCRIPTION OF THE INTEREST RATE SWAP AGREEMENT").

The Issuer is exposed to the risk that the Interest Rate Swap Counterparty may become insolvent. In the event that the Interest Rate Swap Counterparty suffers a rating downgrade below the required ratings, the Issuer may terminate any relevant Interest Rate Swap Agreement if the Interest Rate Swap Counterparty fails, within a set period of time, to take certain actions intended to mitigate the effects of such downgrade. Such actions may include the Interest Rate Swap Counterparty collateralising its obligations under the Interest Rate Swap Agreement, transferring its obligations to a replacement interest rate swap counterparty having the required ratings or procuring that an entity with the required ratings becomes a co-obligor with or guarantor of the Interest Rate Swap Counterparty. However in the event the Interest Rate Swap Counterparty is downgraded below the required ratings there can be no assurance that a co-obligor, guarantor or replacement interest rate swap counterparty will be found or that the amount of collateral provided will be sufficient to meet the Interest Rate Swap Counterparty's obligations (see the Section "DESCRIPTION OF THE INTEREST RATE SWAP AGREEMENT").

In the event that the Interest Rate Swap Agreement is terminated by either party, then, depending on the total losses and costs incurred in connection with the termination of the swap (including but not limited to loss of bargain, cost of funding and losses and costs incurred as a result of termination, liquidating, obtaining or re-establishing any hedge or related trading position), a termination payment may be due to the Issuer or to the Interest Rate Swap Counterparty. Any such termination payment could be substantial.

In the event that the Interest Rate Swap Agreement is terminated by either party or the Interest Rate Swap Counterparty becomes insolvent, the Issuer will endeavour but may not be able to enter into a replacement interest rate swap agreement with a replacement interest rate swap counterparty immediately or at a later date. If a replacement interest rate swap counterparty cannot be contracted, the Issuer will no longer be hedged against interest rate risk and the amount available to pay principal of and interest on the Class A Notes will be reduced if the floating rate applicable to the Class A Notes exceeds the fixed rate the Issuer would have been required to pay the Interest Rate Swap Counterparty under the terminated Interest Rate Swap Agreement. In these circumstances, the Available Distribution Amount may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Notes.

Substitution upon tax event in relation to the Interest Rate Swap Transaction

If the Issuer must at any time deduct or withhold any amount for or on account of any tax from any sum payable by the Issuer under the Interest Rate Swap Agreement, the Issuer shall not be liable to pay to the Interest Rate Swap Counterparty any such additional amount. If the Interest Rate Swap Counterparty must at any time deduct or withhold any amount for or on account of any tax from any sum payable to the Issuer under the Interest Rate Swap Agreement, the Interest Rate Swap Counterparty shall at the same time pay such additional amount as is necessary to ensure that the Issuer to which that sum is due receives a sum equal to the Interest Rate Swap Net Amount it would have received in the absence of any deduction or withholding. In such event, the Interest Rate Swap Counterparty shall be entitled to terminate the Interest Rate Swap Agreement only (i) after the parties have attempted in good faith for a period of thirty (30) days to find a mutually satisfactory solution for avoiding such deduction or withholding and (ii) in order to substitute any authorised interest rate swap counterparty(ies) having at least the Interest Rate Swap Counterparty Required Ratings.

Risk of early redemption in full – Impact on yield

The Management Company shall be entitled to declare the dissolution of the Issuer and liquidate the Issuer in one single transaction in case of the occurrence of any of the following events (each an "**Issuer Liquidation Event**"):

(a) the liquidation is in the interest of the Noteholders and the Residual Unitholders; or

(b) the Notes and the Residual Units issued by the Issuer are held by a single holder and such holder requests the liquidation of the Issuer; or

(c) the Notes and the Residual Units issued by the Issuer are held solely by the Sellers and the Management Company receives a request in writing by the Sellers (or the Transaction Agent on their behalf), acting unanimously, to liquidate the Issuer; or

(d) at any time, the Outstanding Principal Balance (*capital restant dû*) of the undue (*non échues*) Performing Home Loans held by the Issuer falls below 10 per cent. of the maximum aggregate of the Outstanding Principal Balance (*capital restant dû*) of the undue (*non échues*) Performing Home Loans recorded since the Issuer Establishment Date and the Management Company receives a request in writing by the Sellers (or the Transaction Agent on their behalf), acting unanimously, to liquidate the Issuer; or

(e) after the occurrence of a Tax Event, a general assembly resolution of the Class A Noteholders is passed or a decision of the sole holder of the Class A Notes is made, as the case may be, requesting the liquidation of the Issuer; or

(f) on the First Optional Redemption Date or any of the three (3) subsequent Payment Dates (only) occurring after such First Optional Redemption Date the Management Company receives a request in writing by the Sellers (or the Transaction Agent on their behalf), acting unanimously, to liquidate the Issuer.

If any of the above events occur, the Notes may be redeemed earlier than would otherwise have been the case. This, in combination with an issue price on the Notes above par, may have an adverse effect on the investment yield of the Notes as compared with the expectations of investors.

Risk that the Class A Notes might not be redeemed on the First Optional Redemption Date or any of the three subsequent Payment Dates

The Class A Notes may not be redeemed on the First Optional Redemption Date or any of the three subsequent Payment Dates if the Sellers or any other authorised purchaser do not agree with the Management Company, according to the provisions of the Home Loans Purchase and Servicing Agreement for the re-assignment of all Purchased Home Loans then held by the Issuer.

If this occurs, the average maturity of the Class A Notes will be longer than expected and is estimated to be 4.31 years, based on the hypothesis of a 10% CPR, as mentioned in "Weighted average life of the Class A Notes" below.

Investors who had anticipated that the Class A Notes would be redeemed on the First Optional Redemption Date or any of the three subsequent Payment Dates will not receive redemption proceeds on the date they had anticipated and may be locked into holding their investment in the Class A Notes for a longer duration than they had anticipated. The fact that the Class A Notes are not redeemed on any of these Payment Dates may have an adverse effect on the market value and/or liquidity of the Class A Notes. However, this is mitigated by the fact that the Class A Margin after the First Optional Redemption Date will be twice the level of the initial Class A Margin and that investors would as a consequence receive greater interest payments after the First Optional Redemption Date in the event that the Class A Notes would not be redeemed on the First Optional Redemption Date or any of the three (3) subsequent Payment Dates.

For further details, please refer to "LIQUIDATION OF THE ISSUER, CLEAN-UP OFFER AND RE-PURCHASE OF THE HOME LOANS" and "Condition 4 (Redemption) - Early redemption in full in case of Tax Event".

No Liquidity ensured on the Secondary Market – Selling Restrictions

No assurance can be given as to the development of a secondary market for the Class A Notes despite the fact that application has been made to the *Autorité des Marchés Financiers* in its capacity as competent authority under French law for the Class A Notes issued from time to time under the Transaction to be listed on the Paris Stock Exchange (Euronext Paris) or that, if a secondary market does develop, such market will continue for so

long as the Notes remain outstanding or will provide Noteholders with sufficient liquidity. The absence or insufficiency of liquidity in the secondary market is likely to result in fluctuations of the market value of the Notes.

Recent events continuing at the time of this Prospectus in the global financial markets have caused a significant reduction in liquidity in the secondary market for asset-backed securities and increased investor yield requirements for those loans and securities. These conditions may continue or worsen in the future.

Limited liquidity in the secondary market may have an adverse effect on the market value of mortgage-backed securities, in particular, those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. As a consequence, the market value of the Class A Notes may fluctuate and any sale of Class A Notes by Noteholders in any secondary market which may develop may be at a discount to the original purchase price of such Class A Notes.

Furthermore, the Class A Notes are subject to certain selling and transfer restrictions, which may further limit their liquidity (see "SUBSCRIPTION AND SALE").

Exchange rates and exchange controls

The Issuer will pay principal and interest, if any, on the Class A Notes in euros. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit other than euros. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro 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 euro would decrease (1) the investor's currency-equivalent yield on the Class A Notes, (2) the investor's currency-equivalent value of the principal payable on the Class A Notes and (3) the investor's currency-equivalent market value of the Class A Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate and/or restrict the convertibility or transferability of currencies within and/or outside of a particular jurisdiction. As a result, investors may receive less interest or principal than expected, or receive it later than expected or not at all.

Return on investment in Notes will be affected by charges incurred by investors

An investor's total return on an investment in Notes will be affected by the level of fees charged to the investor, including, in relation to Class A Notes, fees charged to the investor as a result of the Class A Notes being held in a central securities depository. Such fees may include charges for opening accounts, transfers of securities, custody services and fees for payment of principal, interest or other sums due under the terms of the Class A Notes. Investors should carefully investigate these fees before making their investment decision.

Ratings of the Class A Notes

The ratings assigned to the Class A Notes by the Rating Agencies take into consideration the current structural, tax, legal and Issuer-related aspects associated with the Class A Notes and the underlying portfolio of Purchased Home Loans and the attached Ancillary Rights, as well as other relevant features of the structure, including, *inter alia*, the credit quality of the Account Bank, the Paying Agent, the Sellers, the Specially Dedicated Account Bank, the Interest Rate Swap Counterparty and the Servicers. The credit ratings assigned to the Class A Notes by the Rating Agencies reflect their assessment of the likelihood of the full and timely payments of interest and principal due on the Class A Notes on each Payment Date., and do not address the possibility that the Noteholders might suffer a lower than expected yield due to prepayments.

Each Rating Agency's rating reflects only the view of that Rating Agency only.

Rating organisations other than the Rating Agencies may seek to rate the Class A Notes and, if such "shadow ratings" or "unsolicited ratings" are lower than the comparable ratings assigned to the Notes by the Rating Agencies, such shadow or unsolicited ratings could have an adverse effect on the value of the Class A Notes.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organisation. The ratings assigned to the Class A Notes (if any) should be evaluated independently from similar ratings on other types of securities. There is no assurance that the ratings will continue for any period of time or that they will not be lowered, reviewed, suspended or withdrawn by the Rating Agencies as a result of changes in or unavailability of information or if, in the judgment of the Rating Agencies, circumstances so warrant. Future events, including events affecting the Purchased Home Loans, any of the Account Bank, the Paying Agent, the Sellers and the Servicers could have an adverse effect on the rating of the Class A Notes.

If the ratings initially assigned to the Class A Notes by the Rating Agencies are subsequently withdrawn, lowered or qualified for any reason, no person or entity is obliged to provide any additional support or credit enhancement to the Class A Notes and the market value of the Class A Notes may be adversely affected and/or the ability of the holders of Class A Notes to sell such Class A Notes may be adversely affected.

Where, after the Issue Date, a particular matter involves the Rating Agencies being requested to confirm the then-current ratings of the Class A Notes, the Rating Agencies, at their sole discretion, may or may not give such confirmation and are not under any obligation to provide any written or other confirmation. It should be noted that, depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that the Rating Agencies cannot provide their confirmation in the time available or at all and they will not be held responsible for the consequences thereof. Any confirmation received from the Rating Agencies, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time and in the context of cumulative changes to the transaction of which the Notes and the Residual Units form part since the Issue Date. There can be no assurance that after any such confirmation any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the Rating Agencies for any of the reasons specified above in relation to the original ratings of the Class A Notes. As such, a confirmation of the ratings of the Class A Notes by the Rating Agencies is not a representation or warranty that, as a result of a particular matter, the interest and principal due under the Notes will be paid or repaid in full and when due.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (ESMA) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Liability under the Notes

The Notes are the obligations of the Issuer only and will not be the obligations of, or guaranteed by, any other entity. In particular, the Notes will not be the obligations of, or guaranteed by, the Management Company, the Custodian, the Account Bank, the Cash Manager, the Paying Agent, the Listing Agent, the Data Protection Agent, the Specially Dedicated Account Bank, the Interest Rate Swap Counterparty, the Joint Arrangers, the Joint Lead Managers, the Sellers, the Servicers, the Transaction Agent or any of their respective affiliates and/or employees or agents and none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due under the Notes.

Conflicting interest amongst classes of Notes and with Residual Units

In accordance with and subject to the Priorities of Payments, (i) the Class A Notes are senior to the Class B Notes and to the Residual Units and (ii) the Class B Notes are senior to the Residual Units.

Notwithstanding the above, as a general principle, the Management Company in its capacity as portfolio management company of securitisation vehicles (*société de gestion de portefeuille habilitée à gérer des organismes de titrisation*) shall, under all circumstances, act in the best interest of the Issuer and the Noteholders and Residual Unitholders, in accordance with the provisions of the Issuer Regulations. Accordingly, the Management Company may not agree to an amendment or a waiver of a Transaction Document if the Management Company considers, in its discretion (after consulting, if it deems necessary, the Noteholders of other Classes and/or the Residual Unitholders in accordance with the applicable Conditions), that such amendment or waiver is detrimental to the interest of some of the Noteholders or the Residual Unitholders.

In addition, (i) any Amendment to the Financial Characteristics of any Class of Notes issued by the Issuer shall require the prior approval of the Noteholders of the relevant class of Notes (by a decision of the general assembly of the relevant Masse or of the sole holder of the relevant Notes, as the case may be); and (ii) any Amendment to the Financial Characteristics of the Residual Units issued by the Issuer shall require the prior approval of the relevant Residual Unitholder(s).

There may be circumstances, where the interests of any Class of the Noteholders and the interests of the holder(s) of Residual Units conflict with the interests of each other or with the interests of the holder(s) of the other Class of Notes. In general, the Management Company will give priority to the interests of the holders of the Most Senior Class of Notes Outstanding such that:

(a) the Management Company will give priority to the interests of the Class A Noteholders in the event of a conflict between the interests of the Class A Noteholders on the one hand and the Class B Noteholders and/or the Residual Unitholder(s) on the other hand; and

(b) if there are no Class A Notes outstanding, the Management Company will give priority to the interests of the Class B Noteholders in the event of a conflict between the interests of the Class B Noteholders on the one hand and/or the Residual Unitholders on the other hand,

provided always that, pursuant to Condition 7; in the case of a conflict between the decisions taken by the different Masses of Notes and/or between the decisions taken by the Masses of Notes and the Residual Unitholders, the Management Company shall act in accordance with the decision of the Most Senior Class of Notes Outstanding unless such decision would result in an Amendment to the Financial Characteristics of another Class of Notes or of the Residual Units issued by the Issuer (including those of a junior rank). In such a case, and unless the holders affected by such decision agree to such modification, the Management Company shall not be bound to act pursuant to such decisions and shall incur no liability for such inaction. In this respect, it should be noted that the Class B Notes and/or the Residual Units will be subscribed and thus may be held (directly or indirectly) from time to time by members of the BPCE Group, which may choose to exercise their voting or decision right on the basis of their interest only.

Direct exercise of rights

Notwithstanding the rights of the Class A Noteholders Representative (as defined in Section "TERMS AND CONDITIONS OF THE NOTES") and the powers of the gneral meeting of the Class A Noteholders, only the Management Company may enforce the rights of the Issuer against third parties.

The Management Company is required under French law to represent the Issuer and to further represent and act in the best interests of the Noteholders and the Residual Unitholders. The Management Company has the exclusive right to exercise contractual rights against the parties who have entered into agreements with the Issuer, including the Sellers and the Servicers. The Noteholders and the Residual Unitholders will not have the right to exercise any such rights directly.

The performance of the Notes may be adversely affected by recent conditions in global financial markets and these conditions may not improve in the near future

Market uncertainty

Over the past years, there has been volatility and disruption of the capital, currency and credit markets, including the market for asset-backed securities.

Potential investors should be aware that these prevailing market conditions affecting asset-backed securities could lead to reductions in the market value and/or a severe lack of liquidity in the secondary market for instruments similar to the Notes. Such falls in market value and/or lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the securitised portfolio.

The Issuer cannot predict when these circumstances will change and whether, if and when they do change, there would be an increase in the market value and/or there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

This market uncertainty as well as other events and general market conditions could adversely affect the performance, liquidity and/or market value of the Notes. There can be no assurance that official sector, governmental or other actions will improve these conditions in the future.

In the event of continued or increasing market disruptions and volatility, the Sellers, the Servicers, and generally the parties to the Transaction Documents may experience reductions in business activity, increased funding costs, decreased liquidity, decreased asset values, additional credit impairment losses and lower profitability and revenues, which may affect their ability to perform their respective obligations under the relevant Transaction Documents. Failure by any of these parties to perform obligations under the relevant Transaction Documents may adversely affect the performance of the Notes as to which see the paragraph above entitled "Credit risk of the parties to the Transaction Documents".

Brexit

On 23 June 2016 the United Kingdom voted to leave the European Union in a referendum (the "**Brexit Vote**"). On 29 March 2017, the United Kingdom has formally launched the exit process by invoking article 50 of the treaty creating the European Union, but the nature of the relationship of the United Kingdom with the remaining EU member states (the "**EU27**") after such exit has yet to be discussed and negotiated. This fosters and may continue to foster further economic and market uncertainty in the near future.

5. OTHER SELECTED FRENCH LAW ASPECTS

Transfer of receivables and hardening period

The hardening period (*période suspecte*) is a period of time the duration of which is determined by the bankruptcy judge upon the judgement recognising that the cessation of payments (*cessation des paiements*) of the insolvent company has occurred. The hardening period commences on a date which can be set at up to eighteen (18) months prior to the date of such judgement. Article L. 632-1 of the French Commercial Code provides *inter alia* that transactions carried out during the hardening period and in respect of which the obligations of the involvent company notably exceeds (*n'excèdent pas notablement*) the obligation of its counterparty shall be automatically null and void and article L. 632-2 of the French Commercial Code provides *inter alia* for a potential nullity of acts carried out during the hardening period which are onerous (*actes à titre onéreux*) if the counterparty of an insolvent company was aware, at the time of conclusion of such acts, that such company was unable to pay its debts due with its available funds (*en état de cessation des paiements*).

Pursuant to article L. 214-169 of the French Monetary and Financial Code:

(a) the assignment of Home Loans by such Seller shall remain valid (*conserve ses effets*), notwithstanding the state of cessation of payments (*l'état de cessation des paiements*) of the Seller on the Purchase Date or the commencement of any proceeding governed by Book VI of the French Commercial Code or any equivalent proceeding governed by any foreign law (*procédure équivalente sur le fondement d'un droit étranger*) against any Seller after the Purchase Date;

(b) the provisions of article L. 632-2 of the French Commercial Code shall not apply to payments made by the Issuer or to any acts against remuneration performed by the Issuer or to its benefit (*ne sont pas applicables aux paiements effectués par un organisme de financement, ni aux actes à titre onéreux*

accomplis par un organisme de financement ou à son profit) to the extent the relevant agreements and such acts are directly connected with the transactions made pursuant to Article L. 214-168 of the French Monetary and Financial Code (*dès lors que ces contrats ou ces actes sont directement relatifs aux opérations prévues à l'article L. 214-168*).

Based on (a) and (b) above, the rules pertaining to the nullity of acts concluded during the hardening period (*période suspecte*) provided for in articles L. 632-2 of the French Commercial Code will not apply in respect of the transfer of the Home Loans by the Sellers to the Issuer. Although it cannot be excluded based on (a) above that article L. 214-169 of the French Monetary and Financial Code would also exclude the application of L. 632-1 of the French Commercial Code to such transfer, this remains subject to debate given that only article L. 632-2 is explicitly mentioned by article L. 214-169 of the French Monetary and Financial Code. It can therefore not be excluded that said article L. 632-1 could still entail the nullity of a transfer carried out during the hardening period if the obligations of a Seller were held to notably exceed (*excèdent pas notablement*) the obligations of the Issuer.

French law cash deposits

Impact of the hardening period

The General Reserve Initial Cash Deposit and the Commingling Reserve are governed by articles L. 211-36 *et seq.* of the French Monetary and Financial Code being the applicable rules of French law implementing directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements (the "**Directive**").

Article L. 211-40 of the French Monetary and Financial Code states that the provisions of book VI of the French Commercial Code (pertaining to insolvency proceedings as a matter of French law) shall not impede ("*ne font pas obstacle*") the application of article L. 211-38 of the French Monetary and Financial Code. This provision should lead to the conclusion that the rules pertaining to the nullity of acts concluded during the hardening period (*période suspecte*) (as provided for in articles L. 632-1 and L. 632-2 of the French Commercial Code) will not apply in respect of guarantees governed by said article L. 211-38. The hardening period (*période suspecte*) is a period of time the duration of which is determined by the bankruptcy judge upon the judgement recognising that the cessation of payments (*cessation des paiements*) of the insolvent company has occurred. The hardening period commences on a date which can be set at up to eighteen (18) months prior to the date of such judgement.

Given the provisions of the Directive it is reasonable to consider that article L. 211-40 of the French Monetary and Financial Code will exclude application of articles L. 632-1, I, 6° of French Commercial Code, which provides for an automatic nullity of security interest granted during the hardening period to secure past obligations of a debtor and, therefore, that the General Reserve Initial Cash Deposit and the Commingling Reserve, would not be void on the basis of said article L. 632-1, I, 6° of the French Commercial Code.

Although, it cannot be excluded that article L. 211-40 of the French Monetary and Financial Code does not intend to overrule article L. 632-2 of the French Commercial Code, which provides for a potential nullity of acts which are onerous (*actes à titre onéreux*) if the counterparty of the Borrower was aware, at the time of conclusion of such acts, that the Borrower was unable to pay its debts due with its available funds (*en état de cessation des paiements*), pursuant to article L. 214-169 of the Monetary and Financial Code, the provisions of article L. 632-2 of the French Commercial Code shall not apply to payments made by the Issuer or to any acts against remuneration performed by the Issuer or to its benefit (*ne sont pas applicables aux paiements effectués par un organisme de financement, ni aux actes à titre onéreux accomplis par un organisme de financement ou à son profit*) to the extent the relevant agreements and such acts are directly connected with the transactions made pursuant to Article L. 214-168 of the Monetary and Financial Code (*dès lors que ces contrats ou ces actes sont directement relatifs aux opérations prévues à l'article L. 214-168*). In the case at hand, should the General Reserve Initial Cash Deposit and/or the Commingling Reserve be considered as directly connected with the acquisition of Home Loans by the Issuer (a matter of fact on which there is, to date, no court decision), article L. 632-2 of the French Commercial Code would not be deemed applicable. Should it not be the case, it cannot be excluded that nullity of the General Reserve Initial Cash Deposit or the Commingling Reserve could be sought, if the Issuer was aware, at the time where the General Reserve Initial Cash Deposit and/or the Commingling Reserve were

constituted (or the subject of an increase), that BPCE was unable to pay its debt due with its available funds (*en état de cessation des paiements*).

Disproportionate Guarantee

Pursuant to article L. 650-1 of the French Commercial Code, a creditor may be held liable towards a bankrupt Borrower if the credit granted by it to such Borrower entailed a damage and the security interest securing such credit is disproportionate (*disproportionné*) compared to that credit. In such case, such security interest can be declared null and void or reduced by a judge.

6 DATA PROTECTION ASPECTS

Data Protection Law

Under Law N°78-17 of 6 January 1978 (as amended) relating to the protection of personal data (*Loi relative à l'informatique, aux fichiers et aux libertés*) (the "**French Data Protection Law**") the processing of personal nominative data relating to individuals has to comply with certain requirements. In addition, EU 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (the "**GDPR**", together with the "**French Data Protection Law**", the "**Data Protection Requirements**") has come into force in all EU Member States on 25 May 2018. Although a number of basic existing principles will remain the same, the GDPR introduces new obligations on data controllers and rights for data subjects, including, among others (i) accountability and transparency requirements, which require data controllers to demonstrate and record compliance with the GDPR and to provide more detailed information to data subjects regarding processing; (ii) enhanced data consent requirements, which includes "explicit" consent in relation to the processing of sensitive data; (iii) obligations to consider data privacy as any new products or services are developed and limit the amount of information collected, processed, stored and its accessibility; (iv) constraints on using data to profile data subjects; (v) providing data subjects with personal data in a useable format on request and erasing personal data in certain circumstances; and (v) reporting of breaches without undue delay (72 hours where feasible).

A breach of the French Data Protection Law may constitute a criminal offence. Depending on the requirement considered, pursuant to article 50 of the French Data Protection Law, which refers to articles 226-16 to 226-24 of the French *Code pénal*, for natural persons (*personnes physiques*), the author of the breach can be sentenced to imprisonment for up to 5 years and a fine of up to EUR 300,000, even if such breach is due to negligence. For legal entities, such criminal sanctions can be a fine of up to five times the fine applicable to natural persons and be those provided in article 131-39 of the French *Code pénal* and which include, *inter alia*, a temporary or definitive prohibition to carry out the activity pursuant to which the misdemeanour was committed and publication of the court decision. In addition (a) pursuant to article 45 of the French Data Protection Law, in case of a breach by the person responsible of the treatment (or its sub-contractor) of the obligations arising from the GDPR, the *Commission Nationale de l'Informatique et des Libertés* may, in particular, (i) notify a warning (*prononcer un rappel à l'ordre*), (ii) sentence the person responsible of the treatment (or its sub-contractor) to pay up to the greater of EUR 10,000,000 or 2% of its worldwide turnover (or, in some cases, to the greater of EUR 20,000,000 or 4% of its worldwide turnover) or (iii) enjoin the person responsible of the treatment (or its sub-contractor) to conform to requirements of the RGPD, with a daily fine for any delay (*astreinte*) of up to EUR 100,000 and (b) pursuant to article 43 ter of the French Data Protection Law, if several Relevant Individuals suffer a damage from the relevant breach, they may launch a class action, the purpose of which is to ensure the cessation of such breach and/or obtain the indemnification of such damage.

From the civil perspective, such a breach may also give rise to an indemnity claim of the Relevant Individual against the author of the breach, provided that he/she can demonstrate he/she has suffered a damage due to that breach.

However, those requirements do not apply to the collection/processing of anonymised data. In this respect, pursuant to the relevant Transaction Documents personal data regarding the debtors will be set out under encrypted documents. Pursuant to the Data Protection Agreement and the Home Loans Purchase and Servicing Agreement, the Decryption Key to decrypt such documents will be delivered by each Seller or an agent appointed on its behalf

to the Data Protection Agent. The Decryption Key will only be released to the Management Company or the person designated by the Management Company for this purpose in limited circumstances (See Section "DESCRIPTION OF THE DATA PROTECTION AGREEMENT"). If a party to the relevant Transaction Documents is or subsequently becomes in a position to have access to any personal data relating to the debtors such party will need to comply with the requirements of the Data Protection Requirements.

The efficiency of the arrangements set out in the Data Protection Agreement rely in particular on the fact that the encryption of the data delivered to by the Management Company will anonymise such data. The working party on the protection of individuals with regard to the processing of personal data set up by Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 (WP29) however stated in its Opinion 05/2014 on Anonymisation Techniques that state-of-the-art encryption can ensure that data is protected to a higher degree but it does not necessarily result in anonymisation of data, as extra steps should be taken in order to consider the dataset as anonymised. To anonymise any data, the data must be stripped of sufficient elements such that the data subject can no longer be identified and be processed in such a way that it can no longer be used to identify a natural person by using "all the means likely reasonably to be used" by either the controller or a third party. It cannot therefore be excluded that encryption techniques as contemplated in the Data Protection Agreement may be considered as insufficient and oblige the relevant parties to comply with more stringent data protection filing and information requirements as at the moment they are provided with data encrypted further to above-mentioned processes.

7. TAX CONSIDERATIONS

Withholding Tax under the Class A Notes

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

Notwithstanding the foregoing, article 125 A III of the French General Tax Code provides that the 75% withholding tax does not apply if the issuer of the debt instrument can prove that the principal purpose and effect of the transaction is not that of allowing the payments of interest or other income to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the official doctrine of the French tax authorities (BOI-INT-DG-20-50-20140211), an issue of debt instruments is deemed to have a qualifying purpose and effect, and accordingly is able to benefit from the Exception, if such instruments are:

(a) offered by means of a public offer within the meaning of article L. 411-1 of the French Monetary and Financial Code 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

(b) 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 that the operation of such market is carried out by a market operator, an investment services provider, or by a similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(c) admitted, at the time of their issue, to the clearing operations of a central depositary or of a securities clearing, delivery and payments systems operator within the meaning of article L. 561-2 of the French Monetary and Financial Code, or of one or more similar foreign depositaries or operators, provided that such depositary or operator is not located in a Non-Cooperative State.

In the present case, application has been made to the *Autorité des Marchés Financiers* in its capacity as competent authority under French law for the Class A Notes issued from time to time under the Transaction to be

listed on the Paris Stock Exchange (Euronext Paris), and, subject to the effective listing of each such Class A Note, the exemption referred to in (b) above will apply. Likewise, it is intended that the Class A Notes will, upon issue, be registered in the books of Euroclear France (acting as central depository) and, subject to such effective clearing, the exemption referred to in (c) above will apply.

Consequently, under current law, all payments in respect of the Class A Notes will be made free from any withholding or deduction for or on account of any tax imposed in France (subject as provided in Section entitled "FRENCH TAXATION REGIME"). However, there can be no assurance that the law or practice will not change.

Pursuant to article 9 of the 2013 French Finance Law (*loi de finances pour 2013 n°2012-1509 du 29 décembre 2012*), subject to certain limited exceptions, interest income received from 1 January 2013 by French tax resident individuals is subject to a 24% withholding tax, which is creditable against their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also generally levied by way of withholding tax at an aggregate rate of 17.2% on interest paid to French tax resident individuals.

In the event withholding taxes are imposed in respect of payments due to holders of Class A Notes, neither the Issuer nor the Paying Agent nor any other party to the Transaction Documents will be obliged to gross-up or otherwise compensate the holders of Class A Notes for the lesser amounts such holders will receive as a result of the imposition of withholding taxes.

Withholding pursuant to the U.S. Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code ("**FATCA**") impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to any non-U.S. financial institution (a "**foreign financial institution**", or "**FFI**" (as defined by FATCA)) that neither (i) becomes 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 nor (ii) is otherwise exempt from or in deemed compliance with FATCA.

The new withholding regime applies to certain U.S.-source payments (including interest and dividends) made after 30 June 2014, to payments of gross proceeds realised upon the sale or other disposition of any property that can produce U.S.-source interest or dividends after 31 December 2018, and to certain "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2019. Withholding on foreign passthru payments could potentially apply to payments in respect of (i) any Class A Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are materially modified after the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payments are filed with the U.S. Federal Register and (ii) any Class A Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes.

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an "***IGA***"). Pursuant to FATCA and the "Model 1" IGA released by the United States, an FFI in a Model 1 IGA jurisdiction could be treated as a reporting financial institution (a "**Reporting FI**") not subject to withholding under FATCA on any payments it receives. Further, under the terms of the Model 1 IGA, an FFI in a Model 1 IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments it makes. On 14 November 2013, the United States and France signed an IGA largely based on the Model 1 IGA. This IGA was ratified by the French parliament on 29 September 2014.

The Issuer may be classified as an FFI and a Reporting FI under the IGA between the United States and France. As a Reporting FI, the Issuer would not be required to enter into an agreement with the IRS, but may instead be required to register with the IRS and comply with any French legislation that is implemented to give effect to the French IGA, including a requirement to provide information regarding direct and indirect U.S. investors in the Issuer to the French tax authorities, which would provide such information to the U.S. tax authorities. As such the Issuer does not expect to suffer any withholding under FATCA on payments it receives or to be required to make any FATCA withholding with respect to payments on the Class A Notes. There can be no

assurance, however, that the Issuer will in the future not suffer withholding under FATCA on payments it receives or be required to withhold under FATCA from payments it makes.

If an amount in respect of FATCA Withholding 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 Class A Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Class A 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. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Class A Notes.

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.

Repeal of the EU Directive on the Taxation of Savings Income

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State.

In relation to French taxation, the Savings Directive has been implemented in French law under article 242 ter of the French General Tax Code and Articles 49 I ter to 49 I sexies of Schedule III to the French General Tax Code. These provisions impose 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 other Member States (or certain territories), including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest (within the meaning of the Savings Directive) paid to that beneficial owner.

For a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

On 10 April 2013, the Luxembourg government has announced its intention to opt out of the withholding system in favour of automatic exchange of information with effect from 1 January 2015.

A number of non-EU countries and territories (including Switzerland) have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a directive (Council Directive 2014/48/EU) amending the Savings Directive, which enlarges the scope of the Savings Directive and require that additional steps be taken by tax authorities in certain circumstances to identify the beneficial owner of interest payments, using a "look-through" approach.

On 9 December 2014, the Council of the European Union adopted the European Council Directive 2014/107/UE amending the existing European Directive 2011/16/EU on administrative cooperation in the field of taxation (the "DAC") pursuant to which Member States are generally required to apply new measures on mandatory automatic exchange of information as from 1 January 2016 (1 January 2017 in the case of Austria). The DAC, as amended, brings interest, dividends and other incomes, as well as account balances and sales proceeds

from financial assets, within the scope of the automatic exchange of information and intends to mirror the global standard of automatic information exchange agreed by the G20.

The DAC is generally broader in scope than the EU Savings Directive, although it does not impose withholding taxes.

In order to avoid overlap between the EU Savings Directive and the DAC, as amended, the Council of the European Union adopted on 10 November 2015 a directive (Council Directive 2015/2060/EU) repealing the EU Savings Directive from 1 January 2017 in the case of Autria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfill administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before that date). The Decree 2016-1683 of 5 December 2016 specifies the persons required to comply with the reporting obligation, the nature of the items to be declared, the conditions and time limits within which the declaration provided for in article 1649 AC of the French General Tax Code is filed and the rules on due diligence and information collection to which financial institutions are subject in order to comply with their obligations.

In relation to French taxation, the DAC has been implemented in French law under article 1649 AC of the French General Tax Code (as amended by article 44 of the 2015-1786 Amending Finance Law for 2015). This Article provides that, to ensure automatic exchange in the field of taxation, the French financial institutions shall diligently report the required information about equity income, account balances and the surrender value of guaranteed investment contracts or bonds or similar financial investments. As a consequence, any account managing institution, insurance institution or equivalent as well as any other financial institution are under the obligation to identify the account to which the payment is made as well as the account holder. They must also collect data on the jurisdiction of residence and taxpayer identification number (TIN) of all account holders and, in case of any entity being an account holder, of the person controlling the account. As a result, for each non-French client, the financial institution will have to report to the French tax authorities all of the information about this client. Subsequently, the authorities themselves will be in charge of reporting the information to the tax authorities in the State of which the client is a resident.

It should be noted that article 1649 AC of the French General Tax Code had been first drafted in the context of agreements such as FATCA. Since it was redrafted as a transposition of the DAC, the scope of this provision has been expanded in order to make the exchange of information mandatory for clients who are resident for tax purposes in a member State or in a State with which an agreement on automatic exchange of information (in every sense of the OECD standards) has been signed. If a payment were to be made or collected through a non-EU country which has adopted similar measures and has opted for a withholding system, or through certain dependent or associated territories which have adopted similar measures and which have 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 Class A Note as a result of the imposition of such withholding tax.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS STRONGLY URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE CLASS A NOTES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

8. REGULATORY CONSIDERATIONS

Basel requirements

The original Basel Accord was agreed in 1988 by the Basel Committee on Banking Supervision (the "**Committee**"). The 1988 Accord, now referred to as Basel I, helped to strengthen the soundness and stability of the international banking system as a result of the higher capital ratios that it required. The Committee published the text of the new capital accord under the title: "*Basel II; International Convergence on Capital Measurement and Capital Standards: a revised framework*" (the "**Basel II Framework**") in June 2004. In November 2005, the Committee issued an updated version of the Basel II Framework. On 4 July 2006, the Committee issued a comprehensive version of the Basel II Framework. This Basel II Framework places enhanced emphasis on market

discipline, internal procedures and governance and sensitivity to risk and serves as a basis for national and supra-national rule-making and approval processes for banking organisations. The Basel II Framework was put into effect for credit institutions in Europe via the recasting of a number of prior directives. This consolidating directive is referred to as the EU Capital Requirements Directive ("**CRD**"). Member States were required to transpose, and the financial services industry had to apply, the CRD by 1 January 2007, subject to various transitional measures. The more sophisticated measurement approaches for operational risk were required to be implemented from January 2008.

The Committee announced in April 2008 that it would take steps to strengthen certain aspects of the Basel II Framework and, to this end, it introduced a package of consultative documents, the *Revisions to the Basel II market risk framework* and *Proposed enhancements to the Basel II framework* in January 2009. The European Commission also published in April 2008 a consultation paper on certain changes proposed to the CRD and it has also sought technical advice on its proposed changes from the Committee of European Banking Supervisors. On 9 March 2009 the EU's Economic and Financial Affairs Council (ECOFIN) endorsed the European Commission's final proposal for amendments to the CRD published in December 2008 ("**CRD II**"). The European Commission's final proposal contained the "skin in the game" proposals that (broadly) required originators/sponsors of securitisations to retain a 5% economic interest in those securitisations. The European Parliament agreed to the amendments (including the 5% "skin in the game" retention requirement) to the CRD on 6 May 2009 and the Council and the European Parliament adopted a Directive 2009/111/EC on 16 September 2009 ("**CRD III**").

On 16 December 2010 and 13 January 2011, the Committee has approved significant changes to the Basel II Framework (commonly known as "**Basel III**").

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

- a complete review of the capital standards in order to strengthen both the level and quality of Bank capital adequacy;

- the introduction of a minimum leverage ratio for financial institutions; 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 Committee has also published certain proposed revisions to the securitisation framework, including proposed new hierarchies of approaches to calculating risk weights and a new risk weight floor of 15 per cent. On 11 July 2016, the Basel Committee issued an updated final standard on revisions to the Basel III securitisation framework amending its previous capital standards for securitisations, including reducing the risk weight floor from 15 per cent. to 10 per cent in respect of senior exposures which comply with the "simple, transparent and comparable" securitisation criteria outlined in that updated final standard.

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. The implementation of Basel II and Basel III could affect the risk weighting of the Class A Notes for investors. Accordingly, recipients of this Prospectus should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of the application of Basel II and Basel III as implemented by their own regulator, to their holding of any Class A Notes. The Issuer is not responsible for informing the Noteholders of the effects of the changes to risk-weighting which will result for investors from the adoption by their own regulator of Basel II and Basel III.

Retention and disclosure requirements under CRR

On 20 July 2011, the European Commission published its proposals to implement in Europe the international standards of Basel III. The European Commission's proposals comprise a draft regulation (the "**Capital Requirements Regulation**" or "**CRR**") and a draft directive (the "**New Capital Requirements Directive**" or "**New CRD**") (together, "**CRD IV**"). On 16 April 2013, the European Parliament approved the CRD IV proposals with amendments and on 20 June 2013, CRD IV was adopted by the Council of Ministers. On 27 June 2013, CRR and New CRD were published in the Official Journal of the European Union and CRD IV

entered into force on 1 January 2014, with full implementation by January 2019; however, CRD IV allows individual Member States to implement a stricter definition and/or level of capital more quickly than is envisaged under Basel III. Except for certain liquidity requirements relating to investment firms which have been implemented as from 1 January 2015, CRD IV was implemented into French legislation through several *arrêtés* (ministerial orders) dated 3 November 2014. CRD IV should be supplemented by technical standards which are not all finalised as yet, and there remains uncertainty as to the final content of each such standards and how these will affect transactions entered into prior to their adoption.

Prospective noteholders should, in particular, make themselves aware of the requirements of articles 404 to 410 of the Capital Requirements Regulation. In particular, article 405 of the CRR restricts an EU-regulated credit institution from investing in asset-backed securities unless the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the EU-regulated credit institution that it will retain, on an ongoing basis, a net economic interest of not less than 5 per cent in respect of certain specified credit risk tranches or asset exposures as contemplated by article 405 of the CRR. Article 406 of the CRR also requires an EU-regulated credit institution to be able to demonstrate that it has undertaken certain due diligence in respect of, among other things, the securitisation notes it has acquired and the underlying exposures and that procedures are established for such due diligence activities to be conducted on an on-going basis. Failure to comply with one or more of the requirements set out in articles 405, 406 and 409of the CRR may result, pursuant to article 407 of the CRR, in additional risk weights that would, as a consequence, increase the capital requirement with respect to the investment made in the securitisation by the relevant investor.

For the purposes of article 405 of the Capital Requirements Regulations, each Seller has undertaken to the Issuer that it shall retain on an ongoing basis a material net economic interest of not less than 5 per cent. At the Issue Date, such material net economic interest shall be retained by each Seller, pursuant to option (d) of article 405 paragraph (1) of the Capital Requirements Regulations, through the subscription of the Class B Notes in relation to the proportion of the total securitised exposures for which it is the originator.

Any breach or change in the manner in which the interest is held will be notified by the Sellers to each of the Management Company and the Custodian and in turn by the Management Company to the Class A Noteholders. The Sellers have also undertaken to make available to the Management Company, and the Management Company in turn has undertaken to make available to the investors materially relevant data with a view to complying with article 409 of the Capital Requirements Regulations, which in each case, can be obtained by the Management Company from the Sellers and then by the investors from the Management Company upon request.

Each prospective investor is required to independently assess and determine the sufficiency of the information described in this Prospectus for the purposes of complying with articles 404 to 410 of the Capital Requirements Regulation and its own situation and obligations in this respect.

Articles 404 to 410 of the Capital Requirements Regulation and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

Investors who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory charges for non-compliance with articles 404 to 410 of the Capital Requirements Regulation should seek guidance from their regulator. Similar requirements to those set out in articles 404 to 410 of the Capital Requirements Regulation are expected to be implemented for other EU regulated investors (such as investment firms, insurance and reinsurance undertakings and certain hedge fund managers) in the future.

Proposals for revision of CRR and CRD IV

On 23 November 2016, the European Commission published comprehensive proposals to amend CRR and CRD IV. The proposals concern (i) the determination of the final requirements for the leverage ratio, (ii) the establishment of the mandatory requirements for the Net Stable Funding Ratio, (iii) requirements for own funds and eligible liabilities, (iv) counterparty credit risk, (v) market risk, (vi) exposures to central counterparties, (vii) exposures in collective investment undertakings, (viii) large exposures, (ix) reporting and disclosure requirements, (x) regulations for exempted entities, (xi) financial holding companies and mixed financial holding companies, (xii)

remuneration, (xiii) supervisory measures and powers and (xiv) capital conservation measures ("**CRR 2**" and "**CRD V**" respectively).

Some of the proposals made by the European Commission have been expected and result from the phased implementation of certain parts of the Basel III framework. This is particularly the case for the final rules on a leverage ratio and Net Stable Funding Ratio. As regards the leverage ratio the proposals now set the ratio at 3% calculated as a credit institution's or investment firm's capital measure divided by that institution's total exposure measure. The capital measure shall exclusively exist of Tier 1 capital and the exposure measure shall be the aggregate of assets and off-balance sheet items which, in principle, are appraised on a non-risk weighted basis. With this proposal the European Commission has finalised the debate in Europe as to the requirements of the leverage ratio and the European rules follow substantially the proposals of the Basel Committee made in 2010.

However, the proposals for the leverage ratio contain some deviations from the Basel III framework which are proposed to be specifically relevant for the European market and the institutions established in this market. These specific adjustments concern the leverage ratio exposure measure for public lending by public development banks, pass-through loans and officially guaranteed export credits. In order not to dis-incentivise client clearing by institutions, institutions are allowed to reduce the exposure measure by the initial margin received from clients for derivatives cleared through qualifying central counterparties.

The rules concerning the Net Stable Funding Ratio have been introduced as changes to the CRR in a new Chapter IV to Part Six of CRR and form an important element of the CRR2 text. Unlike the rules introduced for the other liquidity management measure in October 2014 by means of the LCR Delegated Regulation, the Net Stable Funding Ratio measure requires an amendment of CRR. The Net Stable Funding Ratio calculates the required stable funding as a measure with a horizon of a oneyear period. The required stable funding held must be offset with an equal or a larger amount of available stable funding. These rules are of great importance for the securitisation markets, both from the part of assessing the required stable funding as the available stable funding. Unencumbered Level 2B securitisations referred to in the LCR Delegated Regulation are proposed to have a 25% or 35% required stable funding factor and will therefore have a more significant impact on the calculation of the denominator of the Net Stable Funding Ratio than other assets with lesser scaling factors. These new rules will particularly affect credit institutions and investment firms subject to Part Six of CRR investing in the Class A Notes.

The new rules proposed for market risk address the work of the Basel Committee on the Fundamental Review of the Trading Book rules and form part of the so-called "Basel IV" package of reforms of capital requirements for credit institutions. The rules on market risk may be of relevance for institutions trading in securitisation positions as part of the trading portfolio activities. In view of the complexity of the new framework, purchasers of the Class A Notes that are subject to the provisions of CRR are strongly recommended to obtain professional advice as to the impact of these rules for their own capital requirements calculations.

The requirements for own funds and eligible liabilities, supervisory measures and powers and capital conservation measures are closely related to the further changes to the recovery and resolution framework for credit institutions and investment firms and are discussed below in the paragraph on the November 2016 proposals for revision of BRRD and SRM Regulation.

The European Commission's proposals of 23 November 2016 for revision of CRR and CRD IV have been submitted for adoption in the ordinary European legislative process. The amendments to CRR and CRD IV are not expected to enter into force before 1 January 2019.

Section 5 of Chapter III of the Regulation implementing the EU Alternative Investment Managers Directive

Investors should be aware of article 17 of the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers ("**AIFM**") and Section 5 of Chapter III of the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 implementing AIFM ("**Section 5**") which introduced risk retention and due diligence requirements in respect of alternative investment fund managers that are required to become authorised under AIFM. These requirements came into force on 22 July 2013.

Whilst the requirements under Section 5 implementing AIFM are similar to those which apply under articles 405 through 409 of the CRR they are not identical. In particular, additional due diligence obligations apply to relevant alternative investment fund managers especially in respect of requirements for retained interest and qualitative requirements concerning sponsors and originators, and AIFMs exposed to securitisations. Amongst others, prior to being exposed to securitisations, an AIFM must ensure that the sponsor and originator:

(a) grant credit based on sound and well-defined criteria and clearly establish the process for approving, amending, renewing and re-financing the Home Loans;

(b) have in place and operate effective systems to manage the ongoing administration and monitoring of credit risk-bearing portfolios and exposures, including for identifying and managing problem loans and for making adequate value adjustments and provisions;

(c) adequately diversify each credit portfolio based on the target market and overall credit strategy;

(d) have a written policy on credit risk that includes risk tolerance limits and provisioning policy and describes the measurement, monitoring and control of such risk;

(e) grant readily available access to all materially relevant data on the credit quality and performance of the individual underlying exposures, cash flows and collateral supporting a securitisation exposure and to any information that is necessary to conduct comprehensive and well informed stress tests on the cash flows and collateral values supporting the underlying exposures;

(f) grant readily available access to all other relevant data necessary for the AIFM to comply with the applicable qualitative requirements; and

(g) disclose the level of their retained net economic interest, as well as any matters that could undermine the maintenance of the minimum required net economic interest.

With respect to paragraphs (a) to (d) above, please see the information set out in this Prospectus in particular in the Section "*ORIGINATION, UNDERWRITING AND MANAGEMENT PROCEDURES*", the Section "*DESCRIPTION OF THE HOME LOANS PURCHASE AND SERVICING AGREEMENT AND THE RESERVES CASH DEPOSIT AGREEMENT* " and the Section "*CREDIT STRUCTURE*").

With respect to the commitment of the Sellers to retain a material net economic interest in the Portfolio and with respect to paragraphs (e) to (g) and to the information to be made available by the Issuer in this regard, please refer to the statements in the section "*REGULATORY COMPLIANCE*".

Relevant investors are required to independently assess and determine the sufficiency of the information referred to above for the purpose of complying with requirements applicable to them. None of the Management Company, the Custodian, the Sellers, the Servicers, the Transaction Agent, the Interest Rate Swap Counterparty, the Joint Arrangers, the Joint Lead Managers, the Account Bank, the Cash Manager, the Specially Dedicated Account Bank, the Paying Agent, the Listing Agent or any other party makes any representation or warranty that such information is sufficient in all circumstances. Aspects of what is required by national regulatory for compliance with Section 5 implementing AIFM are unclear. In addition, this Section is subject to further regulation and interpretation including from the European Securities Markets Authority (ESMA). Investors which are uncertain as to the requirements applicable to themselves should seek guidance from their national regulation.

Solvency II Framework Directive

Article 135 of the Solvency II Framework Directive (No 2009/138/EC) empowered the European Commission to adopt implementing measures laying down the requirements that will need to be met by originators of asset-backed securities in order for insurance and reinsurance companies located within the EU to be allowed to invest in such instruments following implementation of the Solvency II Framework Directive, which may be applicable as early as 1 January 2016. On 10 October 2014 the European Commission adopted the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European

Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (the "**Solvency II Delegated Act**").

Article 254 of the Solvency II Delegated Act provides, in particular, that, for the purposes of article 135(2)(a) of the Solvency II Framework Directive, the originator, sponsor or original lender shall retain, on an ongoing basis, a material net economic interest which in any event shall not be less than 5 per cent. and shall explicitly disclose that commitment to the insurance or reinsurance undertaking in the documentation governing the investment. In addition article 256 of the Solvency II Delegated Act provides a list of qualitative requirements that insurance and reinsurance undertakings investing in securitisation shall comply with. Such requirements include, amongst others, the obligation to ensure that the originator, the sponsor or the original lender meet all of the features listed in such article.

The Solvency II Framework Directive has been transposed into French law by the décret (ministerial order) No 2015-513 dated 7 May 2015.

Each prospective investor is required to independently assess and determine the sufficiency of the information described in this Prospectus for the purposes of complying with the Solvency II Delegated Act (and any corresponding implementing rules of their or any regulator) in any relevant jurisdiction and its own situation and obligations in this respect. None of the Sellers, the Servicers, the Transaction Agent, the Management Company, the Custodian, the Account Bank, the Cash Manager, the Specially Dedicated Account Bank, the Interest Rate Swap Counterparty, the Joint Arrangers, the Joint Lead Managers, the Paying Agent, the Listing Agent or any other entity makes any representation or warranty that such information is sufficient in all circumstances.

Article 135 of the Solvency II Framework Directive and the Solvency II Delegated Act may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Class A Notes in the secondary market.

No Representation as to compliance with LCR Delegated Regulation or Solvency II Delegated Act requirements

Under the CRR, credit institutions and investment firms must comply with a general liquidity coverage requirement to ensure that a sufficient proportion of their assets can be made available in the short-term. Under Article 460 of the Regulation, the European Commission was required to specify the detailed rules for EU-based credit institutions. The European Commission has published on 10 October 2014 the Commission Delegated Regulation 2015/61 with regard to liquidity coverage requirement (the "**LCR Delegated Regulation**") which became effective on 1 October 2015. The LCR Delegated Regulation amends Article 429 of the Regulation. Its purpose is to ensure that EU credit institutions and investment firms use the same methods to calculate, report and disclose their leverage ratios which express capital as a percentage of total assets (and off balance sheet items). In particular, the LCR Delegated Regulation provides a definition of certain assets (including certain securitisation positions) that qualify as high quality assets for the purpose of computing the liquidity coverage ratio. Such regulation is expected to be amended by the Commission delegated regulation amending the LCR Delegated Regulation, that should be enacted shortly by the European Commission. Pursuant to the draft of such Commission delegated regulation as adopted by the European Commission on 13 July 2018, most of the criteria mentioned in the LCR Delegated Regulation will be replaced by a reference to the criteria mentioned in the STS Regulation, except for the criteria specific to liquidity which shall remain the ones set out in the LCR Delegated Regulation.

Likewise, Solvency II Delegated Act has introduced criteria to classify investment (including certain securitisation positions) depending on certain criteria for prudential purposes.

Investors should conduct their own due diligence and analysis to determine whether:

(a) any of the Class A Notes qualify as high quality liquid assets for the purposes of the liquidity coverage ratio introduced by the CRR, as implemented by the LCR Delegated Regulation and national implementation measures and, if so, whether they may qualify as Level 2A or Level 2B assets as described in the LCR Delegated Regulation (whether before or after its amendment); and

(b) any of the Class A Notes may qualify as an investment in a Type 1 or Type 2 securitisation as described in the Solvency II Delegated Act.

None of the Sellers, the Servicers, the Transaction Agent, the Management Company, the Custodian, the Account Bank, the Cash Manager, the Specially Dedicated Account Bank, the Interest Rate Swap Counterparty, the Joint Arrangers, the Joint Lead Managers, the Paying Agent, the Listing Agent or any other entity makes any representation to any prospective investor or purchaser of the Class A Notes as to these matters on the Issue Date or at any time in the future.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may severely impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

Simple, Transparent and Standardised ("STS") Securitisation and CRR Amendment Regulation

Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 *laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012* (the "**STS Regulation**") and Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 *amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms* (the "**CRR Amendment Regulation**") have both been published on 28 December 2017 in the Official Journal of the European Union.

The STS Regulation lays down "*a general framework for securitisation. It defines securitisation and establishes due- diligence, risk-retention and transparency requirements for parties involved in securitisations, criteria for credit granting, requirements for selling securitisations to retail clients, a ban on re-securitisation, requirements for SSPEs as well as conditions and procedures for securitisation repositories. It also creates a specific framework for simple, transparent and standardised ("**STS**") securitisation*".

It applies to "*institutional investors and to originators, sponsors, original lenders and securitisation special purpose entities*".

STS Regulation should be supplemented by technical standards that are not all finalised yet, which creates uncertainty as to the final content of such standards and the consequences thereof. Based on the granfathering provisions of the STS Regulation, most of the provisions introduced by the STS Regulation should only be applicable to securitisations the securities of which are issued on or after 1 January 2019.

Whether such transaction would qualify as a "STS" securitisation would depend on (i) whether those of the requirements which are not known or sufficiently detailed at the date of this Prospectus, in particular those deriving from technical standards that have not been as yet published, can actually be met as and when known or ascertained, (ii) whether the parties to the Transaction Documents will agree to take the steps that may be necessary to that effect, as the case may be, and (iii) whether ultimately the Sellers will decide to issue the notice provided for by the STS Regulation to declare that such transaction qualifies as a "STS" securitisation.

None of the Sellers, the Servicers, the Transaction Agent, the Management Company, the Custodian, the Account Bank, the Cash Manager, the Specially Dedicated Account Bank, the Interest Rate Swap Counterparty, the Joint Arrangers, the Joint Lead Managers, the Paying Agent, the Listing Agent or any of their respective affiliates has taken any commitment in this respect. More generally, no representation or assurance by any the Sellers, the Servicers, the Transaction Agent, the Management Company, the Custodian, the Account Bank, the Cash Manager, the Specially Dedicated Account Bank, the Interest Rate Swap Counterparty, the Joint Arrangers, the Joint Lead Managers, the Paying Agent, the Listing Agent or any of their respective affiliate is given with respect to the possibility for the securitisation transaction described in this Prospectus to qualify as an "STS securitisation" under the STS Regulation at any point in the future. Besides, if the securitisation transaction described in this Prospectus is at any point in the future considered and recognized as qualifying as an "STS

securitisation" under the STS Regulation, no assurance can be given that such recognition will be maintained until the earlier of the date on which all Notes have been redeemed.

The CRR Amendment Regulation aims at reflecting the changes introduced by the STS Regulation and amend certain rules pertaining to the regulatory capital treatment of securitisation positions. Based on its transitional provisions, the CRR Amendment Regulation will be applicable with effect from 1 January 2019.

Prospective investors will need to make their own analysis of these matters and the impact of the STS Regulation and the CRR Amendment Regultion (especially in respect of the impact of the CRR Amendment Regulation, as and when applicable, on the regulatory capital treatment of their exposure to the Notes) (and the corresponding implementing rules of their regulator). None of the Sellers, the Servicers, the Transaction Agent, the Management Company, the Custodian, the Account Bank, the Cash Manager, the Specially Dedicated Account Bank, the Interest Rate Swap Counterparty, the Joint Arrangers, the Joint Lead Managers, the Paying Agent, the Listing Agent or any of their respective affiliates makes any representation to any prospective investor or purchaser of the Notes as to these matters on the Issue Date or at any time in the future.

The matters described above and any other changes to the regulation or regulatory treatment of the Notes may negatively impact some or all investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

CRA3

The Regulation (EU) No 462/2013 of the European Parliament and of the Council of 21 May 2013 ("**CRA3**") amending the Regulation (EC) No 1060/2009 on credit rating agencies ("**CRA Regulation**") became effective on 20 June 2013. CRA3 provides for certain additional disclosure requirements which are applicable in relation to structured finance transactions. The scope, extent and manner in which such disclosure should be made is detailed in the Commission Delegated Regulation (EU) No 2015/3 of 30 September 2014 supplementing the CRA Regulation. This Delegated Regulation contains technical standards specifying the information that issuers, originators and sponsors must publish to comply with the CRA Regulation, the frequency with which this information should be updated and a standardised disclosure template for the disclosure of this information. The Delegated Regulation applies since 1 January 2017 to structured finance instruments issued after the entry into force of the Delegated Regulation on 26 January 2015. The relevant disclosures are required to be made on a website to be set up by the European Securities and Markets Authority (the "**ESMA**"). As at the date of this Prospectus, there remains uncertainty as to the consequences for the Issuer investors' or other persons resulting from any non-compliance with the CRA3 disclosure requirements after 1 January 2017. The state of play is all the more uncertain as the ESMA issued a notice that it has encountered several issues in preparing the set-up of the relevant website, including the absence of a legal basis for the funding of the website. Consequently, the website is not available as yet and it is not clear when it will be available to reporting entities, and if and how such reporting entities are expected to comply with their reporting obligations under the CRA Regulation in the meantime. The ESMA has not been in a position either to issue the technical instructions pertaining to such reporting requirements by 1 July 2016, as was initially scheduled.

Regardless of such uncertainties, pursuant to the Home Loans Purchase and Servicing Agreement, each Servicer has undertaken to the benefit of the Issuer to make available to the Management Company, which in turn shall publish on the website of the ESMA, once available, the information required under article 8b of CRA3 and under the provisions of Commission Delegated Regulation (EU) 2015/3 of 30 September 2014 as from the date on which such disclosure requirements shall start to apply to structured finance instruments, without prejudice to the French banking secrecy requirements provided for in article L. 511-33 of the French Monetary and Financial Code and the Data Protection Requirements.

Additionally, CRA3 introduced a requirement that issuers or related third parties of structured finance instruments solicit two independent ratings for their obligations; and should consider appointing at least one credit rating agency having less than a 10 per cent market share. In relation to the issuance of the Class A Notes, the Sellers considered the appointment of a number of rating agencies including agencies they believed in good faith to have less than a 10 per cent market share and concluded that the most appropriate rating agencies to rate the Class A Notes are S&P and Moody's. Investors should consult their legal advisors as to the applicability of CRA3 in respect of their investment in the Class A Notes.

CRA3 has been amended. In this respect, please see sub-section "SIMPLE, TRANSPARENT AND STANDARDISED (“STS”) SECURITISATION AND CRR AMENDMENT REGULATION" above.

European Market Infrastructure Regulation, Securities Financing Transactions Regulation and MiFIDII

Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, known as the European Market Infrastructure Regulation ("**EMIR**") came into force on 16 August 2012.

On 19 December 2012, the European Commission adopted nine (9) of ESMA's Regulatory Technical Standards (the "**Adopted RTS**") and Implementing Technical Standards (the "**Adopted ITS**") on OTC derivatives, central counterparties and trade repositories (the Adopted RTS and Adopted ITS together being the "**Adopted Technical Standards**"), which included technical standards on clearing, reporting and risk mitigation. The Adopted ITS were published in the Official Journal of the European Union on 21 December 2012 and entered into force on 10 January 2013 (although certain of the provisions thereof will only take effect once the associated regulatory technical standards enter into force). The Adopted RTS were published in the Official Journal of the European Union on 23 February 2013 and entered into force on 15 March 2013.

EMIR introduces certain requirements in respect of “over the counter” ("**OTC**") derivative contracts applying to financial counterparties ("**FCP**s"), such as investment firms, credit institutions and insurance companies and certain non-financial counterparties ("**Non-FCPs**"). Such requirements include, amongst other things, the mandatory clearing of certain OTC derivative contracts (the "**Clearing Obligation**") through an authorised central counterparty ("**CCP**"), the reporting of OTC derivative contracts to a trade repository (the "**Reporting Obligation**"), margin posting and certain risk mitigation requirements in relation to derivative contracts which are not centrally cleared.

The Reporting Obligation applies to all types of counterparties and covers the entry into, modification or termination of cleared and non-cleared derivative contracts which were entered into (i) before 16 August 2012 and which remain outstanding on 16 August 2012, or (ii) on or after 16 August 2012. The details of all such derivative contracts are required to be reported to a trade repository. It will therefore apply to the Interest Rate Swap Agreement and any replacement Interest Rate Swap Agreement.

FCPs and Non-FCPs which enter into non-cleared derivative contracts must ensure that appropriate procedures and arrangements are in place to measure, monitor and mitigate operational and counterparty credit risk. Such procedures and arrangements include, amongst other things, the timely confirmation of the terms of a derivative contract and formalised processes to reconcile trade portfolios, identify and resolve disputes and monitor the value of outstanding contracts.

Under EMIR, OTC derivative contracts entered into by Non-FCPs whose positions exceed a specified threshold (such entities, "**Non-FCPs+**", and together with FCPs, the "**In-scope Counterparties**") and FCPs entities (and/or third country equivalent entities) that are not cleared by a CCP may be subject to margining requirements unless certain exemptions apply. The regulatory technical standards relating to the collateralisation obligations in respect of OTC derivative contracts which are not cleared (the "**Collateral RTS**") are now in force and the obligation for In-scope Counterparties to margin uncleared OTC derivative contracts was phased in from the first quarter of 2017 with variation margin obligations applying to all transactions entered into by In-scope Counterparties from 1 March 2017. However, on the basis that the Issuer is a Non-FCP- (being a Non-FCP entity whose positions do not exceed the specified threshold), OTC derivative contracts that are entered into by the Issuer would not be subject to any margining requirements.

EMIR has been amended by Regulation (EU) No 2015/2365 of 25 November 2015 which was published in the Official Journal of the European Union on 23 December 2015 and took effect as of 12 January 2016 known as the Securities Financing Transactions Regulation ("**SFTR**"). The SFTR introduces certain requirements in respect of OTC derivative contracts applying to financial counterparties ("**SFTR FCPs**"), such as investment firms, credit institutions and insurance companies and certain non-financial counterparties ("**SFTR Non-FCPs**"). Such requirements include, amongst other things, the reporting of each "Securities Financing Transaction" that has been concluded between SFTR FCPs and SFTR Non-FCPs, together with any modification or termination of

a Securities Financing Transaction, to a trade repository (the "**SFTR Reporting Obligation**"). The definition of Securities Financing Transaction includes a repurchase transaction, securities or commodities lending transaction, a buy-sell back transaction and a margin lending transaction and could potentially include the credit support agreements. ESMA has been tasked with drafting draft regulatory technical standards to be included in the reports prepared pursuant to the SFTR Reporting Obligation. The requirements also include an obligation to disclose certain information before counterparties (including SFTR FCPs and SFTR Non-FCPs) can reuse financial instruments (but not cash) received as collateral from 13 July 2016 (the "**Collateral Reuse Notification Obligation**"). The Collateral Reuse Notification Obligation applies irrespective of whether the transaction is a Securities Financing Transaction.

Notwithstanding the qualifications on application described above, the position of any of the swaps under each of the Clearing Obligation and margining requirements is not entirely clear and may be affected by further measures still to be made.

STS has brought amendments to EMIR. The amendments make provision for the development of technical standards specifying reliefs from each of the obligations referred to above for certain OTC derivative contracts entered into by a securitisation special purpose entity in connection with certain securitisations.

The EU regulatory framework and legal regime relating to derivatives is set not only by EMIR or the Securitisation Regulation but also by the directive and regulation which have been adopted by the European Parliament and of the European Council and published in the Official Journal of the European Union on 12 June 2014 which amend the existing Markets in Financial Instruments Directive 2004/39/EC (together known as "**MiFID II**"). MiFID II took effect on 3 January 2018 and now applies within Member States.

Prospective investors should be aware that the regulatory changes arising from the Securitisation Regulation, EMIR and MiFID II may in due course significantly raise the costs of entering into derivative contracts and may adversely affect the Issuer's ability to engage in transactions in OTC derivatives, particularly if the Issuer's Non-FCP- status were to change. In May 2017 the European Commission published a legislative proposal to amend EMIR. The proposal aims to reduce the compliance burden on smaller financial services firms, corporates and pension funds. However, the current form of the proposal would significantly increase the burden on securitisation issuers. In particular, under the proposal, securitisation special purposes entities would no longer be classified as Non-FCP but reclassified as FCPs. Classifying securitisation issuers as FCPs would directly subject them to the Clearing Obligation and margining requirements for all their non-cleared OTC derivative contracts.

As a result of such increased costs or increased regulatory requirements, investors may receive less interest or return, as the case may be. Investors should be aware that such risks are material and that the Issuer could be materially and adversely affected thereby. As such, investors should consult their own independent advisers and make their own assessment about the potential risks posed by the Securitisation Regulation, EMIR, technical standards made thereunder (including the Adopted Technical Standards) and MIFID II, in making any investment decision in respect of the Notes.

In addition, given that the application of some of the EMIR provisions and given that additional technical standard or amendments to the existing EMIR provisions may come into effect in due course, prospective investors should be aware that the relevant Transaction Documents may need to be amended during the course of the Transaction, without the consent of any Noteholder, to ensure that the terms thereof and the parties obligations thereunder are in compliance with EMIR and/or the then subsisting EMIR technical standards.

ECB Purchase Transaction

In September 2014, the ECB initiated an asset purchase transaction whereby it envisages to bring inflation back to levels in line with the ECB's objective to maintain the price stability in the euro area and, also, to help enterprises across Europe to enjoy better access to credit, boost investments, create jobs and thus support the overall economic growth. The expanded asset purchase transaction commenced in March 2015 and encompasses the earlier announced asset-backed securities purchase transaction and the covered bond purchase transaction. These transactions which were initially intended to be carried out until March 2017, have been extended until the end of 2018. It remains to be seen what the effect of these purchase transactions will be on the volatility in the financial markets and economy generally. In addition, the continuation, the amendments to or the termination of these

purchase transactions could have an adverse effect on the secondary market value of the Notes and the liquidity in the secondary market for the Class A Notes.

Eurosystem Eligibility

The Class A Notes to be issued under the Transaction are intended to be held in a manner which will allow Eurosystem eligibility.

This means that the Class A Notes to be issued under the Transaction are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as common safekeeper but does not necessarily mean nor imply any guarantee that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life.

Such recognition will, inter alia, depend upon satisfaction of the Eurosystem eligibility criteria. Such criteria may be amended by the European Central Bank from time to time or new criteria may be added and such amendments or additions may render the Class A Notes non eligible to the Eurosystem monetary policy and intra-day credit operations, as no grandfathering would be guaranteed. If the new requirements are not met, this may cause the Class A Notes of any Note Series to be non-eligible to the Eurosystem monetary policy operations.

If the Class A Notes do not or cease to satisfy the criteria specified by the European Central Bank, there is a risk that the Class A Notes will not be eligible collateral for Eurosystem. Neither the Issuer, the Management Company, the Custodian, the Account Bank, the Cash Manager, the Paying Agent, the Listing Agent, the Data Protection Agent, the Specially Dedicated Account Bank, the Interest Rate Swap Counterparty, the Joint Arrangers, the Joint Lead Managers, the Sellers, the Servicers, the Transaction Agent nor any of their respective affiliates nor any other party gives any representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes to be issued under the Transaction will, either upon issue, or at any or all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem eligible collateral. Any potential investor in the Class A Notes should make their own conclusions and seek their own advice with respect to whether or not the Class A Notes to be issued under the Transaction constitute Eurosystem eligible collateral.

Under the Home Loans Purchase and Servicing Agreement, the Transaction Agent has undertaken to use reasonable commercial endeavours (*obligation de moyens*) to ensure that the loan-level data with respect to the Purchased Home Loans is made available on a quarterly basis on the website of the European DataWarehouse within one (1) month of each Payment Date, for as long as the loan-level data reporting requirements for asset-backed securities with respect to the Eurosystem's collateral framework is effective and to the extent such information is available to it and unless such task has been deletegated to the Management Company and the Management Company has accepted such delegation. If such loan-level data does not comply with the European Central Bank's requirements or is not available at any time, the Class A Notes may not be recognised as Eurosystem eligible collateral.

European Bank Recovery and Resolution Directive and Single Resolution Mechanism

Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (the "**BRRD**") was adopted by the Council on 6 May 2014 and was published in the Official Journal of the EU on 12 June 2014. Member States had to transpose the BRRD into national law by 1 January 2015 (except for the "bail-in tool" (as described below) which should be implemented by 1 January 2016). The stated aim of the BRRD is to provide supervisory authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' contributions to bank bail-outs and/or exposure to losses.

The powers granted to the authorities designated by member states of the European Union to apply the resolution tools and exercise the resolution powers set forth in the BRRD ("**resolution authorities**") include the introduction of a statutory "write-down and conversion power" with respect to capital instruments and a "bail-in

tool", which will give the relevant resolution authority the power to cancel all or a portion of the principal amount of, or interest on, certain other eligible liabilities, whether unsubordinated or subordinated, of a failing financial institution and/or to convert certain debt claims into another security which may itself be written down. The bail-in tool can be used to recapitalise an institution that is failing or about to fail, allowing authorities to restructure it through the resolution process and restore its viability after reorganisation and restructuring.

In addition to the bail-in tool and the write-down and conversion power, the BRRD provides resolution authorities with broader powers to implement other resolution measures with respect to distressed banks, which may include (without limitation): (i) directing the sale of the bank or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply, (ii) transferring all or part of the business of the bank to a "bridge institution" (a publicly controlled entity), (iii) transferring the impaired or problem assets to an asset management vehicle to allow them to be managed and worked-out over time, (iv) replacing or substituting the bank as obligor in respect of debt instruments, (v) modifying the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), and/or (vi) discontinuing the listing and admission to trading of financial instruments.

After having reached an agreement with the Council of the European Union, the European Parliament adopted Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 ("**SRM**"). The SRM complements the Single Supervisory Mechanism ("**SSM**") and implements the BRRD to SSM banks with the aim of providing for a uniform framework of regulation and supervision. It ensure that, if a bank subject to the SSM faces serious difficulties, its resolution can be managed efficiently with minimal costs to taxpayers and the real economy. The SRM, amongst others, applies to all banks in the Eurozone and other Member States that choose to participate. Save for specific exceptions (e.g. rules on the functioning of the Single Resolution Board (as defined in the SRM Regulation)) the SRM has been applicable since 1 January 2016.

If at any time any resolution powers would be used by the ACPR or, as applicable, the Single Resolution Board or any other relevant authority in relation to a counterparty of the Issuer pursuant to the Resolution Measures, the BRRD, the SRM or otherwise, this could result in losses to, or otherwise affect the rights of, Class A Noteholders and/or could affect the market value, the liquidity and/or the credit ratings assigned to the Class A Noteholders Notes.

France

The BRRD has been formally transposed into French law by an order dated 20 August 2015 (*ordonnance No. 2015-1024 portant diverses dispositions d'adaptation de la législation au droit de l'Union Européenne en matière financière* (the "**Order**")). This Order amends and supplements the provisions of the French Law no. 2013-672 of 26 July 2013 on the separation and the regulation of banking activities (*Loi n° 2013-672 du 26 juillet 2013 de séparation et de régulation des activités bancaires*) (the "**French Separation Law**") which had, among other provisions, given various resolution powers to the resolution board of the ACPR.

The resolution measures decided by the ACPR in accordance with the Order and the French Separation Law (together: the "**French Resolution Regime**") may notably include:

(a) the appointment by the ACPR of a provisional administrator, it being specified that any contractual provision providing that such appointment triggers an event of default would be void;

(b) (i) the transfer to a third party of all or part of one or several business units (*branches d'activités*) of the French bank or the French investment firm; and/or (ii) the transfer to a bridge institution (*établissement-relais*), a third party, an asset management vehicle wholly or partially owned by one or more public authorities, or the deposit guarantee and resolution fund (*fonds de garantie des dépôts et de résolution*) of all or part of its assets, rights and obligations (each such measure being referred to herein as a "**Transfer**"). It is further provided that in case of Transfer, outstanding agreements relating to the business, assets, rights

or obligations so transferred shall remain executory and may not be terminated nor give rise to any set off merely as a result of such Transfer, notwithstanding any contractual or statutory provisions to the contrary;

(c) the suspension of close-out netting rights in relation to any contracts entered into by the credit institution (*établissement de crédit*) until 0:00 (midnight) at the latest on the business day following the day of publication of the decision, of the ACPR;

(d) a bail-in (*mesure de renflouement interne*) of all or part of the credit institution's or the investment firm's liability under which the ACPR may decide to exercise write-down or conversion powers; and/or

(e) a modification or an amendment to the contractual terms if a contract to which the credit institution or the investment firm is a party (including a financial contract)

The exercise of any power under the French Resolution Regime or any suggestion of such exercise in relation to any counterparty of the Issuer could materially affect the rights of the Issuer, the ability of the Issuer to satisfy its obligations under any Notes and the price or value of the Noteholders' investment in any Notes.

Prospectus Directive and proposed Prospectus Regulation

In November 2015, the European Commission's legislative proposal for a prospectus regulation ("**Proposed Prospectus Regulation**") was adopted which aims to replace the Prospectus Directive in order to enable investors to make informed investment decisions, simplify the rules for companies that wish to issue shares or debt securities and foster cross-border investments in the single market. The Proposed Prospectus Regulation provides, *inter alios*, for a higher threshold to determine when companies must issue a prospectus, for shorter prospectuses and better investor information, for lighter prospectuses for small and medium-sized companies and for a fast track and simplified frequent issuer regime. The Proposed Prospectus Regulation was adopted on 14 June 2017 as EU Regulation No. 2017/1129 and published with the Official Journal of the EU on 30 June 2017. Except for certain provisions that become applicable as of 20 July 2017, said Regulation will apply from 21 July 2019. It is, however, difficult to assess at this stage the applicability and the full impact of the provisions set out in the Proposed Prospectus Regulation on the Issuer.

U.S. Risk Retention Rules

Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of section 15G of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Risk Retention Rules**") came into effect on 24 December 2016 and generally require the "securitizer" of a "securitization transaction" to retain at least 5 per cent. of the "credit risk" of "securitized assets", as such terms are defined for purposes of that statute, and generally prohibit a securitizer from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitizer is required to retain. The transaction will not involve risk retention by the Sellers for the purposes of the U.S. Risk Retention Rules and the issuance of the Notes was not designed to comply with the U.S. Risk Retention Rules, but rather intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the U.S. Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the "ABS interests" (as defined in Section 2 of the U.S. Risk Retention Rules) are issued) of all classes of ABS interests issued in the securitization transaction are sold or transferred to, or for the account or benefit of, U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as "**Risk Retention U.S. Persons**"); (3) neither the sponsor nor the issuer of the securitization transaction is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of U.S. person under Regulation S, and that persons who are not "U.S persons" under Regulation S may be U.S. persons under the U.S. Risk Retention Rules. The definition of U.S. person in the U.S. 74

Risk Retention Rules is excerpted below. Particular attention should be paid to clauses (b) and (h)(ii), which are different than the comparable provisions in Regulation S. Under the U.S. Risk Retention Rules, and subject to limited exceptions, "U.S. person" (and Risk Retention U.S. Person as used in this Prospectus) means any of the following:

(a) any natural person resident in the United States;

(b) any partnership, corporation, limited liability company, or other organisation or entity organised or incorporated under the laws of any State or of the United States;

(c) any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);

(d) any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);

(e) any agency or branch of a foreign entity located in the United States;

(f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);

(g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and

(h) any partnership, corporation, limited liability company, or other organisation or entity if:

  (i) organised or incorporated under the laws of any foreign jurisdiction; and

  (ii) formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the U.S. Securities Act.

There can be no assurance that the exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available. No assurance can be given as to whether the absence of retention by the Sellers for the purposes of the U.S. Risk Retention Rules may give rise to regulatory action which may adversely affect the Notes or their market value. Furthermore, the impact of the U.S. Risk Retention Rules on the securitization market generally is uncertain, and the absence of retention by the Sellers for the purposes of the U.S. Risk Retention Rules could therefore materially and adversely affect the market value and secondary market liquidity of the Notes.

Each purchaser of Notes, including beneficial interests therein, will, by its acquisition of a Note or beneficial interest therein, be deemed to have made, and in certain circumstances will be required to make, certain representations and agreements, including that it (1) either (i) is not a Risk Retention U.S. Person or (ii) has obtained a U.S. Risk Retention Consent from the Transaction Agent (on behalf of the Sellers), (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note; and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention 75 Rules described herein). Prior to any Notes which are offered and sold by the Issuer being purchased by, or for the account or benefit of, any Risk Retention U.S. Person, the purchaser of such Notes must first disclose to the Issuer, the Transaction Agent on behalf of the Sellers, the Joint Arrangers and the Joint Lead Managers that it is a Risk Retention U.S. Person and obtain the written consent of the Transaction Agent (on behalf of the Sellers) in the form of a U.S. Risk Retention Consent.

There can be no assurance that the requirement to request the Transaction Agent (on behalf of the Sellers) to give its prior written consent to any Notes which are offered and sold by the Issuer being purchased by, or for the account or benefit of, any Risk Retention U.S. Person will be complied with or will be made by such Risk Retention U.S. Persons.

None of the Joint Arrangers, the Joint Lead Managers, the Management Company, the Custodian, the Statutory Auditor, any Seller, any Servicer, the Transaction Agent, the Interest Rate Swap Counterparty, the Paying Agent, the Data Protection Agent, the Listing Agent, the Account Bank, the Specially Dedicated Account Bank or any of their affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the transactions described in this Prospectus comply as a matter of fact with the U.S. Risk Retention Rules on Issue Date or at any time in the future. Investors should consult their own advisors as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Volcker Rule

In December 2013, the banking regulators and other agencies principally responsible for banking and financial market regulation in the United States implemented the final rule under the so-called "Volcker Rule" under the Dodd-Frank Act, which in general prohibits "banking entities" (as defined therein) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring any entity that would be an investment company under the Investment Company Act but for the exclusions provided in Section 3(c)(1) or 3(c)(7) thereof (i.e., "covered funds") and (iii) entering into certain relationships with such funds. The rule, however, provides for the exclusion of certain entities from the definition of covered funds, and the Issuer will rely upon such an exclusion. The final rules became effective on 1 April 2014, and conformance with the Volcker Rule and its implementing regulations was required by 21 July 2015 (subject to the possibility of up to two one-year extensions, each of which has been granted). The general effects of the final rules implementing the Volcker Rule remain uncertain. Any prospective investor in the Notes, including a U.S. or non-U.S. bank or an affiliate or subsidiary thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule and regulatory implementation.

While the Issuer is being structured so as not to be a "covered fund," the Volcker Rule and any similar measures introduced in another relevant jurisdiction may restrict the ability of certain prospective purchasers to invest in the Note Series and, in addition, may have a negative impact on the price and liquidity of the Note Series in the secondary market.

Please refer to section "REGULATORY COMPLIANCE –Volcker Rule".

9. OTHER CONSIDERATIONS

Changes of Law

The structure of the issue of the Class A Notes and the ratings which are to be assigned to them are based on French law, regulatory, accounting and administrative practice in effect as at the date of this Prospectus, and having due regard to the expected tax treatment of all relevant entities under French tax law as at the date of this Prospectus. No assurance can be given as to the impact of any possible change to French law, regulatory, accounting or administrative practice in France or to French tax law, or the interpretation or administration thereof after the date of this Prospectus. Likewise, the Terms and Conditions of the Class A Notes are based on French law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of this Prospectus.

Implementation of 2017 Order

On 3 January 2018, the 2017 Order, which amends the legal framework governing French debt securitisation funds (*fonds communs de titrisation*), entered into force (except for new articles L. 214- 175-2 to L. 214-175-8 of the French Monetary and Financial Code which will enter into force on 1 January 2019). Such changes relate *inter alia* to the terms of the appointment and the role of custodians of *fonds communs de titrisation*, In this respect, the 2017 Order provides that *fonds communs de titrisation* shall appoint a custodian complying with the new requirments resulting from the 2017 Order by 1st January 2019 (including in so far as regards the then existing *fonds communs de titrisation*).

The terms of the appointment of the Custodian may, subject to the outcome of current legislative work, need to be amended, and there is no certainty as to how easily such changes will be implemented. In addition, these amendments may trigger an increase in the fees and costs payable by the Issuer, in particular to the Custodian.

Besides, as at the date of this Prospectus, those texts which are needed in order to implement the 2017 Order (including (i) the decree which will amend articles R. 214-216-1 to R. 214- 240 of the French Monetary and Financial Code and (ii) the updated AMF General Regulations) have neither been adopted nor published. Pending adoption and entry into force of such implementing texts, articles R. 214-216-1 to R. 214-240 of the French Monetary and Financial Code as well as the provisions of AMF General Regulations applicable to French debt securitisation funds (*fonds communs de titrisation*) will continue to apply in their version prior to the entry into force of the 2017 Order, which may give rise to uncertainty as to the regulatory provisions applicable to French debt securitisation funds (*fonds communs de titrisation*).

Force Majeure

The occurrence of certain events beyond the reasonable control of the Issuer and the other parties to the Transaction Documents including strike, lock out, labour dispute, act of God, war, riot, civil commotion, malicious damage, accident, computer software, hardware or system failure, fire, flood, hurricane or storm may lead to a reduction on, or delay to or misallocation of the payments received from, the Borrowers or result in the suspension of the obligations of the parties under the Transaction Documents, which may adversely affect the ability of the Issuer to make payments of principal and interest in respect of the Class A Notes.

Modifications of Transaction Documents

The Management Company and the Custodian, acting in their capacity as founders of the Issuer, may agree to amend from time to time the provisions of the Issuer Regulations or any other Transaction Documents, provided that:

(a) other than for amendments of a minor or mere technical nature or made to correct a manifest error, and, unless otherwise consented to or directed by the Noteholders (in accordance with the Conditions) and the Residual Unitholders (acting unanimously), amendments to the Issuer Regulations or to any other Transaction Documents shall be made provided that the Rating Agencies have received prior notice of any amendment and that such amendment shall not result, in the reasonable opinion of the Management Company, in the placement on "negative outlook" or as the case may be on "rating watch negative" or on "review for possible downgrade", or the downgrading or the withdrawal of any of the ratings of the Class A Notes or that such amendment limits such downgrading or avoids such withdrawal;

(b) any Amendment to the Financial Characteristics of the Class A Notes shall require the prior approval of the Class A Noteholders (by a decision of the general assembly of the relevant Masse or of the sole holder of the Class A Notes, as the case may be);

(c) any Amendment to the Financial Characteristics of the Class B Notes issued by the Issuer shall require the prior approval of the Class B Noteholders (by a decision of the general assembly of the Masse or of the sole holder of the Class B Notes, as the case may be);

(d) any Amendment to the Financial Characteristics of the Residual Units issued by the Issuer shall require the prior approval of the relevant Residual Unitholder(s); and

(e) subject to paragraphs (a) to (d) above, any amendments to the Issuer Regulations shall be notified to the Noteholders and the Residual Unitholder(s), it being specified that such amendments shall be, automatically and without any further formalities (*de plein droit*), enforceable as against such Noteholders and Residual Unitholder(s) within three Business Days after they have been notified thereof.

In the case of a conflict between the decisions taken by the different Masses of Notes and/or between the decisions taken by the Masses of Notes and the Residual Unitholders, the Management Company shall act in accordance with the decision of the Most Senior Class of Notes Outstanding unless such decision would result in an Amendment to the Financial Characteristics of another Class of Notes or of the Residual Units issued by the

Issuer (including those of a junior rank). In such a case, and unless the holders affected by such decision agree to such modification, the Management Company shall not be bound to act pursuant to such decisions and shall incur no liability for such inaction.

Any modification of any of the provisions of the Transaction Documents which is made in order (a) to obtain or maintain the eligibility of the Class A Notes to the Eurosystem legal framework related to monetary policy, (b) for the Transaction to be able to qualify as a simple, transparent and standardised securitisation in accordance with the provisions of the STS Regulation and the related regulatory technical standards and implementing technical standards, (c) to comply with any new requirement received from the Rating Agencies in relation to their rating methodology, (d) to comply with the LCR Regulation and the related regulatory technical standards and implementing technical standards, (e) to implement the changes required by or comply with the 2017 Order (including, without limitation, (i) any amendment made to the provisions of the AMF General Regulations following the Issue Date in order to implement the 2017 Order and (ii) any other text implementing or ratifying the 2017 Order as will be adopted or will enter into force following the Issue Date), (f) to comply with any changes in the requirements of the CRA Regulation, (g) to enable the Class A Notes to be (or to remain) listed and admitted to trading on Euronext Paris or (h) to enable the Issuer and/or the Interest Rate Swap Counterparty to comply with any obligation which applies to it under EMIR, will not necessarily require consent from the Noteholders or the Residual Unitholders, if such modification (1) (i) does not result in the placement on "negative outlook", "rating watch negative" or "review for possible downgrade" or the downgrading or withdrawal of any of the ratings of the Class A Notes or (ii) limits such downgrading of or avoids such withdrawal of the rating of any Class A Notes which could have otherwise occurred and (2) is not an Amendment to the Financial Characteristics of the Notes, provided that the Management Company shall remain entitled to consult the Noteholders and the Residual Unitholders in relation to any such modification to obtain their view on the same.

In addition, for the avoidance of doubt, notwithstanding the above provisions and notwithstanding the potential Amendment to the Financial Characteristics of the Class B Notes and potential Amendment to the Financial Characteristics of the Residual Units that would be triggered by any modification to the way of determining the Class A Notes Interest Rate implemented in accordance with the Reference Rate Determination Process, such modification will not require to call a Noteholders' Meeting for the Class A Noteholders or the Class B Noteholders or to consult the Residual Unitholders.

Any amendment to the relevant Transaction Documents shall require the prior consent of the Interest Rate Swap Counterparty:

(i) where such amendment has or could have a material adverse effect on the interests of the Interest Rate Swap Counterparty under the Interest Rate Swap Agreement or under the relevant Transaction Documents; or

(ii) if any Funds Allocation Rules are amended.

Notwithstanding the provisions set out above, the Management Company will, under all circumstances, act in the interest of the Noteholders and Residual Unitholders in accordance with the provisions of the Issuer Regulations.

EACH OF THE MANAGEMENT COMPANY AND THE CUSTODIAN, IN THEIR CAPACITY AS COFOUNDERS OF THE ISSUER, BELIEVES THAT THE RISKS DESCRIBED HEREIN ARE A LIST OF RISKS WHICH ARE SPECIFIC TO THE SITUATION OF THE ISSUER AND/OR THE NOTES AND WHICH ARE MATERIAL FOR TAKING INVESTMENT DECISIONS BY THE POTENTIAL NOTEHOLDERS. ALTHOUGH EACH OF THE MANAGEMENT COMPANY AND THE CUSTODIAN BELIEVES THAT THE VARIOUS STRUCTURAL ELEMENTS DESCRIBED IN THIS DOCUMENT MITIGATE SOME OF THESE RISKS FOR NOTEHOLDERS, THERE CAN BE NO ASSURANCE THAT THESE MEASURES WILL BE SUFFICIENT TO ENSURE PAYMENT TO NOTEHOLDERS OF INTEREST, PRINCIPAL OR ANY OTHER AMOUNTS ON OR IN CONNECTION WITH THE NOTES ON A TIMELY BASIS OR AT ALL. ADDITIONAL RISKS AND UNCERTAINTIES NOT PRESENTLY KNOWN TO THE MANAGEMENT COMPANY OR THE CUSTODIAN OR THAT THE

MANAGEMENT COMPANY OR THE CUSTODIAN CURRENTLY BELIEVE TO BE IMMATERIAL COULD ALSO HAVE A MATERIAL IMPACT ON THE ISSUER'S FINANCIAL STRENGTH IN RELATION TO THIS TRANSACTION.

APPLICATION OF FUNDS

FUNDS ALLOCATION RULES

Pursuant to the Issuer Regulations, the Management Company make appropriate calculation and giveappropriate instructions to the Custodian, the Account Bank and the Cash Manager in order to ensure that all allocations, distributions and payments required under the rules pertaining to the Funds Allocation Rules (*règles d'affectation de sommes recues par l'organisme*) set out in the Issuer Regulations, including without limitation, the Priorities of Payments, are made in a timely manner and in accordance with such Funds Allocation Rules and Priority of Payments during the Amortisation Period and, as the case may be, the Accelerated Amortisation Period and on the Issuer Liquidation Date.

PRIORITY OF PAYMENTS DURING THE AMORTISATION PERIOD

On each Payment Date falling within the Amortisation Period, the Management Company shall apply the Available Distribution Amount standing to the credit of the General Account (and calculated on the Calculation Date preceding such Payment Date), towards the following payments or provisions in the following order of priority but in each case only to the extent that all payments or provisions of a higher priority due to be paid or provided for on such Payment Date have been made in full:

(1) payment on a *pro rata* basis and *pari passu* basis of the Issuer Expenses then due and payable by the Issuer to each relevant creditor;

(2) payment to the Interest Rate Swap Counterparty of the Interest Rate Swap Net Amount due and payable by the Issuer (if any) and/or of any Interest Rate Swap Senior Termination Payment due and payable by the Issuer (if any) ;

(3) payment *pari passu* and pro rata of the Class A Notes Interest Amount then due and payable to the Class A Noteholders in respect of the Interest Period ending on such Payment Date;

(4) transfer into the General Reserve Account of an amount being equal to the General Reserve Required Amount applicable on such Payment Date;

(5) payment to the Class A Noteholders, on *pari passu* and *pro rata* basis, of the aggregate amount of Class A Notes Amortisation Amount in respect of all Class A Notes, due and payable on that Payment Date;

(6) if a Servicer Termination Event referred to in paragraph (h) of the definition of "Servicer Termination Event" has occurred and is continuing, transfer into the Commingling Reserve Account with the necessary amount in order for the credit standing to the Commingling Reserve Account to be at least equal to the Commingling Reserve Required Amount applicable on the previous Settlement Date ;

(7) payment *pari passu* and *pro rata* of the Class B Notes Interest Amount then due and payable to the Class B Noteholders in respect of the Interest Period ending on such Payment Date;

(8) payment to the Reserves Provider of the General Reserve Decrease Amount (if positive);

(9) payment to the Sellers of the Interest Component Purchase Price of the Purchased Home Loans assigned to the Issuer on the Purchase Date (unless already paid in full);

(10) only once the Class A Notes have been amortised in full, payment to Class B Noteholders, on *pari passu* and *pro rata* basis, of the aggregate amount of Class B Notes Amortisation Amount in respect of all Class B Notes, due and payable on that Payment Date, until the full and definitive redemption of the Class B Notes;

(11) payment to the Interest Rate Swap Counterparty of the Interest Rate Swap Subordinated Termination Payment due and payable by the Issuer (if any);

(12) in or towards payment of any reasonable and duly documented fees and expenses (other than the Issuer Expenses) as the case may be incurred by the Issuer in connection with the operation of the Issuer pursuant to the relevant terms of the Transaction Documents to which the Issuer is party and then due and payable by the Issuer to the relevant creditors of such fees and expenses; and

(13) payment of the remaining credit balance of the General Account to the Residual Unitholders, on *pari passu* and *pro rata* basis, as interest under the Residual Units.

PRIORITY OF PAYMENTS DURING THE ACCELERATED AMORTISATION PERIOD AND ON THE ISSUER LIQUIDATION DATE

On any Payment Date falling within the Accelerated Amortisation Period, and on the Issuer Liquidation Date, the Management Company shall apply the Available Distribution Amount standing to the credit balance of the General Account as calculated on the Calculation Date preceding such Payment Date, towards the following payments or provisions in the following order of priority but in each case only to the extent that all payments or provisions of a higher priority due to be paid or provided for on such Payment Date have been made in full:

(1) payment on a *pro rata* basis and *pari passu* basis of the Issuer Expenses then due and payable by the Issuer to each relevant creditor;

(2) payment of the Interest Rate Swap Net Amount due and payable by the Issuer to the Interest Rate Swap Counterparty (if any) and/or of any Interest Rate Swap Senior Termination Payment then due and payable to the relevant Interest Rate Swap Counterparty under the Interest Rate Swap Agreement;

(3) payment *pari passu* and *pro rata* of the Class A Notes Interest Amount then due and payable to the Class A Noteholders in respect of the Interest Period ending on such Payment Date;

(4) transfer into the General Reserve Account of an amount being equal to the General Reserve Required Amount as at such Payment Date (except on the Issuer Liquidation Date);

(5) payment to the Class A Noteholders, on *pari passu* and *pro rata* basis, of the aggregate amount of Class A Notes Amortisation Amount in respect of all Class A Notes, due and payable on that Payment Date, until the full and definitive redemption of the Class A Notes;

(6) only once the Class A Notes have been amortised in full, payment *pari passu* and *pro rata* of the Class B Notes Interest Amount then due and payable to the Class B Noteholders in respect of the Interest Period ending on such Payment Date;

(7) repayment to the Reserves Provider of any part of the General Reserve Cash Deposit not otherwise repaid;

(8) payment to the Sellers of the remaining portion of the Interest Component Purchase Price of the Purchased Home Loans assigned to the Issuer on the Purchase Date;

(9) only once the Class A Notes have been amortised in full, payment to the Class B Noteholders on *pari passu* and *pro rata* basis of the aggregate amount of Class B Notes Amortisation Amount in respect of all Class B Notes, due and payable on that Payment Date, until the full and definitive redemption of the Class B Notes;

(10) payment of any Interest Rate Swap Subordinated Termination Payment then due and payable;

(11) in or towards payment of any reasonable and duly documented fees and expenses (other than the Issuer Expenses) as the case may be incurred by the Issuer in connection with the operation of the Issuer pursuant to the relevant terms of the Transaction Documents to which the Issuer is party and then due and payable by the Issuer to the relevant creditors of such fees and expenses; and

(12) on the Issuer Liquidation Date, repayment to the Residual Unitholders of the nominal amount of the Residual Units and payment on a *pro rata* basis of the Liquidation Surplus.

DEFERRAL

If on any applicable Payment Date, the Available Distribution Amount is not sufficient to pay, transfer to another Issuer Account or redeem any amount then due and payable (including, without limitation, any amount of principal or interest in respect of any class of Notes) or to be transferred or to be redeemed, such unpaid amount shall constitute arrears which will become due and payable by the Issuer on the next following Payment Date, at the same rank, but in priority to the payment of the amounts of same nature in the applicable Priority of Payments and to the extent of the Available Distribution Amount. Such unpaid amount will not accrue default interest until full payment. For the avoidance of doubt, the failure by the Issuer to pay in full any amount of interest due and payable on the Class A Notes in accordance with the Conditions, where non-payment continues for a period of five (5) Business Days, will constitute an Accelerated Amortisation Event.

RETURN OF SWAP COLLATERAL

On any Payment Date, any amount of collateral credited to the Interest Rate Swap Collateral Accounts due to be retransferred by the Issuer to the Interest Rate Swap Counterparty, pursuant to the terms and conditions of the Interest Rate Swap Agreement will be transferred directly to the Interest Rate Swap Counterparty, outside of any Priority of Payments.

REPLACEMENT SWAP PREMIUM

Upon termination of the Interest Rate Swap Agreement and the entry of the Issuer into a replacement Interest Rate Swap Agreement, any Replacement Swap Premium payable by the Issuer to such replacement Interest Rate Swap Counterparty will be paid by the Issuer directly to such replacement Interest Rate Swap Counterparty, outside of any Priority of Payments, by using the Interest Rate Swap Termination Amount payable by the outgoing Interest Rate Swap Counterparty to the Issuer or, to the extent that such amount is unpaid by the outgoing Interest Rate Swap Counterparty, by using any Interest Rate Swap Collateral Liquidation Amount.

MASTER SERVICER REPORT DELIVERY FAILURE

In the event of a Master Servicer Report Delivery Failure, the Management Company will make any calculations that are necessary to make payments in accordance with the relevant Priority of Payments applicable on the following Payment Date, on the basis of the latest information received from the Servicers or the Transaction Agent, as applicable. In particular:

(a) the Outstanding Principal Balance of the Performing Home Loans as at the Determination Date preceding such Calculation Date; and

(b) the Available Collections arisen during the Quarterly Collection Period preceding such Calculation Date,

will be determined on the basis of the last Master Servicer Report received, including the last available amortisation schedule contained in such Master Servicer Report and using, as prepayment default and recovery rates assumptions, the average prepayment rates, default rates and recovery rates calculated by the Management Company on the basis of the last three (3) available Master Servicer Reports delivered to the Management Company, provided that upon receipt of the relevant Master Servicer Report, the Management Company shall reconcile the calculations and the actual collections, determine the applicable regularisation amount and adjust the amounts to be paid to the Class A Noteholders, the Class B Noteholders, the Residual Unitholders and the Interest Rate Swap Counterparty (as the case may be) on the next applicable Payment Date(s).

DESCRIPTION OF THE NOTES AND THE RESIDUAL UNITS

TRANSFERABLE SECURITIES AND FINANCIAL INSTRUMENTS

The Notes and the Residual Units are (i) transferable securities (*valeurs mobilières*) within the meaning of article L. 211-2 of the French Monetary and Financial Code and (ii) financial instruments (*instruments financiers*) within the meaning of article L. 211-1 of the French Monetary and Financial Code. The Notes are bonds (*obligations*) within the meaning of article L. 213-5 of the French Monetary and Financial Code. The Residual Units are units (*parts*) within the meaning of article L. 214-169 of the French Monetary and Financial Code.

BOOK-ENTRY SECURITIES AND REGISTRATION

The Notes and the Residual Units are issued in book entry form (*dématérialisées*). No physical documents of title will be issued in respect of the Notes or the Residual Units.

The Class A Notes will, upon issue, be registered in the books of Euroclear France (acting as central depository) which shall (i) be admitted to the operations of Euroclear France (acting as central depositary) which shall credit the accounts of Account Holders affiliated with Euroclear France and (ii) be admitted in the Clearing Systems. In this paragraph, "**Account Holder**" shall mean any investment services provider, including Clearstream Banking, société anonyme ("**Clearstream Banking**") and Euroclear Bank S.A./N.V. ("**Euroclear Bank S.A./N.V.**").

TRANSFER

Title to the Class A Notes passes upon the credit of those Class A Notes to an account of an intermediary affiliated with the Clearing Systems. The transfer of the Class A Notes in registered form shall become effective in respect of the Issuer and third parties by way of transfer from the transferor's account to the transferee's account following the delivery of a transfer order (*ordre de mouvement)* signed by the transferor or its agent. Any fee in connection with such transfer shall be borne by the transferee unless agreed otherwise by the transferor and the transferee.

Title to the Class B Notes shall at all times be evidenced by entries in the register of the Custodian, in its capacity as registrar, and a transfer of such Class B Notes may only be effected through registration of the transfer in such register.

Title to the Residual Units shall at all times be evidenced by entries in the register of the Custodian, in its capacity as registrar, and a transfer of such Residual Units may only be effected through registration of the transfer in such register.

REGULATORY CAPITAL TREATMENT OF THE CLASS A NOTES

All subscribers or prospective purchasers of Class A Notes are responsible for obtaining information on the accounting and regulatory capital consequences of such subscription or purchase, and of the holding and the transfer of Class A Notes under French law or under any other legal framework which may apply (see Sections "SUBSCRIPTION AND SALE" and "REGULATORY COMPLIANCE").

ISSUE AND LISTING

In accordance with the Issuer Regulations, on the Issue Date, the Issuer shall issue the Class A Notes, the Class B Notes and the Residual Units.

The Class A Notes to be issued under the Transaction will be listed on the Paris Stock Exchange (Euronext Paris).

The Class B Notes and the Residual Units will not be listed.

The estimate of the total expenses related to admission to trading on the Paris Stock Exchange (Euronext Paris) of the Class A Notes to be issued on the Issue Date is equal to EUR 13,200 (taxes excluded). Such expenses will be paid by the Transaction Agent on behalf of the Sellers.

PLACEMENT AND SUBSCRIPTION

The Class A Notes must be sold in accordance with and subject to the selling restrictions set out in the Section "SUBSCRIPTION AND SALE" on pages 285 of this Prospectus and any other applicable laws and regulations.

The Class B Notes will be subscribed by each of the Sellers and the Residual Units will be subscribed by a special purpose vehicle (the "**Residual Units Subscriber**"), the sole purpose of which is to subscribe the Residual Units and issue several categories of financial instruments. Pursuant to the Class A Notes Subscription Agreement, each Seller (i) has represented to the Management Company, the Custodian, the Issuer, the Joint Arrangers and the Joint Lead Managers that the Residual Units will be subscribed on the Issuer Establishment Date by the Residual Units Subscriber and that each of the categories of financial instruments issued by the Residual Units Subscriber will be entirely subscribed by one of the Sellers, and will give right to the excess spread specifically computed in relation to the part of the Purchased Home Loans assigned by that Seller to the Issuer, and (ii) has undertaken to subscribe for, and hold until redemption in full of the Class A Notes, all instruments issued by such special purpose vehicle, in respect of the category corresponding to that Seller.

RATING

Class A Notes

It is a condition precedent to the issuance of the Class A Notes on the Issue Date that the Class A Notes are assigned a AAA(sf) rating by S&P and a Aaa (sf) rating by Moody's.

There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by either or both of the Rating Agencies as a result of changes in or unavailability of information or if, in the judgment of the Rating Agencies, circumstances so warrant. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the Rating Agencies. As of 1 May 2018, "S&P Global Ratings" and "Moody's Investor Service Ltd" are registered under the CRA Regulation 1060/2009/EC of the European Parliament and the Council of 16 September 2009 on credit rating agencies, as amended pursuant to Regulation 513/2011/EU of the European Parliament and the Council of 11 May 2011 and to Regulation 462/2013/EU of the European Parliament and of the Council of 21 May 2013 (the "**CRA Regulation**") according to the list published by the European Securities and Markets Authority on its website (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs).

Rating Procedure

The principles governing the rating procedure of the Class A Notes are defined in APPENDIX II of this Prospectus.

PAYING AGENCY AGREEMENT

According to the provisions of the Paying Agency Agreement, provision is made for, amongst other things, the payment of principal and interest in respect of the Class A Notes by the Paying Agent.

DESCRIPTION OF THE ASSETS ALLOCATED TO THE ISSUER

GENERAL CHARACTERISTICS OF THE ASSETS ALLOCATED TO THE ISSUER

The Assets Allocated to the Issuer by the Management Company mainly comprise all Home Loans assigned to the Issuer by the Sellers under the Home Loans Purchase and Servicing Agreement and which have not been retransferred, or been the subject of a transfer rescission (the "**Purchased Home Loans**") and any Ancillary Rights attached to the Purchased Home Loans.

The Assets Allocated to the Issuer by the Management Company also include:

(a) any amounts standing from time to time to the credit of the Issuer Accounts (excluding the Interest Rate Swap Collateral Accounts);

(b) any Eligible Investments and income relating to any Eligible Investments; and

(c) any other rights transferred or attributed to the Issuer under the terms of the Transaction Documents.

ALLOCATION OF THE CASH FLOWS GENERATED BY THE ASSETS ALLOCATED TO THE ISSUER

The cash flows generated by the Assets Allocated to the Issuer are allocated by the Management Company exclusively to the payment of all amounts due by the Issuer, pursuant to the applicable Funds Allocation Rules (including, without limitation, the relevant Priority of Payments).

RETRANSFER OF HOME LOANS AND RESCISSION OF ASSIGNMENT

Pursuant to articles L. 214-169 and L. 214-183 of the French Monetary and Financial Code, the Issuer may assign the Purchased Home Loans only:

(a) if it is in the interest of the Noteholders and the Residual Unitholders and such Purchased Home Loans have become entirely due (*échues*) or have been entirely accelerated (*déchues de leur terme*), according to the provisions of the Home Loans Purchase and Servicing Agreement (see Section "DESCRIPTION OF THE HOME LOANS PURCHASE AND SERVICING AGREEMENT AND THE RESERVES CASH DEPOSIT AGREEMENT");

(b) if any Seller has exercised its option to repurchase certain Purchased Home Loans which raise management and/or operational issues according to the provisions of the Home Loans Purchase and Servicing Agreement (see Section "DESCRIPTION OF THE HOME LOANS PURCHASE AND SERVICING AGREEMENT AND THE RESERVES CASH DEPOSIT AGREEMENT");

(c) if any Servicer enters into any Commercial Renegotiation which would result in the breach of its undertakings under the Home Loans Purchase and Servicing Agreement (see Section "DESCRIPTION OF THE HOME LOANS PURCHASE AND SERVICING AGREEMENT AND THE RESERVES CASH DEPOSIT AGREEMENT");

(d) in the case of liquidation of the Issuer (see Section "LIQUIDATION OF THE ISSUER, CLEAN-UP OFFER AND RE-PURCHASE OF THE RECEIVABLES AND THE RESERVES CASH DEPOSIT AGREEMENT").

Pursuant to the Home Loans Purchase and Servicing Agreement, the assignment of Home Loans may be rescinded in case of non-conformity of the Home Loans with the Home Loan Eligibility Criteria (see Section "DESCRIPTION OF THE HOME LOANS PURCHASE AND SERVICING AGREEMENT AND THE RESERVES CASH DEPOSIT AGREEMENT – Failure to conform and remedies").

INFORMATION RELATING TO THE PROVISIONAL PORTFOLIO OF HOME LOANS

General

The following section sets out the aggregated information relating to the provisional portfolio of Home Loans complying with the Home Loan Eligibility Criteria selected by the Sellers as at the close of business on 31 August 2018.

The provisional portfolio satisfies the homogeneous conditions of Article 1(a), (b), (c) and (d) of the EBA Final Draft Regulatory Technical Standards on the homogeneity of the underlying exposures in securitisation under Articles 20(14) and 24(21) of Regulation (EU) No 2017/2402 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation dated 31 July 2018 (the ***Draft RTS Homogeneity***). The Home Loans of the provisional portfolio (i) have been underwritten according to similar underwriting standards which apply similar approaches to the assessment of credit risk associated with the Home Loans and without prejudice to Article 9(1) of the Securitisation Regulation (ii) are serviced according to similar servicing procedures with respect to monitoring, collection and administration of Home Loans, (iii) fall within the same asset category of residential loans secured with one or several mortgages on residential immovable property or residential loans fully guaranteed by an eligible protection provider and (iv) in accordance with the homogeneity factors set forth in Article 3(2)(b) of the Draft RTS Homogeneity, in accordance with the Home Loan Eligibility Criteria (g), the Home Loans were granted to finance the acquisition, renovation, building or refinancing of the main residence of the Borrower. The criteria set out in (i) up to and including (iv) are derived from the Draft RTS Homogeneity as being the most recent draft available on the date of this Prospectus. However, in the process of adoption by the European Commission of the delegated regulation regulating the homogeneity criteria based on the mandate set out in Article 20(14) of the STS Regulation, other or amended criteria may be included in the final binding regulation text deviating from the Draft RTS Homogeneity.

The size of the selected portfolio will be smaller than the size of the provisional portfolio due to inter alia (i) the application of the Home Loan Eligibility Criteria and the Portfolio Conditions as at the Selection Date, (ii) the scheduled payment and prepayments made in respect of such Home Loans between 31 August 2018 and the Selection Date and (iii) the alignment of the size of the selected portfolio with the nomainal amount of the Class A Notes, Classs B Notes and the Residual Units to be issued on the Issue Date. The information contained in this section will not be updated to reflect any decrease in the size of the Portfolio of Purchased Home Loans from that of the provisional portfolio.

Information relating to the provisional portfolio of receivables

On 31st August 2018 and for the purposes of this Prospectus, the provisional portfolio comprised 14,742 Home Loan Agreements for an aggregate Outstanding Principal Balance of EUR 1,433,635,792. The average Outstanding Principal Balance by Home Loan Agreement of the provisional portfolio was EUR 97,248 with an average seasoning of the selected Home Loan Agreements (as of their date of origination) of 40.0 months and a weighted average remaining term to maturity of 215.1 months, all weighted average being weighted by the Outstanding Principal Balance of the selected receivables.

The statistical information set out in the following tables shows the characteristics of the provisional portfolio of Home Loan Agreements selected by the Sellers on close of business on 31 August 2018 (columns of percentages may not add up to 100% due to rounding). The Home Loans arising from the Home Loan Agreements of the provisional portfolio complied on such date with the Home Loan Eligibility Criteria set out in the section "DESCRIPTION OF THE HOME LOANS PURCHASE AND SERVICING AGREEMENT AND THE RESERVES CASH DEPOSIT AGREEMENT".

The portfolio of the Home Loans to be transferred by the Sellers to the Issuer on the Issuer Establishment Date will be selected, firstly, among this provisional portfolio in a manner that will not be adverse to the Issuer and so that the selected portfolio will comply with the Home Loan Criteria as at the Selection Date, as as the case may be, the relevant date specified in the Home Loan Eligibility Criteria. Secondly, if the size of the provisional portfolio meeting the Home Loan Eligibility Criteria is not at least equal to the expected Principal Outstanding Balance of the Notes as at the Issue Date, additional receivables will be randomly selected on the Selection Date from a pool of receivables complying with the Home Loan Eligibility Criteria and selected in accordance with the

same methodology as the provisional portfolio. Therefore, the characteristics of the Purchased Home Loans on the Issuer Establishment Date may differ from the provisional portfolio of the receivables selected on 31st August 2018 due to inter alia scheduled payments and prepayments, delinquencies and defaults.The composition of the portfolio of Purchased Home Loans will change after the Issuer Establishment Date as a result of the amortisation of the Purchased Home Loans, any prepayments, any losses related to the Purchased Home Loans, any retransfer or rescission of Purchased Home Loans or renegotiations entered into by the Servicer in accordance with the Servicing Procedures.

These differences could result in faster or slower repayments or greater losses on the Notes than what would have been the case based on the portfolio of Purchased Home Loans as of the Issuer Establishment Date.

The Investor Reports (with a description of the Purchased Home Loans) are and will be published by the Management Company on its website (www.france-titrisation.fr).

Provisional Portfolio Summary

Total Outstanding Principal Balance	1,433,635,792
Number of Home Loans	14,742
Number of households	13,363
Average Outstanding Principal Balance	97,248
Maximum Outstanding Principal Balance	982,036
WA Debt-To-Income ratio (Total / Guaranteed Loan / First Lien Mortgage Loan)	31.8% / 30.9% / 34.0%
WA Original LTV (Total / Guaranteed Loan / First Lien Mortgage Loan)	91.7% / 91.7% / 91.7%
WA Current LTV (Total / Guaranteed Loan / First Lien Mortgage Loan)	79.0% / 79.4% / 78.3%
WA current indexed LTV (Total / Guaranteed Loan / First Lien Mortgage Loan)	79.3% / 79.4% / 79.2%
WA Interest Rate	2.5%
WA Seasoning (months)	40.0
WA Remaining Term (months)	215.1
% Monthly Payment Frequency	100.0%
% Fixed Interest Rate	100.0%
% Defaulted / Delinquent	0.0% / 0.0%
% Interest only	0.0%
% Owner-occupied	100.0%
% Self-certified	0.0%
% Individuals	100.0%
% Security Type (Guaranteed Loan / First Lien Mortgage Loan)	71.0% / 29.0%
% Amortising	100.0%
% Annuity	100.0%

Statistical information

Originator	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
Banque Populaire	**4,965**	**33.7%**	**565,768,247**	**39.5%**	**39.5%**	**2.4%**	**38.3**	**217.9**
Banque Populaire Aquitaine Centre Atlantique	528	3.6%	62,583,630	4.4%	4.4%	2.4%	32.8	235.1
Banque Populaire Alsace Lorraine Champagne	642	4.4%	71,135,267	5.0%	9.3%	2.3%	38.1	197.2
Banque Populaire Auvergne Rhône Alpes	855	5.8%	91,484,841	6.4%	15.7%	2.4%	42.4	216.0
Banque Populaire Bourgogne Franche Comté	489	3.3%	51,891,261	3.6%	19.3%	2.4%	38.9	220.8
Banque Populaire Méditerranée	169	1.1%	25,331,194	1.8%	21.1%	2.6%	46.3	218.2
Banque Populaire du Nord	406	2.8%	42,269,070	2.9%	24.0%	2.5%	37.8	208.8
Banque Populaire Grand Ouest	664	4.5%	58,716,306	4.1%	28.1%	2.4%	43.9	202.3
Banque Populaire Occitane	311	2.1%	38,026,547	2.7%	30.8%	2.3%	35.6	229.8
Banque Populaire Rives de Paris	500	3.4%	82,038,311	5.7%	36.5%	2.3%	37.3	222.1
Banque Populaire du Sud	154	1.0%	15,993,947	1.1%	37.6%	2.4%	30.9	239.1
Banque Populaire Val de France	247	1.7%	26,297,874	1.8%	39.5%	2.5%	28.7	240.3
Caisse D'Epargne	**9,777**	**66.3%**	**867,867,545**	**60.5%**	**60.5%**	**2.6%**	**41.1**	**213.2**
Caisse d'Epargne et de Prévoyance Aquitaine Poitou-Charentes	759	5.1%	57,214,389	4.0%	43.5%	2.8%	48.0	208.8
Caisse d'Epargne et de Prévoyance de Bourgogne Franche-Comté	296	2.0%	31,919,136	2.2%	45.7%	2.3%	30.6	237.0
Caisse d'Epargne et de Prévoyance de Bretagne – Pays de Loire	1,160	7.9%	75,939,119	5.3%	51.0%	2.5%	48.7	183.9
Caisse d'Epargne et de Prévoyance Côte d'Azur	444	3.0%	40,609,154	2.8%	53.8%	2.8%	47.3	217.8
Caisse d'Epargne et de Prévoyance de Grand Est	691	4.7%	68,425,204	4.8%	58.6%	2.5%	38.8	219.3
Caisse d'Epargne et de Prévoyance Hauts de France	952	6.5%	98,310,569	6.9%	65.4%	2.6%	38.7	219.5
Caisse d'Epargne et de Prévoyance Ile-de-France	1,116	7.6%	152,902,895	10.7%	76.1%	2.5%	37.7	231.0
Caisse d'Epargne et de Prévoyance Loire-Centre	406	2.8%	37,808,679	2.6%	78.7%	2.6%	43.7	221.6
Caisse d'Epargne et de Prévoyance de Loire Drôme Ardèche	293	2.0%	25,667,078	1.8%	80.5%	2.5%	38.3	217.3
CELR Caisse d'Epargne et de Prévoyance du Languedoc Roussillon	408	2.8%	34,254,705	2.4%	82.9%	2.8%	43.1	218.2
Caisse d'Epargne et de Prévoyance de Midi Pyrénées	513	3.5%	33,607,244	2.3%	85.3%	2.5%	40.4	193.5
Caisse d'Epargne et de Prévoyance Normandie	604	4.1%	48,250,167	3.4%	88.6%	2.5%	36.2	213.5
Caisse d'Epargne CEPAC	567	3.8%	52,133,305	3.6%	92.3%	2.8%	42.3	223.7
Caisse d'Epargne et de Prévoyance d'Auvergne et du Limousin	311	2.1%	24,299,264	1.7%	94.0%	2.5%	38.8	218.5
Caisse d'Epargne et de Prévoyance de Rhône Alpes	1,257	8.5%	86,526,636	6.0%	100.0%	2.6%	43.0	180.3
Total	**14,742**	**100.0%**	**1,433,635,792**	**100.0%**	**100.0%**	**2.5%**	**40.0**	**215.1**

Original Principal Balance	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
[0 ; 50,000 [	2,314	15.7%	54,444,162	3.8%	3.8%	2.6%	43.8	147.8
[50,000 ; 75,000 [	2,415	16.4%	116,629,966	8.1%	11.9%	2.6%	43.3	171.4
[75,000 ; 100,000 [	2,377	16.1%	173,341,833	12.1%	24.0%	2.6%	41.3	198.0
[100,000 ; 150,000 [	4,068	27.6%	427,732,219	29.8%	53.9%	2.5%	40.3	216.5
[150,000 ; 200,000 [	2,028	13.8%	305,118,494	21.3%	75.1%	2.5%	37.2	231.4
[200,000 ; 250,000 [	854	5.8%	163,749,881	11.4%	86.6%	2.5%	38.8	233.9
[250,000 ; 500,000 [	650	4.4%	173,196,212	12.1%	98.6%	2.5%	39.1	233.0
[500,000 ; 750,000 [	29	0.2%	14,406,986	1.0%	99.7%	2.4%	44.3	218.3
[750,000 ; 1,000,000 [	5	0.0%	3,372,275	0.2%	99.9%	2.2%	59.9	200.7
Over 1,000,000	2	0.0%	1,643,764	0.1%	100.0%	2.4%	89.0	167.2
Total	**14,742**	**100.0%**	**1,433,635,792**	**100.0%**	**100.0%**	**2.5%**	**40.0**	**215.1**
Min	**2,000**							
Max	**1,262,000**							
Average	**114,495**							

Oustanding Principal Balance	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
[0 ; 50,000 [	3,837	26.0%	108,157,184	7.5%	7.5%	2.6%	50.7	125.1
[50,000 ; 75,000 [	2,377	16.1%	149,033,424	10.4%	17.9%	2.6%	44.6	177.2
[75,000 ; 100,000 [	2,436	16.5%	212,368,919	14.8%	32.8%	2.6%	42.6	203.6
[100,000 ; 150,000 [	3,503	23.8%	428,481,443	29.9%	62.6%	2.5%	39.2	225.5
[150,000 ; 200,000 [	1,587	10.8%	271,061,254	18.9%	81.5%	2.5%	36.3	237.5
[200,000 ; 250,000 [	578	3.9%	128,274,806	8.9%	90.5%	2.4%	34.6	245.8
[250,000 ; 500,000 [	401	2.7%	122,324,642	8.5%	99.0%	2.4%	35.8	241.7
[500,000 ; 750,000 [	20	0.1%	11,378,568	0.8%	99.8%	2.4%	46.8	214.2
[750,000 ; 1,000,000 [	3	0.0%	2,555,553	0.2%	100.0%	2.3%	59.7	236.1
Over 1,000,000	0	0.0%	0	0.0%	100.0%	-	-	-
Total	**14,742**	**100.0%**	**1,433,635,792**	**100.0%**	**100.0%**	**2.5%**	**40.0**	**215.1**
Min	**903**							
Max	**982,036**							
Average	**97,248**							

Original Loan Term (months)	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
[1 ; 12 [	0	0.0%	0	0.0%	0.0%	-	-	-
[12 ; 24 [	0	0.0%	0	0.0%	0.0%	-	-	-
[24 ; 36 [	2	0.0%	17,068	0.0%	0.0%	2.1%	10.9	16.0
[36 ; 48 [	3	0.0%	28,267	0.0%	0.0%	2.8%	20.6	21.4
[48 ; 60 [	5	0.0%	68,820	0.0%	0.0%	2.3%	40.3	15.3
[60 ; 72 [	49	0.3%	639,578	0.0%	0.1%	2.3%	42.8	20.3
[72 ; 84 [	92	0.6%	1,724,924	0.1%	0.2%	2.4%	48.1	27.3
[84 ; 96 [	220	1.5%	4,582,125	0.3%	0.5%	2.4%	49.6	35.6
[96 ; 108 [	177	1.2%	4,935,057	0.3%	0.8%	2.5%	51.5	47.1
[108 ; 120 [	238	1.6%	7,662,124	0.5%	1.4%	2.5%	53.1	58.5
[120 ; 180 [	2,195	14.9%	97,899,259	6.8%	8.2%	2.5%	51.6	93.4
[180 ; 240 [	3,022	20.5%	247,019,364	17.2%	25.4%	2.4%	45.1	156.4
[240 ; 300 [	4,151	28.2%	469,854,148	32.8%	58.2%	2.5%	40.9	212.2
[300 ; 360 [	4,440	30.1%	580,463,361	40.5%	98.7%	2.6%	34.1	265.9
Over 360	148	1.0%	18,741,696	1.3%	100.0%	3.3%	62.3	297.4
Total	**14,742**	**100.0%**	**1,433,635,792**	**100.0%**	**100.0%**	**2.5%**	**40.0**	**215.1**
Min	**24.0**							
Max	**372.0**							
Average	**231.9**							
Weighted Average	**256.0**							

Seasoning (months)	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
[1 ; 12 [	510	3.5%	69,368,435	4.8%	4.8%	2.2%	8.0	281.9
[12 ; 24 [	1,317	8.9%	154,901,871	10.8%	15.6%	2.3%	17.4	264.4
[24 ; 36 [	4,739	32.1%	526,892,953	36.8%	52.4%	2.4%	29.7	229.9
[36 ; 48 [	3,450	23.4%	320,082,231	22.3%	74.7%	2.5%	40.5	201.8
[48 ; 60 [	1,821	12.4%	141,162,035	9.8%	84.6%	2.7%	53.2	176.2
[60 ; 72 [	980	6.6%	82,722,482	5.8%	90.3%	2.8%	64.4	178.0
[72 ; 84 [	579	3.9%	44,864,678	3.1%	93.5%	3.0%	76.6	174.8
[84 ; 96 [	555	3.8%	42,262,699	2.9%	96.4%	3.0%	89.4	160.3
[96 ; 108 [	552	3.7%	34,699,528	2.4%	98.8%	3.1%	101.7	152.3
[108 ; 120 [	239	1.6%	16,678,879	1.2%	100.0%	3.1%	110.8	155.9
[120 ; 180 [	0	0.0%	0	0.0%	100.0%	-	-	-
[180 ; 240 [	0	0.0%	0	0.0%	100.0%	-	-	-
[240 ; 300 [	0	0.0%	0	0.0%	100.0%	-	-	-
[300 ; 360 [	0	0.0%	0	0.0%	100.0%	-	-	-
Over 360	0	0.0%	0	0.0%	100.0%	-	-	-
Total	**14,742**	**100.0%**	**1,433,635,792**	**100.0%**	**100.0%**	**2.5%**	**40.0**	**215.1**
Min	**3.0**							
Max	**115.0**							
Average	**43.9**							
Weighted Average	**40.0**							

Remaining Term (months)	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
[1 ; 12 [	84	0.6%	573,945	0.0%	0.0%	3.2%	81.0	9.9
[12 ; 24 [	274	1.9%	3,488,098	0.2%	0.3%	2.9%	79.0	18.3
[24 ; 36 [	281	1.9%	5,691,362	0.4%	0.7%	2.8%	70.3	30.3
[36 ; 48 [	273	1.9%	7,329,313	0.5%	1.2%	2.7%	67.5	41.4
[48 ; 60 [	280	1.9%	9,862,603	0.7%	1.9%	2.7%	67.0	53.6
[60 ; 72 [	384	2.6%	15,173,126	1.1%	2.9%	2.7%	61.7	65.8
[72 ; 84 [	427	2.9%	18,625,434	1.3%	4.2%	2.5%	58.8	77.2
[84 ; 96 [	335	2.3%	15,484,989	1.1%	5.3%	2.5%	58.1	89.1
[96 ; 108 [	298	2.0%	18,827,558	1.3%	6.6%	2.5%	59.5	102.0
[108 ; 120 [	386	2.6%	25,526,188	1.8%	8.4%	2.5%	55.7	113.9
[120 ; 180 [	2,804	19.0%	223,748,867	15.6%	24.0%	2.5%	49.7	151.0
[180 ; 240 [	4,242	28.8%	471,956,372	32.9%	56.9%	2.5%	43.6	207.4
[240 ; 300 [	4,598	31.2%	607,397,686	42.4%	99.3%	2.5%	29.5	269.5
[300 ; 360 [	76	0.5%	9,950,252	0.7%	100.0%	2.9%	30.1	325.4
Over 360	0	0.0%	0	0.0%	100.0%	-	-	-
Total	**14,742**	**100.0%**	**1,433,635,792**	**100.0%**	**100.0%**	**2.5%**	**40.0**	**215.1**
Min	**7.0**							
Max	**355.0**							
Average	**187.1**							
Weighted Average	**215.1**							

Year of Loan Origination	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
2009	434	2.9%	27,853,556	1.9%	1.9%	3.1%	108.8	152.4
2010	533	3.6%	36,080,037	2.5%	4.5%	3.1%	97.5	155.2
2011	546	3.7%	40,746,210	2.8%	7.3%	3.0%	86.0	159.5
2012	648	4.4%	54,620,747	3.8%	11.1%	3.0%	72.9	185.7
2013	1,365	9.3%	110,428,986	7.7%	18.8%	2.7%	60.4	171.9
2014	2,129	14.4%	165,467,211	11.5%	30.4%	2.7%	48.6	181.3
2015	4,283	29.1%	436,824,784	30.5%	60.8%	2.4%	36.7	212.2
2016	3,497	23.7%	396,497,211	27.7%	88.5%	2.4%	26.7	239.5
2017	1,102	7.5%	137,710,772	9.6%	98.1%	2.3%	13.2	271.1
2018	205	1.4%	27,406,279	1.9%	100.0%	2.2%	5.6	286.6
Total	**14,742**	**100.0%**	**1,433,635,792**	**100.0%**	**100.0%**	**2.5%**	**40.0**	**215.1**

Payment Due	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
[0 ; 300 [	2,464	16.7%	100,441,560	7.0%	7.0%	2.6%	39.5	213.6
[300 ; 400 [	1,501	10.2%	83,833,175	5.8%	12.9%	2.6%	39.6	207.5
[400 ; 500 [	1,784	12.1%	121,632,751	8.5%	21.3%	2.5%	38.0	211.2
[500 ; 600 [	1,830	12.4%	149,645,195	10.4%	31.8%	2.5%	37.7	216.8
[600 ; 700 [	1,665	11.3%	161,162,833	11.2%	43.0%	2.5%	38.6	218.2
[700 ; 800 [	1,466	9.9%	163,518,760	11.4%	54.4%	2.5%	39.5	220.5
[800 ; 900 [	1,126	7.6%	141,335,620	9.9%	64.3%	2.5%	39.0	218.6
[900 ; 1,000 [	800	5.4%	111,325,756	7.8%	72.0%	2.5%	39.2	216.8
[1,000 ; 1,250 [	1,169	7.9%	187,484,602	13.1%	85.1%	2.5%	40.8	218.5
[1,250 ; 1,500 [	466	3.2%	90,620,317	6.3%	91.4%	2.5%	41.1	217.3
Over 1,500	471	3.2%	122,635,224	8.6%	100.0%	2.5%	47.8	199.5
Total	**14,742**	**100.0%**	**1,433,635,792**	**100.0%**	**100.0%**	**2.5%**	**40.0**	**215.1**
Max	**6,773.6**							
Average	**648.6**							

Current Interest Rate	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
[0 ; 2% [	0	0.0%	0	0.0%	0.0%	-	-	-
[2% ; 2.25% [	4,127	28.0%	440,116,864	30.7%	30.7%	2.1%	31.1	217.2
[2.25% ; 2.5% [	3,640	24.7%	364,507,497	25.4%	56.1%	2.4%	36.8	214.7
[2.5% ; 2.75% [	3,385	23.0%	332,025,571	23.2%	79.3%	2.6%	41.3	216.3
[2.75% ; 3% [	1,513	10.3%	138,716,428	9.7%	89.0%	2.8%	46.5	219.1
[3% ; 4% [	1,733	11.8%	133,094,755	9.3%	98.2%	3.3%	59.4	204.0
Over 4%	344	2.3%	25,174,677	1.8%	100.0%	4.4%	84.7	202.3
Total	**14,742**	**100.0%**	**1,433,635,792**	**100.0%**	**100.0%**	**2.5%**	**40.0**	**215.1**
Min	**2.0%**							
Max	**6.0%**							
Average	**2.6%**							
Weighted Average	**2.5%**							

Loan Purpose	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
Purchase	11,456	77.7%	1,130,051,485	78.8%	78.8%	2.5%	40.5	221.8
Re-mortgage	3,286	22.3%	303,584,307	21.2%	100.0%	2.4%	38.2	189.9
Total	**14,742**	**100.0%**	**1,433,635,792**	**100.0%**	**100.0%**	**2.5%**	**40.0**	**215.1**

Security Type : "Total"

Original LTV	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
[0% ; 10% [	13	0.1%	183,752	0.0%	0.0%	2.7%	52.2	118.1
[10% ; 20% [	102	0.7%	2,081,741	0.1%	0.2%	2.7%	57.6	92.4
[20% ; 30% [	182	1.2%	7,208,070	0.5%	0.7%	2.6%	57.1	122.2
[30% ; 40% [	284	1.9%	13,105,802	0.9%	1.6%	2.6%	51.4	132.7
[40% ; 50% [	391	2.7%	22,566,784	1.6%	3.1%	2.6%	52.0	156.9
[50% ; 60% [	467	3.2%	35,641,839	2.5%	5.6%	2.6%	49.8	181.3
[60% ; 70% [	635	4.3%	55,647,419	3.9%	9.5%	2.5%	45.6	191.6
[70% ; 80% [	853	5.8%	82,439,833	5.8%	15.3%	2.5%	42.9	207.0
[80% ; 90% [	1,516	10.3%	164,098,079	11.4%	26.7%	2.5%	40.5	221.6
[90% ; 100% [	3,743	25.4%	436,578,952	30.5%	57.2%	2.5%	37.9	231.4
[100% ; 110% [	6,487	44.0%	604,942,643	42.2%	99.4%	2.5%	39.0	212.0
Over 110%	69	0.5%	9,140,880	0.6%	100.0%	2.3%	30.5	233.4
Total	**14,742**	**100.0%**	**1,433,635,792**	**100.0%**	**100.0%**	**2.5%**	**40.0**	**215.1**
Min	**5.0%**							
Max	**213.0%**							
Average	**89.2%**							
Weighted Average	**91.7%**							

Security Type : "First Lien Mortgage Loan"

Original LTV	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
[0% ; 10% [	3	0.1%	30,698	0.0%	0.0%	3.3%	61.3	108.1
[10% ; 20% [	9	0.2%	415,685	0.1%	0.1%	2.4%	54.3	133.9
[20% ; 30% [	35	0.9%	2,604,761	0.6%	0.7%	2.5%	55.8	144.6
[30% ; 40% [	49	1.3%	3,705,026	0.9%	1.6%	2.7%	57.2	147.7
[40% ; 50% [	73	2.0%	6,404,553	1.5%	3.2%	2.7%	56.0	179.9
[50% ; 60% [	116	3.1%	11,772,582	2.8%	6.0%	2.7%	52.1	193.8
[60% ; 70% [	137	3.7%	14,108,314	3.4%	9.4%	2.6%	47.5	188.8
[70% ; 80% [	213	5.7%	23,625,125	5.7%	15.1%	2.5%	45.1	208.6
[80% ; 90% [	385	10.4%	49,491,794	11.9%	26.9%	2.6%	44.1	221.2
[90% ; 100% [	1,146	30.9%	148,972,816	35.8%	62.7%	2.6%	44.0	227.0
[100% ; 110% [	1,502	40.5%	149,617,817	35.9%	98.7%	2.7%	47.6	216.0
Over 110%	40	1.1%	5,527,755	1.3%	100.0%	2.4%	32.4	231.9
Total	**3,708**	**100.0%**	**416,276,926**	**100.0%**	**100.0%**	**2.7%**	**45.9**	**217.1**
Min	**7.0%**							
Max	**210.0%**							
Average	**90.9%**							
Weighted Average	**91.7%**							

Security Type : "Guaranteed Loan"

Original LTV	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
[0% ; 10% [	10	0.1%	153,054	0.0%	0.0%	2.5%	50.4	120.2
[10% ; 20% [	93	0.8%	1,666,056	0.2%	0.2%	2.8%	58.4	82.1
[20% ; 30% [	147	1.3%	4,603,309	0.5%	0.6%	2.7%	57.8	109.5
[30% ; 40% [	235	2.1%	9,400,776	0.9%	1.6%	2.6%	49.0	126.7
[40% ; 50% [	318	2.9%	16,162,231	1.6%	3.1%	2.5%	50.4	147.8
[50% ; 60% [	351	3.2%	23,869,256	2.3%	5.5%	2.5%	48.6	175.2
[60% ; 70% [	498	4.5%	41,539,105	4.1%	9.6%	2.5%	44.9	192.5
[70% ; 80% [	640	5.8%	58,814,708	5.8%	15.4%	2.5%	42.0	206.4
[80% ; 90% [	1,131	10.3%	114,606,285	11.3%	26.6%	2.5%	39.0	221.7
[90% ; 100% [	2,597	23.5%	287,606,136	28.3%	54.9%	2.5%	34.7	233.7
[100% ; 110% [	4,985	45.2%	455,324,825	44.8%	99.6%	2.4%	36.2	210.7
Over 110%	29	0.3%	3,613,124	0.4%	100.0%	2.2%	27.5	235.8
Total	**11,034**	**100.0%**	**1,017,358,866**	**100.0%**	**100.0%**	**2.4%**	**37.5**	**214.2**
Min	**5.0%**							
Max	**213.0%**							
Average	**88.7%**							
Weighted Average	**91.7%**							

Security Type : "Total"

Current LTV	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
[0% ; 10% [	312	2.1%	4,492,748	0.3%	0.3%	3.0%	77.3	48.6
[10% ; 20% [	432	2.9%	13,760,288	1.0%	1.3%	2.7%	66.6	83.1
[20% ; 30% [	459	3.1%	22,380,973	1.6%	2.8%	2.6%	60.9	116.1
[30% ; 40% [	537	3.6%	33,579,934	2.3%	5.2%	2.6%	55.8	145.4
[40% ; 50% [	644	4.4%	48,725,975	3.4%	8.6%	2.6%	55.7	161.4
[50% ; 60% [	913	6.2%	76,583,094	5.3%	13.9%	2.6%	52.3	175.7
[60% ; 70% [	1,190	8.1%	107,340,737	7.5%	21.4%	2.6%	51.0	189.1
[70% ; 80% [	2,148	14.6%	216,158,605	15.1%	36.5%	2.6%	48.2	201.8
[80% ; 90% [	4,360	29.6%	473,536,653	33.0%	69.5%	2.5%	38.6	219.5
[90% ; 100% [	3,747	25.4%	437,076,786	30.5%	100.0%	2.4%	27.2	252.4
Over 100%	0	0.0%	0	0.0%	100.0%	-	-	-
Total	**14,742**	**100.0%**	**1,433,635,792**	**100.0%**	**100.0%**	**2.5%**	**40.0**	**215.1**
Min	**0.7%**							
Max	**99.9%**							
Average	**73.4%**							
Weighted Average	**79.0%**							

Security Type : "First Lien Mortgage Loan"

Current LTV	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
[0% ; 10% [	31	0.8%	460,174	0.1%	0.1%	3.3%	81.9	52.9
[10% ; 20% [	72	1.9%	3,416,385	0.8%	0.9%	2.7%	70.8	116.4
[20% ; 30% [	105	2.8%	6,711,739	1.6%	2.5%	2.8%	67.6	121.6
[30% ; 40% [	110	3.0%	8,984,299	2.2%	4.7%	2.7%	58.8	155.6
[40% ; 50% [	156	4.2%	15,365,862	3.7%	8.4%	2.7%	62.8	167.7
[50% ; 60% [	213	5.7%	21,858,717	5.3%	13.6%	2.7%	55.6	181.4
[60% ; 70% [	316	8.5%	30,663,857	7.4%	21.0%	2.7%	53.8	188.6
[70% ; 80% [	663	17.9%	74,520,330	17.9%	38.9%	2.7%	55.0	201.9
[80% ; 90% [	1,288	34.7%	160,565,399	38.6%	77.5%	2.6%	43.8	224.9
[90% ; 100% [	754	20.3%	93,730,164	22.5%	100.0%	2.6%	30.9	258.8
Over 100%	0	0.0%	0	0.0%	100.0%	-	-	-
Total	**3,708**	**100.0%**	**416,276,926**	**100.0%**	**100.0%**	**2.7%**	**45.9**	**217.1**
Min	**0.7%**							
Max	**99.6%**							
Average	**75.0%**							
Weighted Average	**78.3%**							

Security Type : "Guaranteed Loan"

Current LTV	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
[0% ; 10% [	281	2.5%	4,032,573	0.4%	0.4%	3.0%	76.7	48.1
[10% ; 20% [	360	3.3%	10,343,903	1.0%	1.4%	2.7%	65.2	72.1
[20% ; 30% [	354	3.2%	15,669,234	1.5%	3.0%	2.6%	58.0	113.7
[30% ; 40% [	427	3.9%	24,595,635	2.4%	5.4%	2.5%	54.7	141.7
[40% ; 50% [	488	4.4%	33,360,113	3.3%	8.6%	2.6%	52.4	158.5
[50% ; 60% [	700	6.3%	54,724,377	5.4%	14.0%	2.5%	51.1	173.3
[60% ; 70% [	874	7.9%	76,676,880	7.5%	21.6%	2.5%	49.8	189.3
[70% ; 80% [	1,485	13.5%	141,638,275	13.9%	35.5%	2.5%	44.7	201.7
[80% ; 90% [	3,072	27.8%	312,971,254	30.8%	66.3%	2.4%	36.0	216.7
[90% ; 100% [	2,993	27.1%	343,346,621	33.7%	100.0%	2.4%	26.2	250.7
Over 100%	0	0.0%	0	0.0%	100.0%	-	-	-
Total	**11,034**	**100.0%**	**1,017,358,866**	**100.0%**	**100.0%**	**2.4%**	**37.5**	**214.2**
Min	**1.0%**							
Max	**99.9%**							
Average	**72.9%**							
Weighted Average	**79.4%**							

Security Type : "Total"

Current indexed LTV	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
[0% ; 10% [	307	2.1%	4,526,195	0.3%	0.3%	3.0%	77.6	49.3
[10% ; 20% [	421	2.9%	13,268,972	0.9%	1.2%	2.7%	66.1	82.6
[20% ; 30% [	462	3.1%	22,448,926	1.6%	2.8%	2.6%	61.9	115.9
[30% ; 40% [	524	3.6%	35,122,986	2.4%	5.3%	2.5%	54.9	150.4
[40% ; 50% [	655	4.4%	51,337,744	3.6%	8.8%	2.6%	54.8	167.0
[50% ; 60% [	873	5.9%	72,425,971	5.1%	13.9%	2.6%	51.5	177.7
[60% ; 70% [	1,157	7.8%	110,027,018	7.7%	21.6%	2.6%	50.5	191.8
[70% ; 80% [	2,016	13.7%	206,065,191	14.4%	35.9%	2.5%	45.8	204.8
[80% ; 90% [	4,317	29.3%	474,222,150	33.1%	69.0%	2.5%	36.5	222.0
[90% ; 100% [	3,724	25.3%	414,155,044	28.9%	97.9%	2.4%	30.5	245.7
Over 100%	286	1.9%	30,035,595	2.1%	100.0%	2.7%	43.1	244.5
Total	**14,742**	**100.0%**	**1,433,635,792**	**100.0%**	**100.0%**	**2.5%**	**40.0**	**215.1**
Min	**0.7%**							
Max	**121.9%**							
Average	**74.1%**							
Weighted Average	**79.3%**							

Security Type : "First Lien Mortgage Loan"

Current indexed LTV	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
[0% ; 10% [	30	0.8%	470,965	0.1%	0.1%	3.3%	83.4	53.9
[10% ; 20% [	76	2.0%	3,394,432	0.8%	0.9%	2.7%	69.5	113.9
[20% ; 30% [	93	2.5%	6,591,016	1.6%	2.5%	2.8%	70.1	121.6
[30% ; 40% [	124	3.3%	10,875,256	2.6%	5.1%	2.6%	59.2	159.5
[40% ; 50% [	143	3.9%	15,343,589	3.7%	8.8%	2.7%	58.5	181.6
[50% ; 60% [	201	5.4%	19,125,242	4.6%	13.4%	2.7%	55.4	177.6
[60% ; 70% [	297	8.0%	31,890,757	7.7%	21.1%	2.7%	55.4	190.7
[70% ; 80% [	584	15.7%	69,320,431	16.7%	37.7%	2.7%	51.5	207.7
[80% ; 90% [	1,143	30.8%	140,411,464	33.7%	71.4%	2.6%	42.2	225.9
[90% ; 100% [	918	24.8%	107,558,771	25.8%	97.3%	2.6%	36.5	244.3
Over 100%	99	2.7%	11,295,003	2.7%	100.0%	3.0%	52.2	244.0
Total	**3,708**	**100.0%**	**416,276,926**	**100.0%**	**100.0%**	**2.7%**	**45.9**	**217.1**
Min	**0.7%**							
Max	**119.9%**							
Average	**76.5%**							
Weighted Average	**79.2%**							

Security Type : "Guaranteed Loan"

Current indexed LTV	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
[0% ; 10% [	277	2.5%	4,055,230	0.4%	0.4%	3.0%	77.0	48.7
[10% ; 20% [	345	3.1%	9,874,540	1.0%	1.4%	2.7%	64.9	71.8
[20% ; 30% [	369	3.3%	15,857,910	1.6%	2.9%	2.6%	58.6	113.6
[30% ; 40% [	400	3.6%	24,247,730	2.4%	5.3%	2.5%	53.0	146.4
[40% ; 50% [	512	4.6%	35,994,155	3.5%	8.8%	2.6%	53.3	160.7
[50% ; 60% [	672	6.1%	53,300,729	5.2%	14.1%	2.5%	50.1	177.7
[60% ; 70% [	860	7.8%	78,136,261	7.7%	21.8%	2.5%	48.5	192.3
[70% ; 80% [	1,432	13.0%	136,744,760	13.4%	35.2%	2.5%	42.9	203.4
[80% ; 90% [	3,174	28.8%	333,810,686	32.8%	68.0%	2.4%	34.1	220.3
[90% ; 100% [	2,806	25.4%	306,596,273	30.1%	98.2%	2.4%	28.4	246.1
Over 100%	187	1.7%	18,740,593	1.8%	100.0%	2.5%	37.5	244.8
Total	**11,034**	**100.0%**	**1,017,358,866**	**100.0%**	**100.0%**	**2.4%**	**37.5**	**214.2**
Min	**1.1%**							
Max	**121.9%**							
Average	**73.3%**							
Weighted Average	**79.4%**							

Security Type : "Total"

Debt To Income	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
[0 ; 20 [	1,235	8.4%	76,199,050	5.3%	5.3%	2.5%	43.2	179.1
[20 ; 25 [	1,914	13.0%	152,301,723	10.6%	15.9%	2.5%	39.7	202.2
[25 ; 30 [	3,215	21.8%	304,885,390	21.3%	37.2%	2.5%	38.8	214.1
[30 ; 35 [	4,633	31.4%	488,795,182	34.1%	71.3%	2.5%	39.0	222.0
[35 ; 40 [	2,198	14.9%	237,512,469	16.6%	87.9%	2.6%	40.4	221.8
[40 ; 45 [	921	6.2%	103,720,966	7.2%	95.1%	2.5%	40.6	216.8
[45 ; 50 [	440	3.0%	49,437,617	3.4%	98.6%	2.7%	47.9	214.3
[50 ; 55]	186	1.3%	20,783,395	1.4%	100.0%	2.6%	44.6	208.6
Over 55	0	0.0%	0	0.0%	100.0%	-	-	-
Total	**14,742**	**100.0%**	**1,433,635,792**	**100.0%**	**100.0%**	**2.5%**	**40.0**	**215.1**
Min	**0.1**							
Max	**55.0**							
Average	**30.7**							
Weighted Average	**31.8**							

Security Type : "First Lien Mortgage Loan"

Debt To Income	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
[0 ; 20 [	258	7.0%	22,310,374	5.4%	5.4%	2.6%	46.6	190.0
[20 ; 25 [	362	9.8%	32,829,795	7.9%	13.2%	2.6%	46.6	206.0
[25 ; 30 [	623	16.8%	64,826,335	15.6%	28.8%	2.6%	45.4	213.4
[30 ; 35 [	945	25.5%	108,740,881	26.1%	54.9%	2.7%	46.4	221.8
[35 ; 40 [	709	19.1%	87,614,375	21.0%	76.0%	2.7%	45.6	224.4
[40 ; 45 [	479	12.9%	57,030,190	13.7%	89.7%	2.6%	43.9	217.3
[45 ; 50 [	224	6.0%	29,043,172	7.0%	96.7%	2.7%	49.1	219.8
[50 ; 55]	108	2.9%	13,881,804	3.3%	100.0%	2.6%	45.9	215.0
Over 55	0	0.0%	0	0.0%	100.0%	-	-	-
Total	**3,708**	**100.0%**	**416,276,926**	**100.0%**	**100.0%**	**2.7%**	**45.9**	**217.1**
Min	**1.5**							
Max	**55.0**							
Average	**33.1**							
Weighted Average	**34.0**							

Security Type : "Guaranteed Loan"

Debt To Income	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
[0 ; 20 [	977	8.9%	53,888,676	5.3%	5.3%	2.5%	41.8	174.6
[20 ; 25 [	1,552	14.1%	119,471,928	11.7%	17.0%	2.4%	37.8	201.1
[25 ; 30 [	2,592	23.5%	240,059,055	23.6%	40.6%	2.4%	37.0	214.2
[30 ; 35 [	3,688	33.4%	380,054,301	37.4%	78.0%	2.4%	36.9	222.1
[35 ; 40 [	1,489	13.5%	149,898,093	14.7%	92.7%	2.5%	37.4	220.3
[40 ; 45 [	442	4.0%	46,690,776	4.6%	97.3%	2.4%	36.7	216.3
[45 ; 50 [	216	2.0%	20,394,445	2.0%	99.3%	2.5%	46.2	206.4
[50 ; 55]	78	0.7%	6,901,591	0.7%	100.0%	2.6%	41.9	195.8
Over 55	0	0.0%	0	0.0%	100.0%	-	-	-
Total	**11,034**	**100.0%**	**1,017,358,866**	**100.0%**	**100.0%**	**2.4%**	**37.5**	**214.2**
Min	**0.1**							
Max	**54.7**							
Average	**29.9**							
Weighted Average	**30.9**							

Borrower Credit Quality	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
001	3,546	24.1%	282,567,294	19.7%	19.7%	2.4%	41.2	197.9
002	2,578	17.5%	259,351,538	18.1%	37.8%	2.4%	39.2	210.4
003	3,790	25.7%	381,940,475	26.6%	64.4%	2.5%	38.3	219.6
004	1,725	11.7%	177,874,888	12.4%	76.8%	2.5%	39.3	222.0
005	966	6.6%	100,804,644	7.0%	83.9%	2.6%	40.7	220.9
006	1,117	7.6%	120,503,805	8.4%	92.3%	2.6%	39.7	229.6
007	565	3.8%	62,705,329	4.4%	96.7%	2.7%	43.3	224.1
008	455	3.1%	47,887,820	3.3%	100.0%	2.8%	47.5	218.6
Total	**14,742**	**100.0%**	**1,433,635,792**	**100.0%**	**100.0%**	**2.5%**	**40.0**	**215.1**

Borrower's Employment Status	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
Full / Partial Employment	10,263	69.6%	992,175,211	69.2%	69.2%	2.5%	38.8	218.6
Pensioner	385	2.6%	14,404,238	1.0%	70.2%	2.7%	58.1	109.0
Civil Servant	2,697	18.3%	267,628,636	18.7%	88.9%	2.4%	39.9	214.0
Self-employed	1,389	9.4%	158,711,955	11.1%	100.0%	2.6%	45.6	204.4
Other	8	0.1%	715,753	0.0%	100.0%	2.9%	37.8	256.1
Total	**14,742**	**100.0%**	**1,433,635,792**	**100.0%**	**100.0%**	**2.5%**	**40.0**	**215.1**

Primary Income	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
[0 ; 10,000 [	66	0.4%	4,739,500	0.3%	0.3%	2.7%	53.6	189.8
[10,000 ; 20,000 [	1,694	11.5%	102,820,116	7.2%	7.5%	2.6%	36.6	223.9
[20,000 ; 25,000 [	1,877	12.7%	131,313,043	9.2%	16.7%	2.5%	36.3	220.7
[25,000 ; 30,000 [	1,573	10.7%	126,116,928	8.8%	25.5%	2.5%	38.1	219.9
[30,000 ; 35,000 [	1,767	12.0%	162,781,997	11.4%	36.8%	2.5%	38.3	224.8
[35,000 ; 40,000 [	1,867	12.7%	188,763,746	13.2%	50.0%	2.5%	38.8	222.3
[40,000 ; 45,000 [	1,528	10.4%	163,789,249	11.4%	61.4%	2.5%	37.9	220.6
[45,000 ; 50,000 [	1,179	8.0%	134,654,356	9.4%	70.8%	2.5%	40.6	216.5
[50,000 ; 60,000 [	1,354	9.2%	160,714,571	11.2%	82.0%	2.5%	41.2	209.7
[60,000 ; 70,000 [	765	5.2%	95,607,104	6.7%	88.7%	2.5%	42.8	204.6
[70,000 ; 80,000 [	333	2.3%	43,547,276	3.0%	91.7%	2.5%	45.6	195.8
Over 80,000	739	5.0%	118,787,907	8.3%	100.0%	2.5%	48.9	185.7
Total	**14,742**	**100.0%**	**1,433,635,792**	**100.0%**	**100.0%**	**2.5%**	**40.0**	**215.1**
Max	**1,020,412.9**							
Average	**40,891.7**							
Weighted Average	**47,195.0**							

Security Type	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
Guaranteed Loan	**11,034**	**74.8%**	**1,017,358,866**	**71.0%**	**71.0%**	**2.4%**	**37.5**	**214.2**
PARNASSE GARANTIES	1,503	10.2%	153,164,374	10.7%	10.7%	2.3%	37.5	222.7
CEGC	9,531	64.7%	864,194,492	60.3%	71.0%	2.5%	37.6	212.7
First Lien Mortgage Loan	**3,708**	**25.2%**	**416,276,926**	**29.0%**	**29.0%**	**2.7%**	**45.9**	**217.1**
Total	**14,742**	**100.0%**	**1,433,635,792**	**100.0%**	**100.0%**	**2.5%**	**40.0**	**215.1**

Geographical Region	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
Auvergne-Rhone-Alpes	2,517	17.1%	213,419,350	14.9%	14.9%	2.5%	41.6	202.0
Bourgogne-Franche-Comte	713	4.8%	73,523,678	5.1%	20.0%	2.4%	36.0	225.8
Brittany	630	4.3%	41,011,441	2.9%	22.9%	2.5%	48.3	183.8
Centre-Val de Loire	511	3.5%	45,362,299	3.2%	26.0%	2.6%	42.3	220.4
Corsica	46	0.3%	6,346,422	0.4%	26.5%	2.7%	48.4	209.9
Grand Est	1,288	8.7%	133,242,970	9.3%	35.8%	2.4%	38.4	208.5
Hauts-de-France	1,415	9.6%	146,794,443	10.2%	46.0%	2.5%	38.2	217.8
Ile-de-France	1,764	12.0%	256,193,909	17.9%	63.9%	2.5%	37.2	229.0
Normandy	641	4.3%	51,381,406	3.6%	67.5%	2.5%	36.6	212.9
Nouvelle-Aquitaine	1,535	10.4%	139,333,994	9.7%	77.2%	2.5%	40.0	222.4
Occitanie	1,386	9.4%	120,515,268	8.4%	85.6%	2.5%	38.9	216.8
Overseas departments (DOM)	110	0.7%	13,676,727	1.0%	86.5%	2.8%	38.5	219.2
Pays-de-la-Loire	1,099	7.5%	87,204,427	6.1%	92.6%	2.5%	45.7	195.1
Provence-Alpes-Cote d'Azur	1,087	7.4%	105,629,460	7.4%	100.0%	2.7%	44.4	220.4
Total	**14,742**	**100.0%**	**1,433,635,792**	**100.0%**	**100.0%**	**2.5%**	**40.0**	**215.1**

Property Type	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
Residential Detached House	11,471	77.8%	1,131,563,800	78.9%	78.9%	2.5%	40.5	218.9
Residential Flat/Apartment	1,438	9.8%	148,573,323	10.4%	89.3%	2.5%	39.7	211.2
Other/Unknown	1,833	12.4%	153,498,669	10.7%	100.0%	2.4%	36.5	190.3
Total	**14,742**	**100.0%**	**1,433,635,792**	**100.0%**	**100.0%**	**2.5%**	**40.0**	**215.1**

Loan Status	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance	Cumulated percentage	WA Interest Rate	WA Seasoning (months)	WA Remaining Term (months)
Current (< 30 days arrears)	14,742	100.0%	1,433,635,792	100.0%	100.0%	2.5%	40.0	215.1
Delinquent	0	0.0%	0	0.0%	0.0%	0.0%	0.0	0.0
Defaulted	0	0.0%	0	0.0%	0.0%	0.0%	0.0	0.0
Total	**14,742**	**100.0%**	**1,433,635,792**	**100.0%**	**100.0%**	**2.5%**	**40.0**	**215.1**

Top Borrowers	Nb. Of Home Loans	% Of Home Loans	Outstanding Principal Balance	% Outstanding Principal Balance
1	1	0.0%	982,036	0.1%
2	2	0.0%	1,801,432	0.1%
3	3	0.0%	2,555,553	0.2%
4	4	0.0%	3,225,737	0.2%
5	5	0.0%	3,887,466	0.3%
6	6	0.0%	4,532,495	0.3%
7	7	0.0%	5,160,915	0.4%
8	8	0.1%	5,769,652	0.4%
9	9	0.1%	6,362,589	0.4%
10	10	0.1%	6,952,459	0.5%
11	12	0.1%	7,536,307	0.5%
12	13	0.1%	8,117,260	0.6%
13	14	0.1%	8,684,415	0.6%
14	15	0.1%	9,245,241	0.6%
15	16	0.1%	9,805,124	0.7%
16	17	0.1%	10,348,732	0.7%
17	18	0.1%	10,892,115	0.8%
18	19	0.1%	11,433,107	0.8%
19	21	0.1%	11,972,503	0.8%
20	24	0.2%	12,501,861	0.9%
30	36	0.2%	17,551,347	1.2%
40	47	0.3%	22,120,032	1.5%
50	57	0.4%	26,378,771	1.8%
100	110	0.7%	45,212,795	3.2%

HISTORICAL PERFORMANCE DATA

The historical information and the other information set out below represent the historical experience of the Sellers. None of the Management Company, the Custodian, the Account Bank, the Cash Manager, the Paying Agent, the Listing Agent, the Specially Dedicated Account Bank, the Interest Rate Swap Counterparty, the Joint Arrangers or the Joint Lead Managers has undertaken or will undertake any investigation, review or searches to verify the historical information. Because this historical information was extracted for the period from July 2009 to July 2018, a significant number of Home Loans purchased by the Issuer may not have arisen from a Home Loan Agreement being part of the provisional portfolio of Home Loan Agreements. In addition, the future performance of the Purchased Home Loans might differ from these historical information and such differences might be significant.

General

The graphs of this section have been prepared on the basis of the internal records of BPCE.

BPCE has extracted data on the historical performance of its entire portfolio of receivables arising from its portfolio of Home Loans with the following criteria:

- The Home Loan is denominated in Euro;
- The Borrower is an individual;
- The property is located in Metropolitan France or French overseas departments;
- The Home Loan is secured by a Home Loan Guarantee or a first ranking Mortgage.

The historical performance data has been extracted starting from July 2009 until July 2018.

Actual performance may be influenced by a variety of economic, social, geographic and other factors beyond the control of BPCE. It may also be influenced by changes in the Sellers' origination and servicing policies.

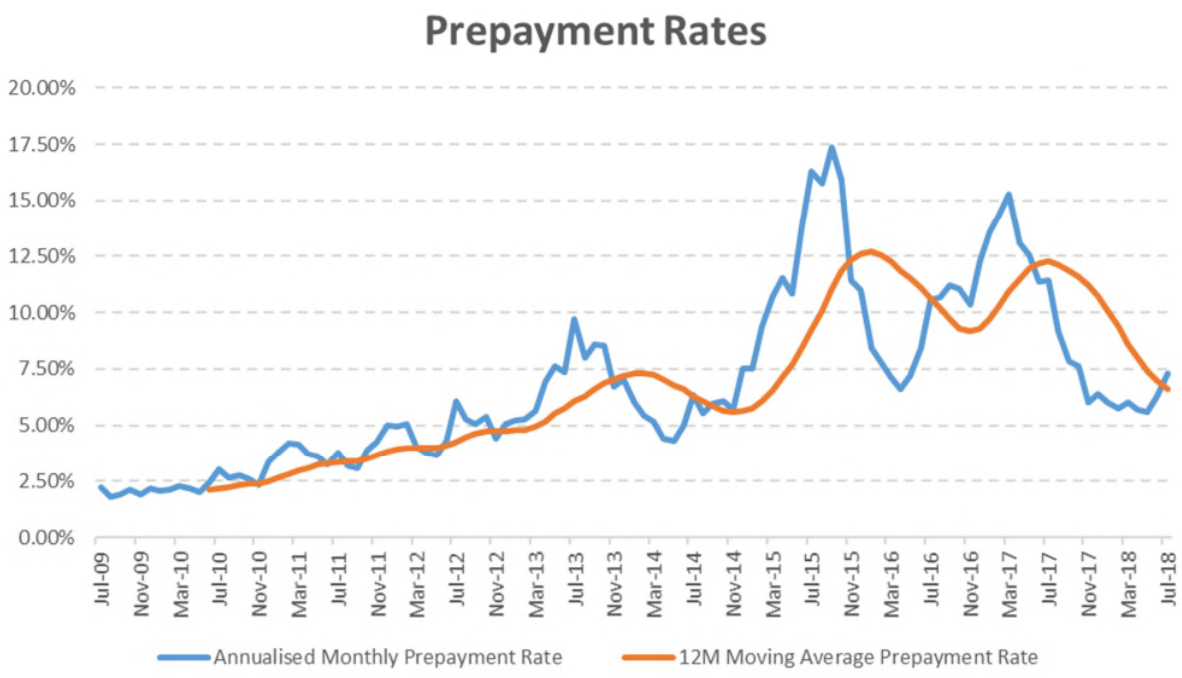
There can be no assurance that the future experience and performance of the Purchased Home Loans will be similar to the historical performance set out in the graphs below.

The notion of "Defaulted Home Loans" used in this section refers to any Home Loans (i) which have been accelerated pursuant to the Sellers' collection and servicing procedures or (ii) in respect of which the related Borrower has an internal credit rating equal to "restructuration" (RX) or "litigation" (CX) or (iii) in respect of which more than five (5) Home Loan instalments remain unpaid past their respective due date.

Prepayment Rates

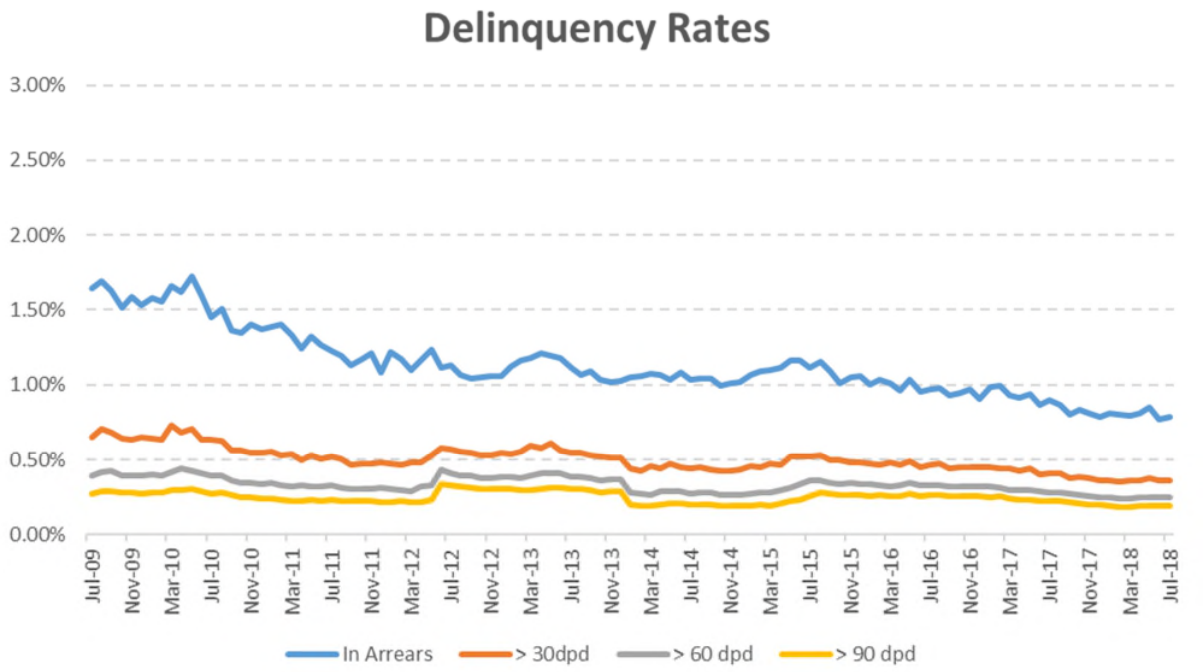
The Annualised Monthly Prepayment Rate is calculated as the ratio between (i) the total prepayments received in a particular month (including partial prepayments and total prepayments) and (ii) the total Outstanding Principal Balance of all Home Loans at the beginning of each month net of any Defaulted Home Loans, multiplied by 12 and expressed as a percentage.

The 12M Moving Average Prepayment Rate is calculated as the 12 months moving average of the Annualised Monthly Prepayment Rate.



Delinquency Rates

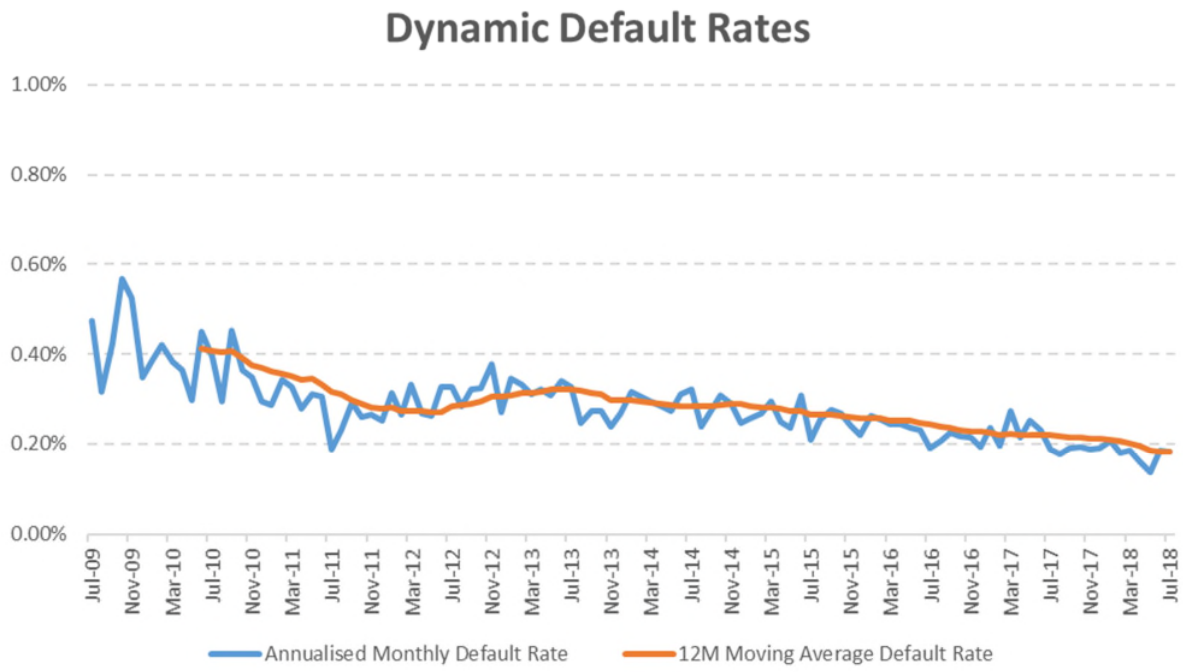
The delinquency graph shows delinquencies calculated as the ratio between (i) the total Outstanding Principal Balance of all Delinquent Home Loans other than the Defaulted Home Loans, in respect to the respective overdue bucket, and (ii) the total Outstanding Principal Balance of all Home Loans at the beginning of each month net of any Defaulted Home Loans, expressed as a percentage.



Dynamic Default Rates

The Annualised Monthly Default Rate is calculated as the ratio between (i) the total Outstanding Principal Balance of all Home Loans which became Defaulted Home Loans in a particular month and (ii) the total Outstanding Principal Balance of all Home Loans at the beginning of each month net of any Defaulted Home Loans, multiplied by 12 and expressed as a percentage.

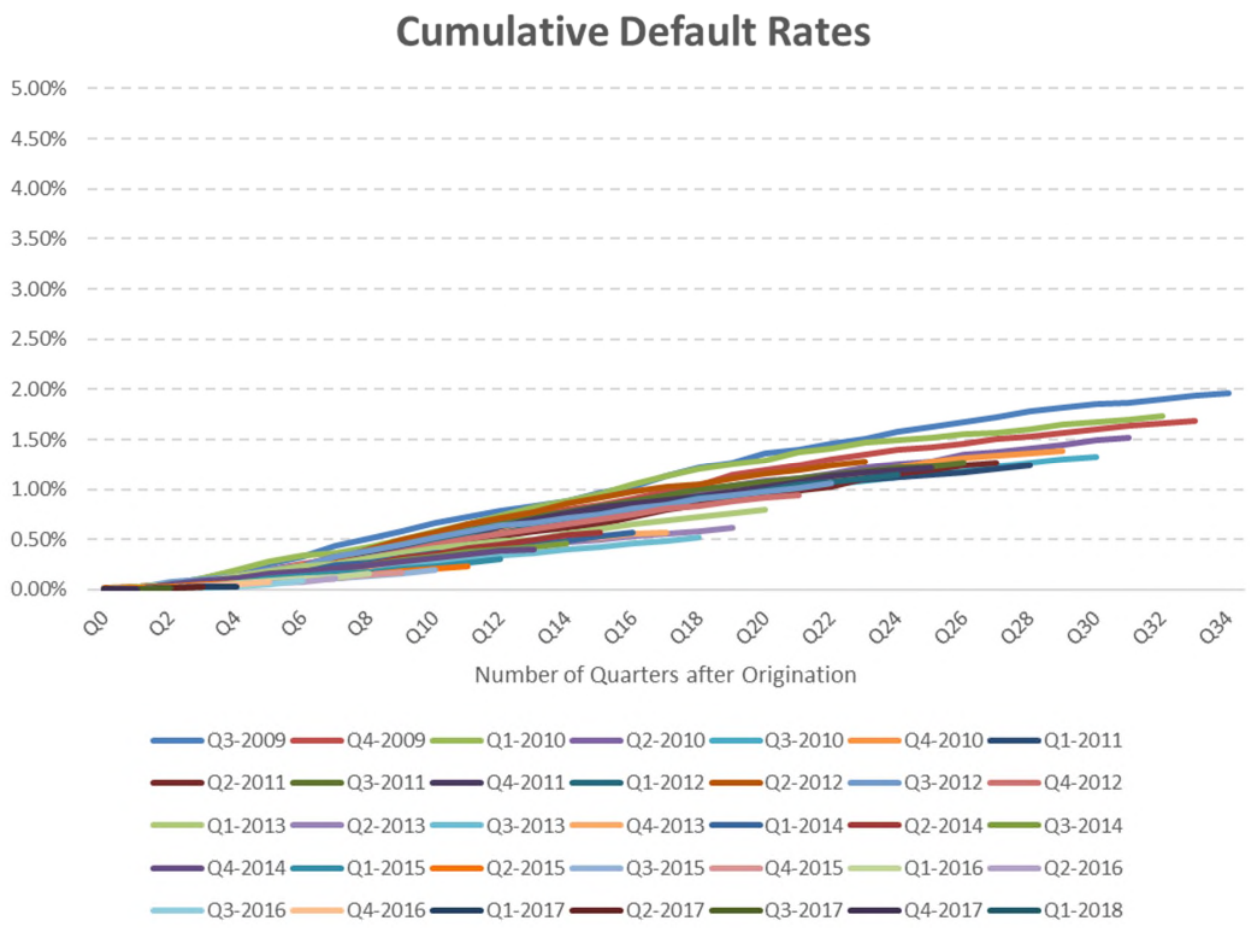
The 12M Moving Average Default Rate is calculated as the 12 months moving average of the Annualised Monthly Default Rate.



Cumulative Default Rates (static)

The default data shows in a quarterly vintage format defaults resulting from loan's acceleration (*déchéance du terme*) pursuant to the Sellers' servicing and collection policy.

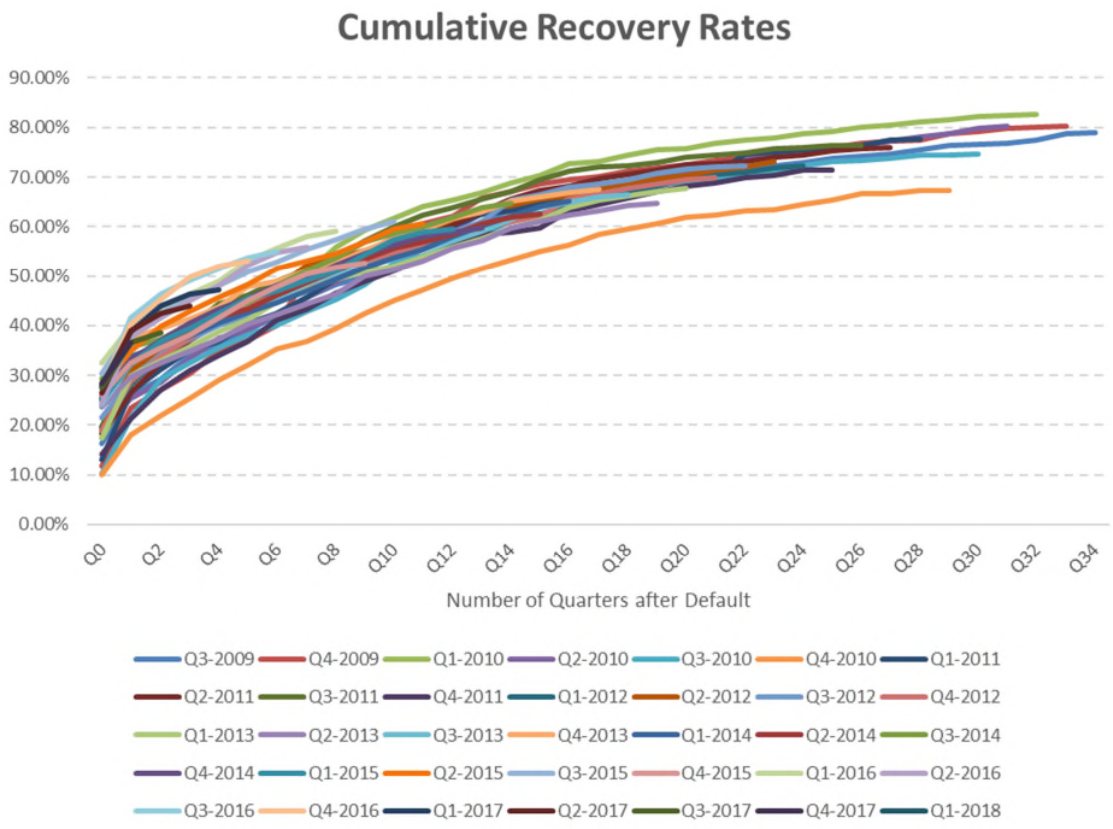
For a generation of Home Loans (being all Home Loans which were originated during the same quarter), the Cumulative Default Rate in respect of that generation and a specific subsequent quarter is calculated as the ratio between: (i) the aggregate Outstanding Principal Balance of Home Loans which became Defaulted Home Loans (at the time of acceleration) between their quarter of origination and the relevant subsequent quarter, and (ii) the total Outstanding Principal Balance of these Home Loans when originated.



Cumulative Recovery Rates (static)

The recovery data shows in a quarterly vintage format recoveries on loans accelerated (*déchus du terme*) pursuant to the Sellers' servicing and collection policy.

For a generation of Defaulted Home Loans (being all Home Loans which became Defaulted Home Loans during the same quarter), the Cumulative Recovery Rate in respect of a subsequent quarter is calculated as the ratio between: (i) the cumulative recoveries between the quarter when the Home Loans became Defaulted Home Loans and the relevant subsequent quarter, and (ii) the total Outstanding Principal Balance of these Defaulted Home Loans (at the time of acceleration).



DESCRIPTION OF THE HOME LOANS PURCHASE AND SERVICING AGREEMENT AND THE RESERVES CASH DEPOSIT AGREEMENT

I. PURCHASE OF THE HOME LOANS

INTRODUCTION

Pursuant to the Home Loans Purchase and Servicing Agreement, each Seller may transfer Home Loans to the Issuer on the Purchase Date.

PROCEDURE

The procedure for the purchase of Home Loans from the Sellers on the Purchase Date is as follows:

1. at the latest on the Purchase Date, each Seller may offer Home Loans randomly selected on the Selection Date, which satisfy individually the Home Loan Eligibility Criteria as at the Selection Date of, as applicable, on the relevant date specified under the Home Loan Eligibility Criteria for purchase by the Issuer on the Purchase Date, by providing the Management Company with an executed but not dated Transfer Document complying with the requirements of article D. 214-227 of the French Monetary and Financial Code, together with a Computer File identifying and individualising the said Home Loans (a "**Home Loans Purchase Offer**"). Each Seller shall also ensure by coordinating with the Transaction Agent, that the Home Loans offered for sale by such Seller do not prevent all Home Loans offered for sale to the Issuer to comply with the Portfolio Conditions. The time necessary between the Selection Date and the Purchase Date has been determined based the technical constraints of the Sellers' IT systems, without any undue delay;

2. in connection with any Home Loans Purchase Offer, each Seller will make representations and warranties in favour of the Management Company with respect to the compliance of the corresponding Home Loans with the Home Loan Eligibility Criteria as at the Selection Date or, as applicable, on the relevant date specified under the Home Loan Eligibility Criteria. Any Home Loans Purchase Offer will constitute an irrevocable binding offer made by the relevant Seller, with respect to the sale and transfer of the relevant Home Loans together with the corresponding Ancillary Rights, to the Management Company;

3. on receipt of any Home Loans Purchase Offer, the Management Company shall verify (i) on the basis of the information provided to it by the relevant Seller in the said Home Loans Purchase Offer and to the extent that such information enables the Management Company to perform the said verification, that the Home Loans which are offered for purchase on the Purchase Date comply with the applicable Home Loan Eligibility Criteria and (ii) whether the conditions precedent to the purchase of Home Loans on the Purchase Date are fulfilled; and

4. on the Purchase Date, the Management Company shall mark its acceptance of any Home Loans Purchase Offer in respect of certain Home Loans by countersigning the Transfer Document upon delivery of the same by the Sellers and dating such Transfer Document as of the Purchase Date. The original of the relevant duly signed Transfer Document will be delivered to and kept by the Custodian.

For the avoidance of doubt, no Home Loans shall be acquired on the Purchase Date, if none of the Home Loans included in the Home Loans Purchase Offers received by the Issuer satisfies the Home Loan Eligibility Criteria as at the Selection Date or, as applicable, on the relevant date specified under the Home Loan Eligibility Criteria or if the conditions precedent as set out above are not fulfilled.

ASSIGNMENT OF THE HOME LOANS AND ANCILLARY RIGHTS

The assignment of the Home Loans subject to any Home Loans Purchase Offer shall take effect between the Issuer and the relevant Seller and be enforceable against third parties (for the avoidance of doubt, including, without limitation, the Borrowers) at the date affixed by the Management Company on the relevant Transfer Document upon its delivery by each Seller, irrespective of the date on which the said Home Loans came into existence or their maturity or due date, without any further formalities being required, and irrespective of the law

governing the said Home Loans or the debtor's place of residence (*quelle que soit la date de naissance, déchéance ou dexigibilité des créances, sans qu'il soit besoin d'autre formalité, et ce quelle que soit la loi applicable aux créances et la loi du pays de residence des débiteurs*) in accordance with the provisions of articles L. 214-169 and D. 214-227 of the French Monetary and Financial Code.

In accordance with article L. 214-169 of the French Monetary and Financial Code:

(a) the assignment of Home Loans by such Seller shall remain valid (*conserve ses effets*), notwithstanding the state of cessation of payments (*l'état de cessation des paiements*) of the Seller on the Purchase Date or the commencement of any proceeding governed by Book VI of the French Commercial Code or any equivalent proceeding governed by any foreign law (*procédure équivalente sur le fondement d'un droit étranger*) against any Seller after the Purchase Date;

(b) the Ancillary Rights shall be transferred to the Issuer together with the Home Loans to which they are attached, and such transfer shall be enforceable against third parties (for the avoidance of doubt, including, without limitation, the Borrowers), without any further formality; and

(c) the provisions of article L. 632-2 of the French Commercial Code shall not apply to payments made by the Issuer or to any acts against remuneration performed by the Issuer or to its benefit (*ne sont pas applicables aux paiements effectués par un organisme de financement, ni aux actes à titre onéreux accomplis par un organisme de financement ou à son profit*) to the extent the relevant agreements and such acts are directly connected with the transactions made pursuant to Article L. 214-168 of the French Monetary and Financial Code (*dès lors que ces contrats ou ces actes sont directement relatifs aux opérations prévues à l'article L. 214-168*).

PURCHASE PRICE OF THE HOME LOANS

The Purchase Price of the Home Loans transferred to the Issuer on the Purchase Date will be equal to the sum of the Principal Component Purchase Price (equal to the aggregate of the Initial Principal Balance, as at the Selection Date, of the Home Loans to be purchased on the Purchase Date) and the Interest Component Purchase Price (equal to the aggregate of the accrued but unpaid interest of such Home Loans on the Selection Date (excluded)).

Home Loans

In respect of each Seller, the Principal Component Purchase Price of the Home Loans to be purchased by the Issuer on the Purchase Date shall be paid on the Issuer Establishment Date by the Issuer to each Seller, by debiting the General Account (to the extent, as the case may be, not paid by way of set-off).

The Interest Component Purchase Price of the Home Loans shall be paid by debiting the General Account on the first Payment Date following the Purchase Date and/or, as the case may be, each Payment Date thereafter, in accordance with, and subject to, the applicable Priority of Payments.

As it is agreed between the parties to the Home Loans Purchase and Servicing Agreement that the effective date (*date de jouissance*) with respect to the assignment of the Home Loans shall be the Selection Date, each Seller will transfer to the Issuer, on the first Settlement Date, an amount equal to the aggregate of all the collections received under all the Home Loans sold by it to the Issuer between the Selection Date (included) and the Issuer Establishment Date (excluded).

REPRESENTATIONS AND WARRANTIES OF THE SELLERS IN RESPECT OF HOME LOAN ELIGIBILITY CRITERIA

Pursuant to the provisions of the Home Loans Purchase and Servicing Agreement, each Seller represents and warrants (and it is determining condition (*condition essentielle et déterminante*) of the purchase of each Home Loan by the Issuer) that the Home Loans such Seller assigns to the Issuer satisfy the Home Loan Eligibility Criteria as at the Selection Date or, as the case may be, the relevant date specified in the Home Loan Eligibility Criteria themselves.

HOME LOAN ELIGIBILITY CRITERIA

In order for a Home Loan offered for sale to the Issuer on the Purchase Date to meet the Home Loan Eligibility Criteria, the Home Loan must satisfy the following as at the Selection Date or, as the case may be, the relevant date specified below:

(a) the Home Loan has been originated in its ordinary course of business by an original lender with an expertise of at least 5 years in originating exposures of a similar nature as the Home Loan, being either the Seller or any other entity of the BPCE Group which has transferred the Home Loan to the Seller through merger, partial contribution of assets or any other mode of transfer by operation of law (*transmission universelle de patrimoine*)) and:

(i) prior to the date on which the Home Loan had been made available to the Borrower, all lending criteria and preconditions as applied by the originator of the Home Loan pursuant to the Credit Guidelines were satisfied and the lending procedures applied to the Home Loan was not less stringent than the lending procedure applied to similar exposures which are not securitised;

(ii) the relevant Home Loan has not been marketed and underwritten on the premise that the Borrower as loan applicant or, where applicable, intermediaries were made aware that the information provided might not be verified by the relevant Seller,

where:

"**BPCE Group**" means the group constituted by the members of the Networks and the companies affiliated thereto in accordance with the conditions of article L. 511-31 of the French Monetary and Financial Code, as provided for in article L. 512-106 of the French Monetary and Financial Code;

"**Networks**" means the group of entities composed of: (i) the Banques Populaires network, as defined in article L. 512-11 of the French Monetary and Financial Code, (ii) the Caisses d'Epargnes network as defined in article L. 512-86 of the French Monetary and Financial Code, (iii) the credit institution and financing companies which are affiliated thereto and (iv) the Crédit Maritime Mutuel network, as defined in articles L. 512-68 et seq. of the French Monetary and Financial Code;

"**Credit Guidelines**" mean the Sellers' usual policies, procedures and practices relating to the operation of their home loan business including, without limitation, the usual policies, procedures and practices adopted by them as the grantor of credit in relation to Home Loans and/or (as the case may be) their usual policies, procedures and practices for dealing with matters relating to the obligations and liabilities of the Sellers under applicable laws and regulations, for determining the creditworthiness of home loans borrowers, the extension of the credit, as such policies, procedures and practices may be amended or varied from time to time and as described in Sub-Section "Origination and Underwriting Procedures (Credit Guidelines)" of Section "ORIGINATION, UNDERWRITING AND MANAGEMENT PROCEDURES";

(b) prior to the Selection Date, the Home Loan has been managed in accordance with the Servicing Procedures;

(c) the Borrower is an Eligible Borrower,

"**Eligible Borrower**" refers to someone who:

(i) is an individual, who was domiciled in France on the date of granting of the relevant Home Loan (including for tax purposes), provided that in case of a Home Loan granted to several co-borrowers, this Home Loan Eligibility Criteria shall apply to each of them, where:

"**France**" refers to Metropolitan France and Guadeloupe, Guyana (*Guyane française*), Martinique, Réunion or Saint-Martin,

(ii) is not an employee of the relevant Seller (nor, if different, of the originator), provided that in case of a Home Loan granted to several co-borrowers, this Home Loan Eligibility Criteria shall apply to the main borrower (*l'emprunteur principal*) only);

(iii) is not unemployed, provided that in case of a Home Loan granted to several co-borrowers, this Home Loan Eligibility Criteria shall apply to the main borrower (*l'emprunteur principal*)) only;

(iv) is not subject to any legal protective regime (*tutelle, curatelle* or *sauvegarde de justice*);

(v) has a current debt-to-income ratio ("**DTI**") determined according to the Credit Guidelines of the relevant Seller not exceeding 55%; and

(vi) is not a credit-impaired obligor, where a credit-impaired obligor is any obligor that, to the best of the Seller's knowledge:

(a) (1) has been declared insolvent (meaning for the purpose of this Home Loan Eligibility Criteria, being subject to a judicial liquidation proceedings (*procédure de rétablissement personnel*), pursuant to the provisions of Title IV of Livre VII of the French Consumer Code (or, before the 1st of July 2016, Titre III of Livre III of the French Consumer Code), to any insolvency proceeding pursuant to the provisions of articles L. 620-1 *et seq.* of the French Commercial Code or to a review by a jurisdiction pursuant to article 1343-5 of the French Civil Code (or, before the 1st of October 2016, article 1244-1 of the French Civil Code) before a court), or (2) has agreed with his creditors to a debt dismissal or reschedule (meaning for the purpose of this Home Loan Eligibility Criteria, being subject to a commission responsible for reviewing the over-indebtedness of consumers (*commission de surendettement des particuliers*)), or (3) had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment, in relation to each of items (1), (2) and (3), within three (3) years prior to the date of origination of the relevant Home Loan, or (4) has undergone a debt restructuring process with regard to his non-performing exposures;

(b) is on the Issue Date, and was, at the time of origination, on an official registry of persons with adverse credit history (meaning for the purpose of this Home Loan Eligibility Criteria being registered in the Banque de France's FICP file);

(c) has a credit assessment by an ECAI or has a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the Seller which are not securitised or a significant risk that contractually agreed payments will not be made compared to the average obligor for this type of loans in France,

it being specified for the interpretation of the above that:

(A) the Seller will not necessarily have been made aware of the occurrence of the events listed in (a) having occurred and the Seller's information is limited to the period elapsed since the date the Seller first entered into an agreement with the Borrower, which may be shorter than three (3) years preceding the date of origination of the relevant Home Loan;

(B) the FICP file does not keep track of any historical information on the credit profile of the Borrower to the extent that the circumstances that would have justified its inclusion on the FICP have disappeared; and

(C) for the purpose of assessing whether the Borrower is not a credit-impaired obligor within the meaning of this Home Loan Eligibility Criteria, the Seller only takes into account the internal credit score assigned by it to the Borrower.

(d) the Home Loan Agreement is governed by French law;

(e) in respect of each Home Loan Agreement entered into by several co-borrowers, these co-borrowers were, at the time such Home Loan Agreement has been executed, jointly and severally liable (*co-débiteurs solidaires*) for the full payment of the corresponding Home Loan;

(f) the Home Loan is denominated and payable in Euro;

(g) all sums due under the Home Loan are fully secured either:

(i) by a first ranking Mortgage, provided that in such case, the relevant Home Loan was granted to finance the acquisition of the main residence of that Borrower, being a property located in France; or

(ii) by a Home Loan Guarantee, provided that in such case:

(A) the relevant Home Loan was granted to acquire, to renovate, to build or to refinance the main residence of that Borrower, being a property located in France;

(B) there was no Mortgage lien on the underlying property on the date on which the Home Loan was granted;

(C) if the Home Loan was granted from the 1st of January 2014, the Borrower is contractually committed not to grant any Mortgage lien on the underlying property without the consent of the Seller; and

(D) the benefit of the Home Loan Guarantee will be transferred to the Issuer by way of the Transfer Document, without the need to obtain the prior consent of the relevant Home Loan Guarantor;

(h) the current Outstanding Principal Balance of such Home Loan is no more than EUR 1,000,000 and not less than EUR 500;

(i) the Current LTV of the Home Loan is no more than one hundred per cent. (100%);

(j) the scheduled final maturity date of the Home Loan is not occurring beyond the last day of October 2048 and the remaining maturity of the Home Loan is at least six (6) months;

(k) the Borrower has paid at least one (1) instalment in respect of the Home Loan;

(l) the Home Loan is not in arrears, has not been accelerated or declared due and payable and is not subject to legal proceedings;

(m) the Home Loan is a monthly amortising loan with constant or progressive instalment (consisting of interest and principal) over the term of such Home Loan;

(n) the internal Basel II credit score of the Borrower as assigned by the relevant Seller is between 1 and 8 and, indicates that the Borrower is not in default on any other loan granted by the Seller nor that the Borrower is unlikely to pay its obligations to the Seller in full, without recourse by the Seller to action such as realising security;

(o) the Lender does not use set-off as means of payment of the amounts due and payable under the Home Loans;

(p) the Borrower does not benefit from a contractual right of set-off pursuant to the relevant Home Loan Agreement;

(q) the Home Loan Agreement does not include any provision which expressly states that any right or claim of the relevant Seller against the relevant Borrower under the Home Loan Agreement from which the Home Loan is deriving is closely connected (*connexes*) to any reciprocal right or claim of the relevant Borrower against the relevant Seller under any other contractual arrangement;

(r) the opening by the Borrower of a bank account dedicated to payments due under the Home Loan is not provided in the relevant contractual arrangements as a condition precedent to the originator of the Home Loan making the Home Loan available to the Borrower under the Home Loan;

(s) under the Home Loan Agreement from which the Home Loan is deriving, the Borrower is not entitled to redraw any amount drawn down under the Home Loan;

(t) the principal amount of the Home Loan has been disbursed in full by the relevant Lender to the relevant Borrower;

(u) each Home Loan Agreement constitutes the legal, valid, binding and enforceable contractual obligations of the relevant Borrower, with full recourse to the relevant Borrower (except that enforceability may be limited by (i) bankruptcy or insolvency of the Borrower or other laws relating to over-indebtedness (*surendettement*) or enforcement of general applicability affecting the enforcement rights of creditors generally or (ii) the existence of unfair contract terms (*clauses abusives*) as defined by articles L.212-1 *et seq.* of the French Consumer Code in the Home Loan Agreements (provided they would not (A) affect the right of the Issuer to purchase the Home Loan as contemplated under the Home Loan Purchase and Servicing Agreement or (B) deprive the Issuer of its rights to receive principal and to receive interest as provided for under the Home Loan);

(v) the relevant Seller has full title to the Home Loans and the related Ancillary Rights immediately prior to their assignment and the status and enforceability of neither the Purchased Home Loans nor the related Ancillary Rights are subject to, either in whole or in part, any assignment, delegation or pledge, attachment, warranty claims, set-off nor encumbrance of whatever type, in particular any rights of third parties, or otherwise in a condition, that can be foreseen to adversely affect the enforceability of the assignment of the Home Loans or any related Ancillary Right to the Issuer;

(w) neither the Home Loan Agreement, the Mortgage or the Home Loan Guarantee is not tainted with any legal default making it voidable, rescindable, or subject to legal termination;

(x) each Home Loan is separately individualised and identified in the systems of the relevant Seller on or before the relevant Purchase Date such that the Management Company may at any time separately identify the relevant Purchased Home Loans;

(y) the Home Loan is not secured by a cash deposit (*gage-espèces*);

(z) the Home Loan Agreement has been executed between the relevant Seller and a Borrower pursuant to the applicable legal and regulatory provisions;

(aa) the Home Loan Agreement does not require the relevant Borrower's consent to be obtained before an assignment of the relevant Home Loan and the associated Ancillary Rights to the Issuer can occur;

(bb) the relevant Seller has complied with all its obligations in originating the relevant Home Loan Agreement, including without limitation any duty of care (*obligation de conseil*) in the execution of such Home Loan Agreement;

(cc) the Home Loan bears a fixed interest rate equal to or greater than two per cent (2.0%) *per annum* (excluding insurance premia);

(dd) each Home Loan Agreement has been originally entered into on or after 1 January 2009 and on or before 31 August 2018;

(ee) the Home Loan is not a bridge loan (*crédit relais*);

(ff) the Home Loan is not a subsidised loan (such as a PTZ, "prêt à taux zero") nor regulated loan (such as PEL or FGAS);

(gg) the Home Loan does not result from an equity release loan where the Borrower has monetized its property for etiher a lump sum of cash or regular periodic income.

(hh) the Borrower makes all payments under the Home Loan through monthly automatic debit of a bank account located in France;

(ii) the Borrower is not in the process of a Commercial Renegotiation with the Seller on the Selection Date;

(jj) no postponement or suspension of Home Loan Instalment has been granted to the Borrower by the Seller on the Selection Date.

For the avoidance of doubt, the Home Loans do not include transferable securities, as defined in point (44) of Article 4(1) of Directive 2014/65/EU nor any securitisation position.

BREACH OF WARRANTIES AND REPRESENTATIONS IN RELATION TO THE HOME LOANS

GENERAL

When consenting to acquire any Home Loans on the Purchase Date, the Issuer will take into consideration, as an essential and determining condition for its consent (*condition essentielle et déterminante de son consentement*), the conformity of those Home Loans with the Home Loan Eligibility Criteria as at the Selection Date or, as applicable, on the relevant date specified under the Home Loan Eligibility Criteria.

The Management Company will carry out consistency checks on the information provided to it by the relevant Seller in order to test through a computer-based process the compliance of the Home Loans with the Home Loan Eligibility Criteria. Such checks will be undertaken in the manner, and as often as is necessary to ensure the fulfilment by the relevant Seller of its obligations as set out in the Home Loans Purchase and Servicing Agreement, the protection of the interests of the Noteholders with respect to the Assets Allocated to the Issuer, and, more generally, in order to satisfy its legal and regulatory obligations. However, each Seller will remain liable for the compliance by each Home Loan transferred by it to the Issuer with the Home Loan Eligibility Criteria.

UNDERTAKINGS OF THE SELLERS

Under the Home Loans Purchase and Servicing Agreement, if the Management Company, any Seller or the Transaction Agent becomes aware that any of the representations or warranties given or made by such Seller in relation to the conformity of any Purchased Home Loans to the Home Loan Eligibility Criteria was false or incorrect by reference to the facts and circumstances existing on the Selection Date or, as applicable, on the relevant date specified in the relevant Home Loan Eligibility Criteria or in the event that, for any reason whatsoever, the Transfer Document executed by such Seller in respect of the assignment of such Purchased Home Loan is not or ceases to be effective, the Management Company, the relevant Seller or the Transaction Agent (as the case may be) will promptly inform the other parties to the Home Loans Purchase and Servicing Agreement. Such breach will be corrected by the Seller, by (i) to the extent possible, taking any appropriate steps and as soon as practicable, to rectify the breach by no later than the second Payment Date following the date on which the Management Company or the Seller, as applicable, has become aware of the relevant non-compliance or (ii) if the relevant breach cannot be rectified, implementing one of the below remedies, on the second Re-transfer Date following the date on which the Management Company or the Seller, as applicable, has become aware of the relevant non-compliance:

(a) by the rescission (*résolution*) of the sale of the relevant Purchased Home Loan, provided that such rescission shall only occur subject to the payment by the relevant Seller to the Issuer of a rescission amount equal to (i) the then Outstanding Principal Balance of such Purchased Home Loan as at the Determination

Date immediately preceding the date of rescission, plus (ii) any amount due and capitalised under such Purchased Home Loan during the period from and excluding to the preceding Determination Date to, and excluding such date of rescission, and plus (iii) unpaid interest and any other outstanding amounts of interest, expenses and other ancillary amounts (excluding, for the avoidance of doubt, any insurance premium) relating to such Purchased Home Loan as at the date of rescission (a "**Rescission Amount**"); or

(b) should the relevant breach be such that the sale of the relevant Purchased Home Loan will be deemed not to have occurred or the rescission is not possible, by paying to the Issuer an indemnity equal to (i) the then Outstanding Principal Balance of such Purchased Home Loan as at the Determination Date immediately preceding the date of indemnification, (ii) any amount due and capitalised under such Purchased Home Loan during the period from and excluding to the preceding Determination Date to, and excluding such date of indemnification, and (iii) plus any unpaid interest and any other outstanding amounts of interest, expenses and other ancillary amounts (excluding, for the avoidance of doubt, any insurance premium) relating to such Purchased Home Loan as at the date of indemnification (an "**Indemnity Amount**").

Once a rescission or indemnification has occurred in accordance with the above, any collections received by the Issuer (if any) after such rescission or indemnity in relation to the relevant Purchased Home Loans will be repaid to the relevant Seller outside any Priority of Payments.

LIMITS OF THE REPRESENTATIONS AND WARRANTIES OF THE SELLERS

The remedies set out in Section "UNDERTAKINGS OF THE SELLERS" above are the sole remedy available to the Issuer in respect of the non compliance of any Home Loan or Ancillary Rights with the Home Loan Eligibility Criteria or in the event that, for any reason whatsoever, the Transfer Document executed by such Seller in respect of the assignment of such Purchased Home Loan is not or ceases to be effective. Under no circumstances may the Management Company request an additional indemnity from any Seller relating to the non compliance of any Home Loan or Ancillary Rights with the Home Loan Eligibility Criteria or in the event that, for any reason whatsoever, the Transfer Document executed by such Seller in respect of the assignment of such Purchased Home Loan is not or ceases to be effective. In particular, the Sellers give no warranty as to the ongoing solvency of Borrowers. Furthermore, the representations, warranties and undertakings of the Sellers shall not entitle the Noteholders to assert any claim directly against the Sellers, the Management Company having the exclusive competence under article L. 214-183 of the French Monetary and Financial Code to represent the Issuer as against third parties and in any legal proceedings.

Under the Home Loans Purchase and Servicing Agreement, each Seller will also represent and warrant on the Purchase Date that:

(a) **Selection of the Home Loans**: no procedures adverse to the Issuer have been used by such Seller in selecting the Home Loans to be transferred to the Issuer from its portfolio;

(b) **Ownership of each Home Loan**: the relevant Seller has full title to the Home Loans and the related Ancillary Rights immediately prior to their assignment and the status and enforceability of neither the Purchased Home Loans nor the related Ancillary Rights are subject to, either in whole or in part, any assignment, delegation or pledge, attachment, warranty claims, set-off nor encumbrance of whatever type, in particular any rights of third parties, or otherwise in a condition, that can be foreseen to adversely affect the enforceability of the assignment of the Home Loans or any related Ancillary Right to the Issuer;

(c) **Transfer of title:** upon execution of each Transfer Document, the Issuer will become the sole creditor and owner of each Home Loan being the subject of that Transfer Document;

(d) **Identification of the Purchased Home Loans**: the information contained in the Transfer Document (*Acte de Cession de Créances*) signed by it and the Computer File attached thereto do not contain any statement which is untrue, misleading or inaccurate in any material respect or omits to state any fact or information the omission of which makes the statements therein untrue, misleading or inaccurate in any material respect and that the Computer File attached to each Transfer Document (*Acte de Cession de Créances*), and delivered by the relevant Seller to the Management Company on the Purchase Date, contains all

information as are necessary for the purposes of identifying and individualising (*désigner et individualiser*) without any possible ambiguity each of the Purchased Home Loans transferred thereunder; and

(e) **Credit-granting criteria**: it has applied to the Home Loans to be transferred by it to the Issuer the same sound and well-defined criteria for credit-granting which it applies to non-securitised Home Loans. To that end, the same clearly established processes for approving and, where relevant, amending, renewing and refinancing Home Loans has been applied. Such Seller has effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the obligor meeting his obligations under the Home Loan Agreement;

(f) **No self-certification**: with respect to any Home Loans arising from Home Loan Agreements entered into after 20 March 2014 to be transferred by it to the Issuer, no Home Loan has been marketed and underwritten on the premise that the relevant loan applicant or, where applicable, intermediaries were made aware that the information provided by the relevant loan applicant might not be verified by such Seller.

PORTFOLIO CONDITIONS

As of the Selection Date, the Home Loans offered for sale to the Issuer shall comply with the LTV Criteria, the RWA Limit and the Borrower Concentration (together the "**Portfolio Conditions**"), where:

(a) "**LTV Criteria**" refers to the following loan-to-value (LTV) portfolio limits:

(1) the weighted average of the Current LTV of the Home Loans offered for sale by all Sellers and benefiting from Home Loan Guarantees does not exceed eighty per cent (80%); and

(2) the weighted average of the Current LTV of the Home Loans offered for sale by all Sellers and benefiting from Mortgages does not exceed eighty per cent (80%).

(b) "**RWA Limit**" refers to the following limit: the weighted average of the Home Loans risk weights under the Standardised Approach (as defined in the Capital Requirements Regulations) is equal to or smaller than 40%; and

(c) "**Borrower Concentration**" refers to the following limit: the aggregate Outstanding Principal Balance of the Home Loans granted to a single Borrower and offered for sale by all Sellers on the Purchase Date is lower than an amount equal to 2 per cent. of the aggregate Outstanding Principal of all the Home Loans offered for sale by all Sellers on the Purchase Date.

The compliance of the Home Loans offered for sale to the Issuer with the Portfolio Conditions will be a condition precedent to the transfer of the Home Loans to the Issuer on the Purchase Date.

ANCILLARY RIGHTS

The payment of principal, interest, expenses and ancillary rights owed by the Borrowers may be secured, as the case may be, by:

(a) the benefit of any Mortgage and/or any Home Loan Guarantee;

(b) any and all present and future claims benefiting to the Sellers under any Insurance Contract;

(c) the benefit of any other security interest or guarantee or equivalent right attached to the Home Loans (including without limitation, mortgage promises (*promesses d'hypothèques*), bank account pledges (*nantissements de comptes bancaires*), securities account pledges (*nantissements de comptes titres*), personal guarantees (*cautions ou autres types de guaranties personnelles*), life insurance policies); and

(d) the benefit of any claim or right of action the relevant Seller may have against any notaries (*notaires*) in relation to any Mortgage or Home Loan.

The Ancillary Rights (if any) shall be transferred (or in the case of accessory security rights devolve) to the Issuer together with the relevant Purchased Home Loans on the Purchase Date pursuant and subject to the Home Loans Purchase and Servicing Agreement.

GENERAL RESERVE

Under the Home Loans Purchase and Servicing Agreement, the Reserves Provider has undertaken to guarantee the performance of the Purchased Home Loans, up to an amount equal to, on the Issuer Establishment Date, the General Reserve Initial Cash Deposit Amount, in accordance with and subject to the provisions of the Reserve Cash Deposits Agreement.

Under the performance guarantee referred to above, the financial obligations (*obligations financières*) of the Reserves Provider towards the Issuer will consist in the obligation to make a payment to the Issuer if and to the extent where the Issuer is not able to make any of the payments set out in paragraphs (1), (2) and (3) of the applicable Priority of Payments on any relevant Payment Date during the Amortisation Period and the Accelerated Amortisation Period, on the basis of the funds available to it on such date, provided that in any case, whatever the amount of any such payments which the Issuer would not be able to make, the amount of the corresponding financial obligation (*obligation financière*) of the Reserves Provider under its performance guarantee shall be equal to the minimum of (i) the amount of that payment and (ii) the amount of the General Reserve Cash Deposit still outstanding as of the date on which that financial obligation (*obligation financière*) becomes due and payable pursuant to the performance guarantee referred to above, so that the aggregate of all financial obligations (o*bligations financières*) of the Reserves Provider under its performance guarantee will never exceed the amount of the General Reserve Initial Cash Deposit.

In accordance with articles L. 211-36 and L. 211-38 to L. 211-40 of the French Monetary and Financial Code and with the provisions of the Reserve Cash Deposits Agreement, as security for the full and timely payment of its financial obligations (*obligations financières*) under such performance guarantee, the Reserves Provider will make, on the Issuer Establishment Date, the General Reserve Initial Cash Deposit with the Issuer by way of full transfer of title (*remise de sommes d'argent en pleine propriété à titre de garantie*).

The General Reserve Initial Cash Deposit will be equal to the General Reserve Required Amount applicable on the Issuer Establishment Date and will constitute the balance of the initial amount standing to the credit of the General Reserve Account.

On each Payment Date during the Amortisation Period and the Accelerated Amortisation Period (except on the Issuer Liquidation Date), the General Reserve Account will be, as applicable, replenished so that the amount standing to the credit of the General Reserve Account is equal to the General Reserve Required Amount applicable on that Payment Date, by the transfer of monies from the General Account to the General Reserve Account, in accordance with and subject to the applicable Priority of Payments.

On each Settlement Date, the General Reserve Account shall be debited in full by the transfer of all monies standing to its credit (save any sums corresponding to remuneration credited by the Account Bank during the immediately preceding Investment Period which shall be transferred to any bank account of the Reserves Provider on each Settlement Date) to the General Account and the corresponding monies will then be applied to the payment of any and all sums owed by the Issuer, in accordance with and subject to the applicable Priority of Payments.

According to the provisions of the Account Bank and Cash Management Agreement, the Cash Manager is responsible, upon appropriate instructions given by the Management Company, for investing the credit balance of the General Reserve Account. The share of the corresponding financial proceeds received from such investment shall be paid directly to the Reserves Provider on each Payment Date, as remuneration of the General Reserve Cash Deposit.

The General Reserve will be released to the Reserves Provider as reimbursement of the General Reserve Cash Deposit, if and to the extent not otherwise reimbursed, to the extent of available funds and in accordance with and subject to the relevant Priority of Payments. In particular, but without limitations, no repayments will be made

under the General Reserve Cash Deposit until all other amounts owed by the Issuer and ranking higher in the relevant Priority of Payments have been paid.

REPURCHASE OF THE PURCHASED HOME LOANS

Pursuant to the Home Loans Purchase and Servicing Agreement and in accordance with, and subject to the provisions of article L. 214-183 of the French Monetary and Financial Code:

(a) if it is in the interest of the Noteholders and of the Residual Unitholders, the Management Company may (but shall not be under any obligation to) offer to any Seller to repurchase Purchased Home Loans transferred by it to the Issuer which have become entirely due (*échues*) or have been entirely accelerated (*déchues de leur terme*), provided that such Seller shall in any case be free to accept or refuse such offer. In such a case:

(i) the Management Company shall propose to such Seller any or all the Purchased Home Loans transferred by it to the Issuer which have become entirely due (*échues*) or have been entirely accelerated (*déchues de leur terme*), by delivering to such Seller a repurchase offer;

(ii) the purchase price of the Purchased Home Loans repurchased by the relevant Seller shall be equal to the Re-transfer Price it being provided that such Re-transfer Price shall be paid to the Issuer at the latest on the relevant Re-transfer Date;

(iii) the Re-transfer Price will be credited to the General Account;

(iv) the repurchase of any Purchased Home Loans pursuant to this paragraph (a) shall occur on a Re-transfer Date, through the signature by the Management Company and the delivery to the relevant Seller, of a repurchase offer governed by article L. 214-169 and D. 214-227 of the French Monetary and Financial Code, provided that each repurchase offer will be executed in name and on behalf of the relevant Seller by the Transaction Agent;

(b) any Seller may, for as long as it also acts as Servicer of the Home Loans it has transferred to the Issuer, (but shall not be under the obligation to) request to repurchase certain Purchased Home Loans which raise management and/or operational issues for such Seller or the corresponding Servicer, provided that the Management Company shall in any case be free to accept or refuse such request, considering the interest of the Noteholders and the Residual Unitholders. Sub-paragraphs (a)(ii) to (a)(iv) above shall apply *mutatis mutandis* to such a repurchase by a Seller; and

(c) in the event that any Servicer enters into any Commercial Renegotiation which would result in the breach of its undertakings under the Home Loans Purchase and Servicing Agreement:

(i) the corresponding Seller shall promptly inform the other Parties of the same;

(ii) the corresponding Seller shall be under the obligation to repurchase from the Issuer the relevant Purchased Home Loan, for a repurchase price equal to the Re-transfer Price;

(iii) sub-paragraphs (a)(ii) to (a)(iv) above shall apply mutatis mutandis to such a repurchase by the relevant Seller; and

(iv) such repurchase of the relevant Purchased Home Loan shall take place within two calendar months following the date on which the modification was notified by a party to the other (or within such delay otherwise agreed with the Management Company).

Once the repurchase of any Purchased Home Loans has occurred, any collections received by the Issuer (if any) after the Re-transfer Date in respect of such Home Loans will be repaid to the relevant Seller, which repurchased such Home Loans, outside of the relevant Priority of Payments.

For the avoidance of doubt, re-transfers of Purchased Home Loans by the Issuer shall only occur in the circumstances pre-defined above or in case of liquidation of the Issuer, and the Management Company shall not carry out any active management of the portfolio of Purchased Home Loans on a discretionary basis.

DEEMED COLLECTIONS

If, in relation to any Purchased Home Loan assigned by a Seller, any decrease in the principal amount of such Purchased Home Loan has arisen as a result of any set-off (whether such set-off is imposed by operation of law, by contract or by a competent court) and as a result of any such event, the Issuer is not lawfully entitled to receive a portion of the principal amount or the entire principal amount due with respect to such Purchased Home Loan, then such Seller will pay to the Issuer such portion or such principal amount as deemed collections, each, "**Deemed Collections**".

Any Deemed Collections due in respect of any Quarterly Collection Period by a Seller with respect to Home Loans assigned to the Issuer by such Seller will be paid by such Seller on the Settlement Date following such Quarterly Collection Period, to the Issuer by way of cash settlement.

II. SERVICING OF THE HOME LOANS

APPOINTMENT OF THE SERVICERS

In accordance with the provisions of article L. 214-172 of the French Monetary and Financial Code and the provisions of the Home Loans Purchase and Servicing Agreement, each Seller will continue to be in charge of the administration, the recovery and the collection of the Purchased Home Loans transferred by it to the Issuer and the corresponding Ancillary Rights transferred by it to the Issuer, in its capacity as Servicer.

DUTIES OF THE SERVICERS

STANDARD OF CARE AND SERVICING PROCEDURES

Each Servicer has undertaken to the Management Company and the Custodian that it will devote to the performance of its obligations under the Home Loans Purchase and Servicing Agreement at least the same amount of skill, time and attention and overall diligence that it would normally exercise for the administration, the recovery and the collection of its own assets similar to the Purchased Home Loans and Ancillary Rights and with the due care that would be exercised by a prudent and informed servicer.

In performing its obligations under the Home Loans Purchase and Servicing Agreement in relation to the administration, the recovery and the collection of the Purchased Home Loans, each Servicer will strictly comply with the provisions of the Home Loans Purchase and Servicing Agreement, the provisions of the Home Loan Agreements and the Servicing Procedures.

Any substantial amendment to or substitution of the Servicing Procedures shall require the prior written approval of the Management Company and the Custodian. The Rating Agencies and the Data Protection Agent shall be informed by the Management Company of any such substantial amendment to or substitution of Servicing Procedures and an overview of any such substantial amendment to or substitution of Servicing Procedures will be provided in the next Investor Report available to investors.

In addition, pursuant to the provisions of the Home Loans Purchase and Servicing Agreement, each Servicer has represented and warranted that its business has included the servicing of receivables of a nature similar to the Purchased Home Loans transferred by it to the Issuer in its capacity as Seller, for at least five (5) years prior to the Issuer Establishment Date.

COLLECTION OF THE PURCHASED HOME LOANS

On each Home Loan Instalment Due Date and in respect of each Purchased Home Loan, each Servicer has undertaken to collect the Home Loan instalment from the relevant Borrower by direct debit from the bank account on which such Servicer is authorised by the relevant Borrower to collect such Home Loan instalment as from the execution of the corresponding Home Loan Agreement. Upon the effective termination of the appointment of any Servicer under the Home Loans Purchase and Servicing Agreement, and unless otherwise expressly instructed by the Management Company, the corresponding Servicer has undertaken to immediately stop sending to the Borrowers direct debit requests in respect of the Purchased Home Loans and such direct debit shall be cancelled. If the collection of the said Purchased Home Loan cannot be performed by the relevant Servicer in accordance with the above, for any reason whatsoever, the relevant Servicer has undertaken to use its best efforts to collect the corresponding Home Loan instalment by any other appropriate means as provided by the Servicing Procedures.

Each Servicer shall ensure that it, in an efficient and timely manner, collects, transfers and credits all Available Collections paid in relation to any Collection Period in respect of the Purchased Home Loans transferred by it to the Issuer, directly or indirectly to at least one bank account opened by it with the Specially Dedicated Account Bank and specially dedicated (*compte spécialement affecté*) to the benefit of the Issuer, in accordance with articles L. 214-173 and D. 214-228 of the French Monetary and Financial Code (the "**Specially Dedicated Bank Accounts**").

Subject to and in accordance with the provisions of the Home Loans Purchase and Servicing Agreement, each Servicer shall in an efficient and timely manner collect, transfer and credit directly or indirectly to its Specially Dedicated Bank Account(s) all Available Collections received in respect of the Purchased Home Loans transferred by it to the Issuer, provided that each Servicer has undertaken vis-à-vis the Issuer:

(i) that all Home Loans instalments paid by the Borrowers by direct debit shall be either (1) credited directly to its Specially Dedicated Bank Account(s), provided that such amounts will include any amount of insurance premium or services fees paid by the relevant Borrower, as applicable, or (2) credited to another account of the Servicer and transferred on the same day to its Specially Dedicated Bank Account(s), provided that such amounts shall not include any amount of insurance premium or services fees paid by the relevant Borrower, as applicable; and

(ii) to transfer to its Specially Dedicated Bank Account(s), as soon as possible and at the latest on the Business Day following receipt, any other amount of Available Collections standing to the credit of any other of its bank accounts as of the close of business, provided that such amount shall not include any amount of insurance premium or services fees paid by the relevant Borrower, as applicable.

Each Servicer has undertaken that it shall transfer to the General Account, on each Settlement Date, any amount of Available Collections collected under any Purchased Home Loan (including its Ancillary Rights) during the immediately preceding Quarterly Collection Period and standing to the credit of its Specially Dedicated Bank Account(s) as of such date.

Each Servicer has further undertaken that it shall pay to the General Account no later than on each Settlement Date, any amount relating to any Purchased Home Loan (including its Ancillary Rights) collected in respect of the Quarterly Collection Period immediately preceding such Payment Date that has not otherwise been transferred from its Specially Dedicated Bank Account(s) to the General Account, in case of failure or incapacity by the relevant Specially Dedicated Account Bank to comply with its instructions or to make such transfers or otherwise.

CUSTODY OF THE DOCUMENTS

Pursuant to the provisions of the Home Loans Purchase and Servicing Agreement and in accordance with the provisions of article L. 214-183, II and D. 214-229, 2° of the French Monetary and Financial Code and regulations with respect to data protection and bank secrecy rules and the terms of the Home Loans Purchase and Servicing Agreement, each Servicer (i) is responsible for the custody of the Contractual Documents relating to the

Purchased Home Loans transferred by it to the Issuer and (ii) has established and will maintain appropriate documented custody procedures in addition to an independent internal ongoing control of such procedures.

Pursuant to the provisions of the Home Loans Purchase and Servicing Agreement and in accordance with the provisions of article D. 214-229, 3° of the French Monetary and Financial Code, the Custodian shall ensure, on the basis of a statement (*déclaration*) of each Servicer, that appropriate documented custody procedures have been set up. This statement (*déclaration*) shall enable the Custodian to check if each Servicer has established appropriate documented custody procedures allowing the safekeeping (*garantissant la réalité*) of the Purchased Home Loans transferred by it to the Issuer, their security interest (*sûretés*) and their related ancillary rights (*accessoires*) (including the Ancillary Rights) and that such Purchased Home Loans are collected for the sole benefit of the Issuer. Each Servicer shall keep the relevant Contractual Documents in such a manner that they are materially identified and distinguishable at the regular address of such Servicer and can be delivered to the Custodian on first demand from the Management Company or the Custodian in compliance with the applicable (i) bank secrecy rules and (ii) data protection rules.

INFORMATION

Pursuant to the terms of the Home Loans Purchase and Servicing Agreement, each Servicer has agreed to provide the Transaction Agent with certain information relating to payments received under the Purchased Home Loans including in particular (i) Home Loan instalments and (ii) any enforcement of the Ancillary Rights securing the payment of such Purchased Home Loans (if any). In that respect, the Servicer will provide the Transaction Agent with its Individual Servicer Report on each Reporting Date. The Transaction Agent shall prepare the Master Servicer Report and will provide the Management Company with such Master Servicer Report on each Information Date.

The Transaction Agent has further agreed to provide the Management Company and/or the Custodian, as applicable, with all information that may reasonably be requested by it in relation to the Purchased Home Loans or that the Management Company or the Custodian, as applicable, may reasonably deem necessary in order to fulfil its obligations, provided that such request aims to ensure that:

(i) the Transaction Agent complies with its obligations, as defined in the Home Loans Purchase and Servicing Agreement;

(ii) the interests of the Noteholders and the Residual Unitholders are protected; or

(iii) the Transaction Agent and each Servicer can perform its legal and regulatory task defined by the relevant provisions of any applicable laws and/or regulations.

The Transaction Agent may request any additional information to any Servicer provided that such request aims to ensure that:

(i) such Servicer complies with its obligations, as defined in the Home Loans Purchase and Servicing Agreement;

(ii) the interests of the Noteholders and the Residual Unitholders are protected; or

(iii) such Servicer can perform its legal and regulatory task defined by the relevant provisions of any applicable laws and/or regulations,

and each relevant Servicer shall then provide such information to the Transaction Agent.

The Transaction Agent shall receive on each Management Reporting Date, one Monthly Management Report for each Seller concerning the preceding Monthly Collection Period that the Management Company shall provide it with.

Each Servicer will promptly notify the occurrence of a Servicer Termination Event to the Transaction Agent, the Management Company and the Custodian upon becoming aware of the same and the Rating Agencies shall promptly be informed by the Management Company of such occurrence.

Pursuant to the Home Loans Purchase and Servicing Agreement, each Servicer has undertaken to the benefit of the Issuer to make available to the Management Company, which in turn shall publish on the website of the ESMA, once available, the information required under article 8b of CRA3 and under the provisions of Commission Delegated Regulation (EU) 2015/3 of 30 September 2014 as from the date on which such disclosure requirements shall start to apply to structured finance instruments, without prejudice to the French banking secrecy requirements provided for in article L. 511-33 of the French Monetary and Financial Code and the Data Protection Requirements.

Furthermore, the Transaction Agent on behalf of the Sellers has undertaken to use reasonable commercial endeavours (*obligation de moyens*) to make available:

(i) before the pricing of the Class A Notes, a liability cash flow model which precisely represents the contractual relationship between the Purchased Home Loans and the payments flowing between the Sellers, the Transaction Agent, the Noteholders, other third parties and the Issuer, and after pricing, to make that model available, through specialized providers to the relevant Noteholders on an ongoing basis and to potential investors upon request;

(ii) and more generally, all other information that may reasonably be requested by the Management Company in relation to the Purchased Home Loans or that the Management Company may reasonably deem necessary in order to fulfil its obligation under the Transaction Documents to publish the cash flows and the performance overview on Bloomberg and on any other relevant modelling platform on each Investor Reporting Date or following a request the Management Company may receive from the Rating Agencies or the modelling platform (such as Intex Solutions Inc.).

Prior to the Issue Date, the Transaction Agent on behalf of the Sellers has made available (i) in relation to exposures substantially similar to the of the pool of Home Loans to be offered to the Issuer on the Purchase Date, historical data covering a period of at least five (5) years on static and/or dynamic format including default recovery performance, including delinquency and default data).

REPAYMENT

In relation to any repayment in full of all amounts payable by any Borrower under the relevant Home Loan Agreement:

(i) at the request of such Borrower (or any agent acting on the Borrower's behalf), the relevant Servicer will prepare a final account statement in order to allow such Borrower to redeem its Home Loan provided that such statement shall take into account all arrears, penalties, prepayment penalties and charges owed by such Borrower under the relevant Home Loan Agreement; and

(ii) the relevant Servicer and the Management Company, acting in the name and on behalf of the Issuer, shall jointly execute such receipt, discharge or release of any relevant guarantee attached to the Home Loans or securing the payment of such Home Loans and any such other or further agreement, document, instrument or deed of satisfaction regarding the corresponding Home Loan(s) and/or any relevant guarantee attached to the Home Loans or securing the payment of such Home Loans as the relevant Servicer considers to be necessary or advisable.

SUB-CONTRACTS

In accordance with and subject to the provisions of the Home Loans Purchase and Servicing Agreement, any Servicer may appoint any third party in order to carry out all or any administrative part of its obligations under the Home Loans Purchase and Servicing Agreement. However, the Issuer shall have no liability to the appointed third party whatsoever in relation to any cost, claim, charge, damage or expense suffered or incurred by said third party and each Servicer will remain responsible to the Management Company for the administration, the recovery and the collection of the Purchased Home Loans and the Ancillary Rights, being liable for the actions of any such delegate.

COMMINGLING RESERVE

The Commingling Reserve is made available to protect the Issuer against the risk of delay or default of any Servicer in its financial obligations under the Home Loans Purchase and Servicing Agreement to transfer the Available Collections to the Issuer. For the avoidance of doubt, no provision of the Home Loans Purchase and Servicing Agreement shall be interpreted as implying joint or several obligation(s) between any of the Servicers.

Pursuant to the Reserves Cash Deposits Agreement, the Reserves Provider has agreed to be jointly and severally liable (*co-débiteur solidaire*) for the full and timely payment by the Servicers of their payment obligations towards the Issuer under the Home Loans Purchase and Servicing Agreement, within the limit of an amount standing at any time to the credit of the Commingling Reserve Account and undertaken to, if the Management Company determines that the Commingling Reserve needs to be adjusted in order to comply with the Commingling Reserve Required Amount, credit the Commingling Reserve Account:

(i) within thirty (30) calendar days following the date on which the Specially Dedicated Account Bank is downgraded below the Account Bank Required Ratings or BPCE is downgraded below the ratings indicated in the definition of Level 1 Commingling Reserve Required Amount (as applicable); or

(ii) thereafter on the Settlement Date following the Calculation Date on which the Management Company makes such determination,

with the necessary amounts in order for the amount standing to the credit of the Commingling Reserve Account to be at least equal to the Commingling Reserve Required Amount applicable on that date, as a guarantee for its financial obligations as joint and several debtor (*co-débiteur solidaire*), pursuant to articles L. 211-36 and L. 211-38 to L. 211-40 of the French Monetary and Financial Code (*remise de sommes d'argent en pleine propriété à titre de garantie*).

The Commingling Reserve Account shall be credited and debited as described in Section "DESCRIPTION OF THE ISSUER ACCOUNTS".

In the event of a breach by any Servicer of its payment obligations under the Home Loans Purchase and Servicing Agreement, the payment obligations of the Reserves Provider under the Reserves Cash Deposits Agreement in its capacity as joint and several debtor (*co-débiteur solidaire*) for the full and timely payment by the Servicers of their payment obligations towards the Issuer under the Home Loans Purchase and Servicing Agreement shall become immediately due and payable and the Management Company will be entitled to set-off the restitution obligations of the Issuer under the Commingling Reserve against the breached financial obligations of the Reserves Provider, up to the lowest of (a) the unpaid amount in respect of the Available Collections arisen during such Quarterly Period which are under the responsibility of such Servicer as set out in three (3) Master Servicer Reports that the Transaction Agent should have transferred to the Issuer; and (b) the amount then standing to the credit of the Commingling Reserve Account, in accordance the article L. 211-38 of the French Monetary and Financial Code, and to apply the corresponding funds as part of the Available Distribution Amount in accordance with the Priority of Payments applicable on the immediately following Payment Date, without the need to give prior notice of intention to enforce the Commingling Reserve (*sans mise en demeure préalable*).

Under the Home Loans Purchase and Servicing Agreement, it has been expressly agreed that, as long as the Servicers meet their financial obligations (*obligations financières*) under the Home Loans Purchase and

Servicing Agreement (failing which the above provisions shall apply), the Commingling Reserve shall not be included in the Available Distribution Amount nor be applied to cover any payments due in accordance with and subject to the applicable Priority of Payments and that, under no circumstance shall the Commingling Reserve be used to cover any Borrowers' defaults.

In accordance to the provisions of the Account Bank and Cash Management Agreement, the Management Company shall be responsible for giving the required instructions to the Cash Manager, the Custodian and the Account Bank, to the effect of investing the sums standing to the credit of the Commingling Reserve Account and paying to the Reserves Provider the financial proceeds resulting from such investment. Such financial proceeds shall be directly paid to the Reserves Provider on each Payment Date.

Any amount standing to the credit of the Commingling Reserve Account on the earlier of (i) the date on which all Class A Notes have been redeemed in full and (ii) the Issuer Liquidation Date, shall be released and retransferred directly to the Reserves Provider in accordance with and subject to the Reserves Cash Deposits Agreement.

COMMERCIAL RENEGOTIATIONS

In accordance with applicable laws and regulations, any Servicer will be responsible for responding to requests by Borrowers for Commercial Renegotiations of the contractual terms of the Home Loan Agreements. The Servicers shall not agree to any Commercial Renegotiation without the prior consent of the Management Company.

Notwithstanding the foregoing, the Issuer has authorised each Servicer to enter into the following amendments, as long as they are done in accordance with and subject to the Servicing Procedures:

(i) any correction of a manifest error;

(ii) any amendment which is of a formal, minor or technical nature;

(iii) any cancellation of interest (for the avoidance of doubt, not including any amount of principal nature) and/or fees due by a Borrower under any Performing Home Loan in the context of an amicable recovery process (*recouvrement amiable*) in accordance with the Servicing Procedures for an amount which does not exceed an equivalent of six (6) months of scheduled interest;

(iv) any cancellation of any prepayment that has been announced by the relevant Borrower in accordance with the provisions of the Home Loan Agreement but cancelled thereafter;

(v) any increase or decrease of the amount of Home Loan instalments relating to a Performing Home Loan pursuant to the contractual rights of the relevant Borrower provided for under the corresponding Home Loan Agreement, provided that such decrease or increase of the amount of Home Loan instalments does not result in the duration of the relevant Home Loan being increased by more than two (2) years, in case of Home Loans entered into with any Caisse d'Epargne and five (5) years, in case of Home Loans entered into with any Banque Populaire;

(vi) any spreading of an instalment over twelve (12) months or in the spreading of a maximum of twelve (12) Home Loan instalments over the residual maturity in relation to any Performing Home Loan;

(vii) any Commercial Renegotiation resulting in any extension of the maturity date of any Performing Home Loan up to thirty-six (36) months from the initial contractual maturity date of the relevant Home Loan if on that contractual maturity date any sums due by the relevant Borrower under the said Home Loan remain unpaid (taking into account, any extension of the maturity date of such Performing Home Loan already consented to the Borrower, as the case may be, following the exercise by such Borrower of its contractual rights under the corresponding Home Loan Agreement referred to in paragraphs (v) or (vi) above);

(viii) any Commercial Renegotiation relating to the interest rate of the relevant Performing Home Loan;

(ix) any Commercial Renegotiation which leads to the corresponding Purchased Home Loan(s) being prepaid, whether in whole or in part (provided that, for the avoidance of doubt, any corresponding amount shall be treated by relevant Servicer); or

(x) any Commercial Renegotiation which results in the increase of the Outstanding Principal Balance of the corresponding Purchased Home Loan for an amount equal to the fees due and payable to the relevant Servicer as a result of the Commercial Renegotiation (it being specified that, for the avoidance of doubt, the fact that following a Commercial Renegotiation, the Outstanding Principal Balance of any Home Loan may be increased by an amount equal to the fees due and payable to the relevant Servicer as a result of the Commercial Renegotiation shall not be considered as a possibility to redraw such Home Loan),

provided that:

(a) in each case:

- the relevant Purchased Home Loans comply with the Home Loan Eligibility Criteria after such Commercial Renegotiation (to the exception of the Home Loan Eligibility Criteria referred to in paragraph (jj) of the definition);

- the repayment type (amortising or linear) and the repayment frequency of the Home Loan would not change after such Commercial Renegotiation;

- such Commercial Renegotiation would not result in the decrease of the Outstanding Principal Balance of the corresponding Purchased Home Loan otherwise than as a result of an effective payment of principal to the Issuer;

- such amendment would not challenge the perfection of the transfer to the Issuer of the relevant Purchased Home Loans; and

- the relevant Servicer has agreed to preserve all the Ancillary Rights which secure the payment of the renegotiated Purchased Home Loans.

(b) in relation to item (viii) above, (A) the variation of the interest rate of the relevant Performing Home Loan is in line with market practices at the time of such Commercial Renegotiation, (B) the relevant Servicer shall not accept a variation of the interest rate which it would not have accepted for its own assets similar to the Purchased Home Loans and (C) in order for the relevant Purchased Home Loan to comply with the Home Loan Eligibility Criteria after such Commercial Renegotiation, the interest rate after such Commercial Renegotiation remains equal to or greater than two per cent (2.0%) *per annum* (excluding insurance premia).

Each Servicer has undertaken to the Issuer that it shall not propose to any Borrower, nor enter into, any Commercial Renegotiation in relation to any Purchased Home Loan, unless it is done in accordance with the Servicing Procedures and the above provisions,

In the event that any Servicer enters into any Commercial Renegotiation which would result in the breach of the above provisions, such Seller shall repurchase the corresponding Purchased Home Loan(s) as set out in the Home Loans Purchase and Servicing Agreement. If such corresponding Purchased Home Loan(s) is (are) not repurchased by such Seller for any reason, such Servicer shall pay to the Issuer, as indemnification for such breach, within two calendar months following the date on which the modification was notified by a party to the other (or within such delay otherwise agreed with the Management Company), an amount equal to the aggregate of (i) the Outstanding Principal Balance of the relevant Purchased Home Loan (as applicable before such Commercial Renegotiation) plus (ii) any amount due and capitalised under such Purchased Home Loan during the period from and excluding to the preceding Determination Date to, and excluding the date of repurchase or indemnification (as applicable before any commercial renegotiation); and plus (iii) any unpaid outstanding amount of interest, expenses and other ancillary amounts but excluding any insurance premium and administrative and handling fees (*frais de*

dossier) relating to such Purchased Home Loan as at the preceding Determination Date in accordance with section "REPURCHASE OF THE PURCHASED HOME LOANS" above.

Pursuant to the provisions of the Home Loans Purchase and Servicing Agreement, no Servicer Termination Event shall arise from a breach by any Servicer of its obligations under the provisions of this sub-section "Commercial Renegotiation", provided that the corresponding Purchased Home Loan(s) has(have) been repurchased or an indemnification for such breach has been paid, by the relevant Servicer, in accordance with the above paragraph.

PRE-LITIGATION PROCESS

In the event that any Borrower fails to pay any amount in relation to a Purchased Home Loan, the relevant Servicer shall comply in all material respects with the Servicing Procedures. In taking any action in relation to any Borrower, no Servicer shall deviate from the Servicing Procedures unless it has obtained prior written instructions from the Management Company and the Custodian setting forth the action to be taken in relation to any such Borrower.

In accordance with the terms and conditions of the Servicing Procedures, any Servicer may declare that a Purchased Home Loan has become a Defaulted Home Loan.

JUDICIAL PROCEEDINGS

If a Purchased Home Loan has become a Defaulted Home Loan, or if a complaint is made to the court pursuant to article 1343-5 of the French Civil Code in relation to the payment of any Purchased Home Loan, the Borrower is referred to the consumer over-indebtedness committee (*commission de surendettement*) or under any other similar procedure as defined by any regulations in force, or a renegotiation of the Home Loan Agreement is imposed by a competent administrative, regulatory or judicial authority, the Servicer which has transferred such Purchased Home Loan to the Issuer will be entitled to participate in the working out of a contractual plan for the resolution of the dispute and/or make propositions to the relevant Borrower in the context of such contentious renegotiation.

Any Servicer may delegate to any entity or person designated by the Management Company and the Custodian, the compulsory recovery of a Purchased Home Loan, in accordance with the Servicing Procedures and to the extent permitted by law.

In accordance with the Servicing Procedures, any Servicer may write off a Defaulted Home Loan, in respect of which the costs relating to the recovery of such Defaulted Home Loan, the legal proceedings against potential guarantors, the enforcement of potential Ancillary Rights will exceed the expected proceeds (after deduction of any legal costs) resulting from such judicial recovery procedure.

ENFORCEMENT OF THE ANCILLARY RIGHTS

Each Servicer shall proceed to the exercise and, where applicable, the enforcement of the Ancillary Rights corresponding to the Purchased Home Loans transferred by it to the Issuer; in accordance with the provisions of the Servicing Procedures, subject to any applicable legislative or regulatory provisions.

The benefit of the Ancillary Rights shall be transferred by each Seller to the Issuer in accordance with, and subject to, the provisions of the Home Loans Purchase and Servicing Agreement. Accordingly, all the amounts received in respect of the Ancillary Rights (including where such amounts result from the exercise or the compulsory enforcement of such Ancillary Rights) shall be credited by each Servicer to its Specially Dedicated Account to be aggregated to the Available Collections of the corresponding Collection Period, during which such amounts will be effectively received.

Pursuant to the provisions of the Home Loans Purchase and Servicing Agreement, each Servicer has undertaken to refrain from carrying out any action which may adversely affect the enforcement of any Home Loan

Guarantee and to take all necessary steps in order to comply with the conditions of enforcement of any Home Loan Guarantee.

In the event that, following a default of any Borrower which had been granted a Home Loan secured by a Home Loan Guarantee, any Servicer calls the relevant Home Loan Guarantee and the relevant Home Loan Guarantor refuses to pay the amount due by such Borrower because the conditions of enforcement of the relevant Home Loan Guarantee have not been complied with for any reason, the relevant Servicer shall indemnify the Issuer up to the amount which the Home Loan Guarantor would have paid to the Servicer had the conditions of enforcement of the relevant Home Loan Guarantee been complied with. For the avoidance of doubt, the Servicer does not guarantee the payment of the relevant amount by the Home Loan Guarantor.

TERMINATION OF THE SERVICING MANDATE

Each Servicer has undertaken not to request the termination of its mandate under the Home Loans Purchase and Servicing Agreement, so that the administration, the recovery and the collection of the Home Loans will be carried out and continued by the same servicers until the Issuer Liquidation Date.

Following the occurrence of an Individual Servicer Termination Event, the Management Company shall:

(i) immediately send a Notification of Control to the Specially Dedicated Account Bank with the effect of preventing it from implementing any further debit instruction from such Servicer with respect to its Specially Dedicated Bank Account; and

(ii) within a period of thirty (30) calendar days and with the prior approval of the Custodian (such approval not to be unreasonably withheld or delayed, and provided that, if the Management Company considers, having regards to the interest of the Noteholders and Residual Unitholders, that the Custodian is holding or delaying its consent unreasonably, the Management Company shall be entitled to set aside the opinion of the Custodian), replace the Servicer with any entity fit for that purpose (such replacement servicer being appointed with respect to the Purchased Home Loans whose servicing is the responsibility of such Servicer only), in accordance with article L. 214-172 of the French Monetary and Financial Code, it being provided that any other Servicer in respect of which no Individual Servicer Termination Event and no event which could, through the passage of time or the giving of a notice, become an Individual Servicer Termination Event, has occurred, may be appointed as a replacement servicer.

Following the occurrence of a Master Servicer Termination Event, the Management Company shall:

(i) immediately send a Notification of Control to the Specially Dedicated Account Bank with the effect of preventing it from implementing any further debit instruction from all Servicers with respect to their respective Specially Dedicated Bank Accounts; and

(ii) within a period of thirty (30) calendar days and with the prior approval of the Custodian (such approval not to be unreasonably withheld or delayed, and provided that, if the Management Company considers, having regards to the interest of the Noteholders and Residual Unitholders, that the Custodian is holding or delaying its consent unreasonably, the Management Company shall be entitled to set aside the opinion of the Custodian), replace all Servicers with any entity or entities fit for that purpose, in accordance with article L. 214-172 of the French Monetary and Financial Code.

The entity(ies) appointed pursuant to the two paragraphs (ii) above, whether relating to an Individual Servicer Termination Event or a Master Servicer Termination Event, will be referred to as the "**New Servicer(s)**". The termination of the appointment of any Servicer will become effective as soon as any New Servicer has effectively started to carry out its duties. It has been further agreed that the Custodian, in its capacity as co-founder of the Issuer, shall (a) assist the Management Company in replacing any Servicer and (b) use its best commercial efforts to replace any existing Servicer.

Upon termination of the appointment of any Servicer(s) (or from the occurrence of a Servicer Termination Event in respect of any Servicer (including, as the case may be, from the occurrence of a Master Servicer

Termination Event) if necessary to protect the interest of the Issuer) pursuant to the Home Loans Purchase and Servicing Agreement, and subject to the receipt from the Data Protection Agent of the Decryption Key in accordance with the terms of the Home Loans Purchase and Servicing Agreement, the Management Company shall, as soon as possible upon receipt of such Decryption Key and at the latest within thirty (30) calendar days of such receipt (or shall instruct any substitute servicer or any third party appointed by it, following prior information of the Custodian) to) (*x*) notify the relevant Borrowers, and any relevant insurance company under any Insurance Contract (if known) and or Home Loan Guarantor under any Home Loan Guarantee relating to the relevant Home Loans, of the assignment of the relevant Home Loans to the Issuer and (*y*) instruct the relevant Borrowers, insurance company and Home Loan Guarantor, to pay any amount owed by them under the relevant Purchased Home Loans into any account specified by the Management Company (or the relevant third party or substitute servicer) in the notification.

If the appointment of any Servicer is terminated following the occurrence of a Servicer Termination Event, such Servicer shall transfer to any New Servicer appointed by the Management Company all necessary information (including the Contractual Documents under its custody) and registrations, in order to effectively transfer the servicing functions relating to the Purchased Home Loans.

III. TRANSACTION AGENT

Main tasks of the Transaction Agent

Pursuant to the Home Loans Purchase and Servicing Agreement, each Seller and each Servicer has appointed BPCE as its agent (*mandataire*) in relation to the provision of certain services (the "**Transaction Agent**"). The Transaction Agent will in particular:

(a) assume the general representation of each Seller and each Servicer towards the Issuer, the Management Company and the Custodian;

(b) prepare, sign and send each Re-transfer Request to the Management Company on each Re-transfer Date and prepare, sign and send to the Management Company any documents required for the implementation of the rescission (*résolution*) of the sale of any relevant Purchased Home Loans on any relevant date;

(c) on each Reporting Date, receive each Individual Servicer Report, prepare a Master Servicer Report and provide it to the Management Company, with a copy to the Custodian, on each Information Date, together with the up-to-date Encrypted Data File;

(d) as applicable, on the First Optional Redemption Date or any of the three subsequent Payment Dates (only) occurring after such First Optional Redemption Date, prepare, sign and send a request to the Management Company to redeem all (but not some only) of the Notes;

(e) prepare, sign and send a request to the Management Company to liquidate the Issuer upon the occurrence of an Issuer Liquidation Event referred to in item (c), (d) or (f) of the definition of "Issuer Liquidation Event";

(f) use reasonable commercial endeavours (*obligation de moyens*) to ensure that the loan-level data with respect to the Purchased Home Loans is made available on a quarterly basis on the website of the European DataWarehouse within one (1) month of each Payment Date, for as long as the loan-level data reporting requirements for asset-backed securities with respect to the Eurosystem's collateral framework is effective and to the extent such information is available to it and unless such task has been deletegated to the Management Company and the Management Company has accepted such delegation;

(g) use reasonable commercial endeavours (*obligation de moyens*) to make available to the Management Company any information that may reasonably be requested by the Management Company in relation to its obligation under the Transaction Documents to publish the cash flows and the performance overview on Bloomberg and on any other relevant modelling platform on each Investor Reporting Date or following a request the Management Company may receive from the Rating Agencies or the

modelling platform (such as Intex Solutions Inc.), in accordance with the provisions of the Home Loans Purchase and Servicing Agreement;

(h) if and when the relevant information on environmental performance of the properties financed by the Home Loans becomes available, the Transaction Agent will use reasonable commercial endeavours (*obligation de moyens*) to communicate such information to the Management Company;

(i) be entitled to agree to, and execute, any amendment, modification, alteration or supplement to the Transaction Documents, in the name and on behalf of each Seller and each Servicer, provided that:

(i) if the relevant amendment, modification, alteration or supplement materially and adversely affects the interest of the Sellers or the Servicers or materially increases the undertakings and other obligations of the Sellers and/or the Servicers under the Transaction Documents and all other related documents necessary for the implementation of the same, such amendment, modification, alteration or supplement shall be subject to a prior agreement of the Sellers and/or the Servicers (to be obtained separately by BPCE);

(ii) the Transaction Agent, in the name and on behalf of each Seller and each Servicer, will be entitled to agree to, and execute, without the Transaction Agent obtaining the prior agreement of the Sellers or the Servicers, any amendment, modification, alteration or supplement to the Transaction Documents and all other related documents necessary for the implementation of the same:

(1) which is technical or which is aimed at curing any ambiguity, omission, defect, inconsistency or manifest error; and

(2) subject to a prior information of the Sellers and the Servicers:

(i) to effect a change, exercise an option or use a possibility in accordance with the terms and conditions already provided for in the relevant Transaction Document (such as the amendment or the substitution of any party to that Transaction Document, subject to the terms and conditions of that Transaction Document); or

(ii) to comply with any mandatory requirements of applicable laws and regulations or to implement any amendment required in order to (aa) to obtain or maintain the eligibility of the Class A Notes to the Eurosystem legal framework related to monetary policy, (bb) for the Transaction to be able to qualify as a simple, transparent and standardised securitisation in accordance with the provisions of the STS Regulation and the related regulatory technical standards and implementing technical standards, (cc) to comply with any new requirement received from the Rating Agencies in relation to their rating methodology, (dd) to comply with the LCR Regulation and the related regulatory technical standards and implementing technical standards, (ee) to implement the 2017 Order (including, without limitation, (i) any amendment made to the provisions of the AMF General Regulations following the Issue Date in order to implement the 2017 Order and (ii) any other text implementing or ratifying the 2017 Order as will be adopted or will enter into force following the Issue Date), (ff) to comply with any changes in the requirements of the CRA Regulation, (gg) to enable the Class A Notes to be (or to remain) listed and admitted to trading on Euronext Paris or (hh) to enable the Issuer and/or the Interest Rate Swap Counterparty to comply with any obligation which applies to it under EMIR, provided that, for the avoidance of doubt, in each case referred to in (aa) to (hh) above, the Transaction Agent shall be entitled to, but shall be under no obligation to, execute the required amendment, modification, alteration or supplement to the Transaction Documents; or

(iii) to effect an amendment, modification, alteration or supplement to the Transaction Documents and all other related documents necessary for the implementation of the same where doing so does not materially and adversely affects the interest of the Sellers or the Servicers nor materially increases the undertakings and other obligations of the Sellers or the Servicers under the Transaction Documents and all other related documents necessary for the implementation of the same;

Transmission of documents

The Transaction Agent has undertaken under the Home Loans Purchase and Servicing Agreement to forthwith provide to each relevant Seller and Servicer a copy of any Transfer Document.

Direct recourse against the Sellers and Servicers

Notwithstanding the appointment of BPCE as Transaction Agent, the Issuer shall have a full and direct recourse against each and every Seller or Servicer under the Home Loans Purchase and Servicing Agreement.

Transaction Agent's substitution

Pursuant to the Home Loans Purchase and Servicing Agreement, BPCE shall be entitled to resign (by a prior written notice to the Management Company, the Custodian and the Sellers and Servicers), or the Sellers and Servicers (by a prior written notice to the Management Company, the Custodian and BPCE) acting unanimously, may decide to dismiss BPCE, from its role as Transaction Agent, provided that such resignation or dismissal shall not be effective until a replacement entity has been appointed by all Sellers and Servicers and agreed to assume all obligations and benefit from all rights of BPCE in its capacity as Transaction Agent as provided for in the Transaction Documents to which it is a party.

IV. MISCELLANEOUS

GOVERNING LAW

The Home Loans Purchase and Servicing Agreement shall be governed by French law and all claims and disputes arising in connection therewith shall be subject to the exclusive jurisdiction of the competent courts in commercial matters within the jurisdiction the *Cour d'Appel* of Paris.

DESCRIPTION OF THE INTEREST RATE SWAP AGREEMENT

The following description of the Interest Rate Swap Agreement consists of a summary of the principal terms of the Interest Rate Swap Agreement in connection with the Class A Notes. Capitalised terms used but not otherwise defined in the following summary or elsewhere in this Prospectus shall have the meanings given to such terms in the Glossary of Defined Terms Schedule of this Prospectus or in the 2013 FBF Master Agreement.

FBF Master Agreement

On or prior to the Issuer Establishment Date, the Issuer, represented by the Management Company, will enter into an interest rate swap agreement to hedge the floating interest rate on the Class A Notes (the "**Interest Rate Swap Agreement**") with the Custodian and Natixis (the "**Interest Rate Swap Counterparty**"). The Interest Rate Swap Agreement is governed by the 2013 *Federation Bancaire Francaise* (FBF) master agreement relating to transactions on forward financial instruments (*convention-cadre FBF relative aux operations sur instruments financier*s *a terme* or the "**FBF Master Agreement**") as amended by a supplementary schedule and collateral annex and confirmed by one written swap confirmation (the "**Swap Confirmation**").

Purpose of the Interest Rate Swap Agreement

The purpose of the Interest Rate Swap Agreement is to enable the Issuer to meet its interest payment obligations under the Class A Notes, in particular by hedging the Issuer against the risk of a difference between the EURIBOR-based floating rate applicable for the relevant Interest Period (on each relevant Payment Date) with respect to the Class A Notes and the fixed interest rate payments received in respect of the Purchased Home Loans.

The Euro-denominated interest payments that the Interest Rate Swap Counterparty is obliged to pay to the Issuer under the Interest Rate Swap Agreement will be exclusively allocated by the Management Company to the Issuer and applied pursuant to the relevant Priority of Payments.

Swap Notional Amount

In accordance with the Interest Rate Swap Agreement, on the Issue Date, the notional amount under the Interest Rate Swap Agreement will be equal to 100 per cent. of the aggregate of the Initial Principal Amount of the Class A Notes.

On any Payment Date, the Notional Amount shall be equal to the lesser of:

(i) the aggregate of the Principal Amount Outstanding of the Class A Notes on the immediately preceding Payment Date after giving effect to the applicable Priority of Payments (or the Issue Date in respect of the first Payment Date) as determined by the Management Company; and

(ii) the aggregate of the Outstanding Principal Balance of the Performing Home Loans on the Determination Date immediately preceding such Payment Date (or in case of the first Payment Date, the Selection Date);

provided that if the Management Company has not been able to provide such calculations, then the Interest Rate Swap Counterparty will calculate such amounts in a commercially reasonable manner).

Payments under the Interest Rate Swap Agreement

Pursuant to the Interest Rate Swap Agreement, on each Payment Date, the Interest Rate Swap Counterparty shall pay to the Issuer the swap floating amount (the "**Floating Amount**") and the Issuer shall pay to the Interest Rate Swap Counterparty the swap fixed amount (the "**Fixed Amount**"). On each Payment Date, a set-off shall be made between the Floating Amount and the Fixed Amount so that the relevant party will only pay to the other party the net swap amount (if positive) resulting from such set-off (the "**Interest Rate Swap Net Amount**").

The Interest Rate Swap Net Amount, when payable by the Issuer, will be paid by the Issuer to the Interest Rate Swap Counterparty on the relevant Payment Date in accordance with the applicable Priority of Payments.

The Floating Amount shall, on any Payment Date in respect of the Interest Period ending on such Payment Date, be an amount equal to the product of (A) the actual number of days in the relevant Interest Period divided by 360, (B) the greater between: (x) zero and (y) the aggregate of (i) EURIBOR (as determined for such Interest Period ending on such Payment Date in accordance with the Conditions of the Class A Notes or any replacement rate determined in accordance with the Reference Rate Determination Process) and (ii) the Class A Margin, both for the relevant Interest Period and (C) the relevant Notional Amount of the Interest Rate Swap Transaction.

The Fixed Amount shall be equal to the product of (i) the Interest Rate Swap Fixed Rate, (ii) the Notional Amount, (iii) the number of days in the relevant Interest Period (for the avoidance of doubt, in the case of the first Payment Date only, starting on the Issue Date) divided by 360, where the "**Interest Rate Swap Fixed Rate**" means the fixed rate determined on or about 25 October 2018 and not greater than 1.15% *per annum*.

Insufficiency of Available Funds

In the event that, on any Payment Date, the Issuer is unable to pay to the Interest Rate Swap Counterparty the Interest Rate Swap Net Amount that is due and payable as the result of an insufficiency of available funds, the amount that is outstanding on such date will give rise to a shortfall of the Interest Rate Swap Net Amount which will be paid to the Interest Rate Swap Counterparty on the next Payment Date. Such shortfall shall not bear interest. The failure by the Issuer to pay the full amount due on such immediately following Payment Date will constitute an "Event of Default" (as defined in the Interest Rate Swap Agreement).

Return of Collateral in Excess

If the Interest Rate Swap Counterparty has posted collateral in excess of the required amount, such excess will be directly returned by the Issuer to the Interest Rate Swap Counterparty outside of the Priority of Payments.

Additional Payments

If the Issuer must at any time deduct or withhold any amount for or on account of any tax from any sum payable by the Issuer under the Interest Rate Swap Agreement, the Issuer shall not be liable to pay to the Interest Rate Swap Counterparty any such additional amount. If the Interest Rate Swap Counterparty must at any time deduct or withhold any amount for or on account of any tax from any sum payable to the Issuer under the Interest Rate Swap Agreement, the Interest Rate Swap Counterparty shall at the same time pay such additional amount as is necessary to ensure that the Issuer to which that sum is due receives a sum equal to the Interest Rate Swap Net Amount it would have received in the absence of any deduction or withholding. In such event, the Interest Rate Swap Counterparty shall be entitled to terminate the Interest Rate Swap Agreement only (i) after the parties have attempted in good faith for a period of thirty (30) days to find a mutually satisfactory solution for avoiding such deduction or withholding and (ii) in order to substitute any authorised interest rate swap counterparty(ies) having at least the Interest Rate Swap Counterparty Required Ratings.

Ratings of the Interest Rate Swap Counterparty by Moody's and Termination of the Interest Rate Swap Agreement

In this section:

The "**Moody's Collateral Trigger Requirements**" will apply to the Interest Rate Swap Agreement and so long as no relevant entity has the Moody's Qualifying Collateral Trigger Ratings.

An entity will have the "**Moody's Qualifying Collateral Trigger Ratings**" if its long-term rating from Moody's is at least "Baa1" or above or long-term counterparty risk assessment from Moody's is at least "Baa1(cr)" or above in accordance with the document entitled "Moody's Approach to Assessing Counterparty Risks in Structured Finance" (the "**Moody's 2017 Criteria**") on 26 July 2017.

So long as the Moody's Collateral Trigger Requirements apply, the Interest Rate Swap Counterparty will, at its own cost, transfer collateral pursuant to the terms of the Collateral Annex (as defined in the Interest Rate Swap Agreement).

The "**Moody's Transfer Trigger Requirements**" will apply so long as no relevant entity has the Moody's Qualifying Transfer Trigger Ratings.

An entity shall have the "**Moody's Qualifying Transfer Trigger Ratings**" if its long-term rating from Moody's is at least "Baa3" or above or long-term counterparty risk assessment from Moody's is at least "Baa3(cr)" or above in accordance with the document entitled "Moody's Approach to Assessing Counterparty Risks in Structured Finance" (the "**Moody's 2017 Criteria**") on 26 July 2017.

So long as the Moody's Transfer Trigger Requirements apply, the Interest Rate Swap Counterparty will also, at its own cost, use commercially reasonable efforts to, as soon as reasonable practicable, procure either, within thirty (30) calendar days:

a) a Moody's Eligible Guarantee (as defined in the Interest Rate Swap Agreement) in respect of all of its present and future obligations under the Interest Rate Swap Agreement by a guarantor having at least the Moody's Qualifying Transfer Trigger Ratings; or

b) without prejudice to the Transfer Condition (as defined in the Interest Rate Swap Agreement), a transfer to a Moody's Eligible Replacement (as defined in the Interest Rate Swap Agreement) satisfying the transfer conditions any and all of its rights and obligations with respect to the Interest Rate Swap Agreement.

Termination

A termination by reasons of Change of Circumstances (as defined in the Interest Rate Swap Agreement) under the Interest Rate Swap Agreement entitling the Management Company to terminate (without being obliged to) the Interest Rate Swap Agreement will occur if (A) the Moody's Qualifying Transfer Trigger Requirements apply and thirty (30) or more Business Days have elapsed since the last time the Moody's Qualifying Transfer Trigger Requirements did not apply and (B) at least one Moody's Eligible Replacement has made a Firm Offer (as defined in the Interest Rate Swap Agreement) after that would, assuming the occurrence of an early termination, qualify as a Replacement Value (as defined in the Interest Rate Swap Agreement) and remain capable of becoming legally binding upon acceptance.

A termination by reasons of Event of Default (as defined in the Interest Rate Swap Agreement) under the Interest Rate Swap Agreement entitling the Management Company to terminate (without being obliged to) the Interest Rate Swap Agreement will occur if the Moody's Collateral Trigger Requirements apply and the Interest Rate Swap Counterparty has failed to transfer collateral as required pursuant to the Collateral Annex.

Ratings of the Interest Rate Swap Counterparty by S&P and Termination of the Interest Rate Swap Agreement

In this sub-section:

"**Initial Remedy Period**" means, in respect of an Initial S&P Rating Event, the period that commences on (but excludes) the date on which an Initial S&P Rating Event occurs and ends on (and includes) the later of (i) the tenth Business Day following the date on which such Initial S&P Rating Event occurs or (ii) if the Interest Rate Swap Counterparty has, on or before the tenth Business Day following the date on which such Initial S&P Rating Event occurs, submitted to S&P a detailed written proposal for collateral transfer, the twentieth Business Day following the date on which such Initial S&P Rating Event occurs. If the Initial S&P Rating Event occurs as a result of a transfer pursuant to the Interest Rate Swap Agreement, where neither the transferee, nor any credit support provider in respect of the transferee, has the Initial S&P Required Rating at the time such transfer occurs, there will be no Initial Remedy Period in respect of such Initial S&P Rating Event.

An "**Initial S&P Rating Event**" shall occur if S&P Replacement Option 1 or S&P Replacement Option 2 applies and the Interest Rate Swap Counterparty (or any permitted successor or assign) does not meet the Initial S&P Required Rating Condition.

An "**Initial S&P Rating Requirement Breach**" will occur if an Initial S&P Rating Event occurs and the Interest Rate Swap Counterparty does not transfer collateral as described in paragraph (a) of section "*Initial S&P Rating Event*" or if a Subsequent S&P Rating Event occurs and the Interest Rate Swap Counterparty does not transfer collateral as described in paragraph (a) of section "*Subsequent S&P Rating Event*".

"**Initial S&P Required Rating**" means, with respect to any entity, such entity having long-term, unsecured and unsubordinated debt obligations rated at least as high as the S&P Minimum Counterparty Rating corresponding to the then current rating by S&P of the Class A Notes then outstanding and the applicable S&P Replacement Option, as specified in the table below entitled "*S&P Minimum Counterparty Rating*" under the column "*Initial S&P Required Rating*".

"**Initial S&P Required Rating Condition**" means, with respect to any entity, such entity having long-term, unsecured and unsubordinated debt obligations rated at least as high as the Initial S&P Required Ratings by S&P.

"**Subsequent Collateral Remedy Period**" means, in respect of a Subsequent S&P Rating Event, the period that commences on (but excludes) the date on which a Subsequent S&P Rating Event occurs, and ends on (and includes) the later of (i) the tenth Business Day following the date on which such Subsequent S&P Rating Event occurs or (ii) if the Interest Rate Swap Counterparty has, on or before the tenth Business Day following the date on which such Subsequent S&P Rating Event occurs submitted to S&P a written proposal for collateral transfer and subject to S&P confirmation, the twentieth Business Day following the date on which such Subsequent S&P Rating Event occurs.

"**Subsequent Remedy Period**" means, in respect of a Subsequent S&P Rating Event, the period that commences on (but excludes) the date on which such Subsequent S&P Rating Event occurs and ends on (and includes) the later of (i) the sixtieth calendar day with respect to S&P Replacement Option 1 and S&P Replacement Option 2 and the thirtieth calendar days with respect to S&P Replacement Option 4 following the date on which such Subsequent S&P Rating Event occurs or (ii) if the Interest Rate Swap Counterparty has, with respect to S&P Replacement Option 1 and S&P Replacement Option 2, on or before the sixtieth calendar day following the date on which such Subsequent S&P Rating Event occurs submitted to S&P a detailed written proposal for a remedy and subject to S&P confirmation, then the ninetieth calendar day following the date on which such Subsequent S&P Rating Event occurs.

"**S&P Minimum Counterparty Rating**" means, in respect of any S&P Replacement Option, the rating of an entity's long-term, unsecured and unsubordinated debt obligations by S&P as specified in the table below and corresponding to the then current rating by S&P of Class A Notes then outstanding under the columns "*Initial S&P Required Rating*" and "*Subsequent S&P Required Rating*", as applicable:

Rating of the Class A Notes ***	**S&P Replacement Option 1**		**S&P Replacement Option 2**		**S&P Replacement Option 3**		**S&P Replacement Option 4**	
	Initial S&P Required	Subsequent S&P Required Rating	Initial S&P Required Rating	Subsequent S&P Required Rating	Initial S&P Required Rating	Subsequent S&P Required Rating	Initial S&P Required Rating	Subsequent S&P Required Rating
AAA	A*	BBB+	A*	A-	Not Applicable	A*	Not Applicable	A+
AA+	A*	BBB+	A*	A-	Not Applicable	A*	Not Applicable	A+
AA	A-	BBB+	A	A-	Not Applicable	A	Not Applicable	A+
AA-	A-	BBB**	A-	BBB+	Not Applicable	A-	Not Applicable	A*
A+	BBB+	BBB**	A-	BBB+	Not Applicable	A-	Not Applicable	A*
A	BBB+	BBB**	A-	BBB+	Not Applicable	A-	Not Applicable	At least as high as the rating of the Class A Notes
A-	BBB**	BBB-	BBB+	BBB**	Not Applicable	BBB+	Not Applicable	At least as high as the rating of the Class A Notes

BBB+	BBB**	BBB-	Atleast as high as the rating of the	BBB	Not Applicable	At least as high as the rating of the Highest	Not Applicable	At least as high as the rating of the Class A Notes
BBB	BBB-	BB+	Atleast as high as the rating of the	BBB-	Not Applicable	At least as high as the rating of the Highest	Not Applicable	At least as high as the rating of the Class A Notes
BBB-	Atleast as high as the rating of the	BB+	Atleast as high as the rating of the	At least as high as the rating of the Highest	Not Applicable	At least as high as the rating of the Highest	Not Applicable	At least as high as the rating of the Class A Notes
BB+ and below	Atleast as high as the rating of the Highest	At least as high as the rating of the Highest Rated Notes	Atleast as high as the rating of the Highest	At least as high as the rating of the Highest Rated Notes	Not Applicable	At least as high as the rating of the Highest Rated Notes	Not Applicable	At least as high as the rating of the Class A Notes

* To meet the minimum eligible rating of "A", the entity should also have a short term rating of "A-1";

** To meet the minimum eligible rating of "BBB", the entity should also have a short term rating of "A-2";

*** If any of the Class A Notes are downgraded by S&P because of either (i) the failure of the Interest Rate Swap counterparty to take any action required under the Interest Rate Swap Agreement, or (ii) the downgrade or withdrawal of the rating of the Interest Rate Swap Counterparty, then the current rating will be deemed to be the rating of the relevant Class A Notes immediately prior to such downgrade.

"**S&P Replacement Options**" means any of four options for establishing the definition of Initial S&P Required Rating, Subsequent S&P Required Rating and Volatility Buffer's Percentage (as defined in the Interest Rate Swap Agreement and for the purpose of the Collateral Annex), designated as "**S&P Replacement Option 1**", "**S&P Replacement Option 2**", "**S&P Replacement Option 3**" and "**S&P Replacement Option 4**", respectively, in sub-section "*S&P Replacement Options*" which the Interest Rate Swap Counterparty may at any time elect for in accordance with the Interest Rate Swap Agreement.

"**S&P Replacement Option 3 Collateral Remedy Period**" means, in respect of a S&P Replacement Option 3 Rating Event, the period that commences on (but excludes) the date on which a S&P Replacement Option 3 Rating Event occurs, and ends on (and includes) the later of (i) the tenth Business Day following the date on which such S&P Replacement Option 3 Rating Event occurs or (ii) if the Interest Rate Swap Counterparty has, on or before the tenth Business Day following the date on which such S&P Replacement Option 3 Rating Event occurs submitted to S&P a written proposal for collateral transfer, the twentieth Business Day following the date on which such S&P Replacement Option 3 Rating Event occurs.

A "**S&P Replacement Option 3 Rating Event**" shall occur if, when the S&P Replacement Option 3 has been elected, the senior, unsecured, unsubordinated and unguaranteed debt obligations of the Interest Rate Swap Counterparty (or its guarantor or any permitted successor or assign) are rated below the Subsequent S&P Required Ratings.

A "**S&P Replacement Option 3 Rating Requirement Breach**" will occur if, (i) the Interest Rate Swap Counterparty fails top take within the S&P Replacement Option 3 Remedy Period, any of the actions described in paragraph (a) of section "*S&P Replacement Option 3*" or (ii) the Swap Counterparty fails to take within the S&P Replacement Option 3 Collateral Remedy Period the remedies set out in paragraph (b) of section "*S&P Replacement Option 3*".

"**S&P Replacement Option 3 Remedy Period**" means, in respect of the S&P Replacement Option 3, the period from (but excluding) the date on which a S&P Replacement Option 3 Rating Event occurs to (and including) the later of: (i) the 60th calendar day following the date on which a S&P Replacement Option 3 Rating Event occurs; and (ii) if the Interest Rate Swap Counterparty has, before the 60th calendar day following the date on which a S&P Replacement Option 3 Rating Event occurs, submitted to S&P a detailed written proposal for a remedy, the 90th calendar day following the date on which such a S&P Replacement Option 3 Rating Event occurs.

A "**S&P Replacement Option 4 Rating Event**" shall occur if, when the S&P Replacement Option 4 has been elected, the senior, unsecured, unsubordinated and unguaranteed debt obligations of the Interest Rate Swap

Counterparty (or its guarantor or any permitted successor or assign) are rated below the Subsequent S&P Required Ratings.

A "**S&P Replacement Option 4 Rating Requirement Breach**" will occur if, the Interest Rate Swap Counterparty fails top take within the S&P Replacement Option 4 Remedy Period, any of the actions described in section "*S&P Replacement Option 4*".

"**S&P Replacement Option 4 Remedy Period**" means, in respect of the S&P Replacement Option 4, the period from (but excluding) the date on which a S&P Replacement Option 4 Rating Event occurs to (and including) the later of: (i) the 30th calendar day following the date on which a S&P Replacement Option 4 Rating Event occurs; and (ii) if the Interest Rate Swap Counterparty has, before the 30th calendar day following the date on which a S&P Replacement Option 4 Rating Event occurs, submitted to S&P a detailed written proposal for a remedy, the 60th calendar day following the date on which a S&P Replacement Option 4 Rating Event occurs.

A "**Subsequent S&P Rating Event**" shall occur if at any time (regardless of whether an Initial S&P Rating Event has previously occurred), S&P Replacement Option 1 or S&P Replacement Option 2 applies and the Interest Rate Swap Counterparty (or any permitted successor or assign) does not meet the Subsequent S&P Required Rating Condition.

A "**Subsequent S&P Rating Requirement Breach**" will occur if the Interest Rate Swap Counterparty fails to take any of the actions described in paragraph (b) of section "*Subsequent S&P Rating Event*" within the Subsequent Remedy Period (notwithstanding the Interest Rate Swap Counterparty continuing to transfer collateral in accordance with paragraph (a) of section "*Initial S&P Rating Event*").

"**Subsequent S&P Required Rating**" means, with respect to any entity, such entity having long-term, unsecured and unsubordinated debt obligations rated at least as high as the S&P Minimum Counterparty Rating corresponding to the then current rating by S&P of the Class A Notes then outstanding and the applicable S&P Replacement Option, as specified in the table entitled "*S&P Minimum Counterparty Rating*" under the column "*Subsequent S&P Required Rating*".

"**Subsequent S&P Required Rating Condition**" means, with respect to any entity, such entity having longterm, unsecured and unsubordinated debt obligations rated at least as high as the Subsequent S&P Required Rating.

S&P Replacement Option 1 and S&P Replacement Option 2

Initial S&P Rating Event

Upon the occurrence of an Initial S&P Rating Event:

a) the Interest Rate Swap Counterparty shall within the Initial Remedy Period and at its own cost, transfer collateral in accordance with the terms of the Collateral Annex (as defined in the Interest Rate Swap Agreement); and

b) the Interest Rate Swap Counterparty may, at any time following the occurrence of such Initial S&P Rating Event, at its own discretion and at its own cost:

   (i) transfer or novate to a S&P Eligible Replacement (as defined in the Interest Rate Swap Agreement) satisfying the Transfer Conditions (as defined in the Interest Rate Swap Agreement) any and all of its rights and obligations with respect to the Interest Rate Swap Agreement and all transactions (provided that if such S&P Eligible Replacement (as defined in the Interest Rate Swap Agreement) does not have the Initial S&P Required Rating at the time such transfer occurs, such S&P Eligible Replacement (as defined in the Interest Rate Swap Agreement) will provide collateral under the provisions of the Collateral Annex or obtain a guarantee of its rights and obligations with respect to the Interest Rate Swap Agreement from a S&P Eligible Guarantor (as defined in the Interest Rate Swap Agreement) having the Initial S&P Required Ratings); or

(ii) procure a S&P Eligible Guarantee (as defined in the Interest Rate Swap Agreement) in respect of its obligations under the Interest Rate Swap Agreement from a S&P Eligible Guarantor (as defined in the Interest Rate Swap Agreement) having the Initial S&P Required Ratings; or

(iii) take such other action (which may, for the avoidance of doubt, include taking no action) as will result in the rating of the Class A Notes then outstanding by S&P following the taking of such action (or inaction) being maintained at, or restored to, the level it would have been at immediately prior to the Initial S&P Rating Event.

Subsequent S&P Rating Event

Upon the occurrence of a Subsequent S&P Rating Event:

a) the Interest Rate Swap Counterparty shall, within the Subsequent Collateral Remedy Period, and at its own cost, transfer collateral in accordance with the terms of the Collateral Annex (or if, at the time such Subsequent S&P Rating Event occurs, the Interest Rate Swap Counterparty has provided collateral under the Collateral Annex pursuant to the terms of the Interest Rate Swap Agreement following an Initial S&P Rating Event and the Issuer has not transferred equivalent collateral back to the Interest Rate Swap Counterparty at such time, the Interest Rate Swap Counterparty shall continue to provide collateral if required under the provisions of the Collateral Annex following the occurrence of an Initial S&P Rating Event); and

b) the Interest Rate Swap Counterparty shall, within the Subsequent Remedy Period, at its own cost, use commercially reasonable efforts to either:

(i) transfer or novate to a S&P Eligible Replacement (as defined in the Interest Rate Swap Agreement) satisfying the Transfer Conditions (as defined in the Interest Rate Swap Agreement) any and all of its rights and obligations with respect to the Interest Rate Swap Agreement and all transactions; or

(ii) procure a S&P Eligible Guarantee (as defined in the Interest Rate Swap Agreement) in respect of its obligations under the Interest Rate Swap Agreement from a S&P Eligible Guarantor (as defined in the Interest Rate Swap Agreement); or

(iii) take such other action (which may, for the avoidance of doubt, include taking no action) as will result in the rating of the Class A Notes then outstanding by S&P following the taking of such action (or inaction) being maintained at, or restored to, the level it would have been at immediately prior to the occurrence of such Subsequent S&P Rating Event.

S&P Replacement Option 3

Upon the occurrence of a S&P Replacement Option 3 Rating Event, the Interest Rate Swap Counterparty shall, within the S&P Replacement Option 3 Remedy Period, at its own cost:

a) use commercially reasonable efforts, to either:

(i) transfer or novate to a S&P Eligible Replacement (as defined in the Interest Rate Swap Agreement) satisfying the Transfer Conditions (as defined in the Interest Rate Swap Agreement) any and all of its rights and obligations with respect to the Interest Rate Swap Agreement and all transactions; or

(ii) procure a S&P Eligible Guarantee (as defined in the Interest Rate Swap Agreement) in respect of its obligations under the Interest Rate Swap Agreement from a S&P Eligible Guarantor (as defined in the Interest Rate Swap Agreement); or

(iii) take such other action (which may, for the avoidance of doubt, include taking no action) as will result in the ratings of the Class A Notes then outstanding by S&P following the taking of such action (or inaction) being maintained at, or restored to, the level it would have been at immediately prior to the occurrence of such S&P Replacement Option 3 Rating Event; and

b) pending compliance with (a) above, within the S&P Replacement Option 3 Collateral Remedy Period, transfer collateral at its own cost in accordance with the terms of the Collateral Annex.

S&P Replacement Option 4

Upon the occurrence of a S&P Replacement Option 4 Rating Event, the Interest Rate Swap Counterparty shall, within the S&P Replacement Option 4 Remedy Period, at its own cost, use commercially reasonable efforts to:

a) transfer or novate to a S&P Eligible Replacement (as defined in the Interest Rate Swap Agreement) satisfying the Transfer Conditions (as defined the Interest Rate Swap Agreement) any and all of its rights and obligations with respect to the Interest Rate Swap Agreement and all transactions; or

b) procure a S&P Eligible Guarantee (as defined in the Interest Rate Swap Agreement) in respect of its obligations under the Interest Rate Swap Agreement from a S&P Eligible Guarantor (as defined in the Interest Rate Swap Agreement); or

c) take such other action (which may, for the avoidance of doubt, include taking no action) as will result in the ratings of the Class A Notes then outstanding by S&P following the taking of such action (or inaction) being maintained at, or restored to, the level it would have been at immediately prior to the occurrence of such S&P Replacement Option 4 Rating Event.

S&P Replacement Options

S&P Replacement Option 2 will apply on and from the date of the Interest Rate Swap Agreement, *provided that* the Interest Rate Swap Counterparty may at any time elect for any of S&P Replacement Option 1, S&P Replacement Option 3 or S&P Replacement Option 4 to apply (or for S&P Replacement Option 2 to apply if S&P Replacement Option 1, S&P Replacement Option 3 or S&P Replacement Option 4 applies at such time) on and from the date specified in a notice (the "**Option Change Effective Date**"), in which case the relevant S&P Replacement Option shall apply on and from the Option Change Effective Date provided the following conditions have been met:

(i) no Event of Default (as defined in the Interest Rate Swap Agreement) or Change of Circumstances (as defined in the Interest Rate Swap Agreement) has occurred with respect to which the Interest Rate Swap Counterparty is the Defaulting Party (as defined in the Interest Rate Swap Agreement) or the sole Affected Party (as defined in the Interest Rate Swap Agreement), as the case may be;

(ii) the Interest Rate Swap Counterparty has given at least one Business Day's notice to the Management Company and to S&P specifying which S&P Replacement Option shall apply on and from the Option Change Effective Date;

(iii) such election would not result in the Interest Rate Swap Counterparty ceasing to meet the Subsequent S&P Required Rating Condition applicable to the S&P Replacement Option chosen by the Interest Rate Swap Counterparty and specified in the notice referred to in (ii) above; and

(iv) such Option Change Effective Date occurs before any Initial Remedy Period or Subsequent Remedy Period has expired (disregarding limb (ii) of the definitions of Initial Remedy Period and Subsequent Remedy Period for the purpose of calculating such Initial Remedy Period or Subsequent Remedy Period).

Termination

A termination by reasons of Change of Circumstances (as defined in the Interest Rate Swap Agreement) under the Interest Rate Swap Agreement entitling the Management Company to terminate (without being obliged to) the Interest Rate Swap Agreement will occur upon the occurrence of:

a) an Initial S&P Rating Requirement Breach;

b) a Subsequent S&P Rating Requirement Breach;

c) a S&P Replacement Option 3 Rating Requirement Breach; or

d) a S&P Replacement Option 4 Rating Requirement Breach.

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Certain other cases of termination

The Interest Rate Swap Counterparty may terminate the Interest Rate Swap Agreement upon the occurrence of either of the following events: (a) if any amendment to the Transaction Documents is made without the prior consent of the Interest Rate Swap Counterparty, (i) where such amendment has or could have a material adverse effect on the interests of the Interest Rate Swap Counterparty under the Interest Rate Swap Agreement or under the relevant Transaction Documents or (ii) if any Funds Allocation Rules are amended or (b) if the Class A Notes are to be redeemed early in accordance with Condition 4(f), Condition 4(g) or Condition 4(h).

The Management Company may terminate the Interest Rate Swap Agreement if, among other things, the Interest Rate Swap Counterparty becomes insolvent, or fails to make a payment under the Interest Rate Swap Agreement when due and such failure is not remedied after the notice of such failure being given, and if performance of the Interest Rate Swap Agreement becomes illegal.

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Collateral Arrangements

The Issuer and the Interest Rate Swap Counterparty have entered into a Collateral Annex (as defined in the Interest Rate Swap Agreement) with respect to the Interest Rate Swap Agreement which forms part of the Interest Rate Swap Agreement, which sets out the terms on which collateral will be provided by the Interest Rate Swap Counterparty to the Issuer in the circumstances described above.

Governing Law and Jurisdiction

The Interest Rate Swap Agreement is governed by and shall be construed in accordance with French law. The parties have agreed to submit any dispute that may arise in connection with the relevant Interest Rate Swap Agreement to the exclusive jurisdiction of the competent courts of the *Cour d'Appel de Paris*.

DESCRIPTION OF THE DATA PROTECTION AGREEMENT

APPOINTMENT OF THE DATA PROTECTION AGENT

Pursuant to the provisions of the Data Protection Agreement, the Management Company has appointed the Data Protection Agent to perform the function of data protection agent as described therein and the Data Protection Agent has accepted such appointment.

ENCRYPTED DATA FILES

In accordance with, and subject to, the Data Protection Agreement, on the Purchase Date, each Seller, or the Transaction Agent on behalf of the Sellers, shall encrypt using the Decryption Key communicated to the Data Protection Agent on or prior to the Issuer Establishment Date the personal data related to the Borrowers and provide it through an electronic transfer in encrypted form directly to the Management Company (the ***Encrypted Data File***) and on each Information Date, the Transaction Agent, on behalf of each Servicer, shall send through an electronic transfer an up-to-date Encrypted Data File to the Management Company together with the Master Servicer Report. As from the Information Date falling in July 2019 (or such later date agreed between the Custodian, the Management Company and the Transaction Agent), the Transaction Agent shall also, on behalf of each Servicer, send through an electronic transfer a version of such up-to-date Encrypted Data File to the Custodian.

Such Encrypted Data File shall consist in an electronically readable data tape containing encrypted information such as, *inter alia*, the names and addresses of the Borrowers in respect of, (i) as at the Purchase Date, each Borrower for each Home Loan identified in the Home Loans Purchase Offer and, (ii) in relation to any Information Date, each Borrower of an outstanding Purchased Home Loan (either a Performing Home Loan or a Defaulted Home Loan, but excluding such Home Loan (x) the transfer of which has been rescinded (*résolu*) or (y) which is the subject of a repurchase offer) as at such date.

The Management Company and the Custodian will keep each version of an Encrypted Data File they receive in safe custody and protect it against unauthorised access by any third parties. For the avoidance of doubt, the Management Company will not be able to access the data contained in any Encrypted Data Files without the Decryption Key.

DELIVERY AND UPDATE OF THE DECRYPTION KEY

The Data Protection Agent shall hold the Decryption Key (and any new Decryption Key, as the case may be, generated by any Servicer or the Transaction Agent on its behalf) in safe custody and protect it against unauthorised access by any third parties until the Management Company requires the delivery of the Decryption Key and it shall not use the Decryption Key for its own purposes. The Management Company may request the Decryption Key to the Data Protection Agent and use (or permit the use of) the data contained in the Encrypted Data Files relating to the Borrowers only in the following circumstances:

(a) upon the occurrence of a Servicer Termination Event in respect of a Servicer (including, without limitation, in the event that such Servicer Termination Event has resulted in the appointment of that Servicer under the Home Loans Purchase and Servicing Agreement having been terminated) provided that where the Servicer Termination Event is an Individual Servicer Termination Event, the Decryption Key shall only be used to decrypt the data provided by that Servicer; or

(b) the Management Company reasonably considers it needs to have access to such data in order to protect the interest of the Noteholders and Residual Unitholders or the Issuer

Following the delivery by the Data Protection Agent to the Management Company of the Decryption Key upon request from the Management Company pursuant to paragraphs (a) and (b) above, the Transaction Agent, acting in the name and on behalf of each Servicer (other than the Servicer(s) the appointment of which has been terminated or in respect of which a Servicer Termination Event has occurred (the "**Defaulting Servicer**")), shall (i) generate a new Decryption Key, so that such new Decryption Key is used to encrypt information for the purpose

of any Encrypted Data File of any Servicer which is not a Defaulting Servicer on any subsequent Information Date and (ii) provide such new Decryption Key to the Data Protection Agent.

DATA PROTECTION AGENT TERMINATION EVENTS

Each of the following events shall constitute a "**Data Protection Agent Termination Event**":

(a) any material representation or warranty made by the Data Protection Agent is or proves to have been incorrect or misleading in any material respect when made, and the same is not remedied (if capable of remedy) within thirty (30) Business Days after the Management Company (with copy to the Custodian) has given notice thereof to the Data Protection Agent or (if sooner) the Data Protection Agent has knowledge of the same;

(b) the Data Protection Agent fails to comply with any of its material obligations under the Data Protection Agreement unless such breach is capable of remedy and is remedied within thirty (30) Business Days after the Management Company (with copy to the Custodian) has given notice thereof to the Data Protection Agent or (if sooner) the Data Protection Agent has knowledge of the same;

(c) an Insolvency Event occurs in respect of the Data Protection Agent; or

(d) at any time it is or becomes unlawful for the Data Protection Agent to perform or comply with any or all of its material obligations under the Data Protection Agreement or any or all of its material obligations under the Data Protection Agreement are not, or cease to be, legal, valid and binding and no appropriate solutions are found within ten (10) calendar days between the parties to the Data Protection Agreement to remedy such illegality, invalidity or unenforceability.

GOVERNING LAW

The Data Protection Agreement shall be governed by French law and all claims and disputes arising in connection therewith shall be subject to the exclusive jurisdiction of the competent courts in commercial matters within the jurisdiction the *Cour d'Appel* of Paris.

SPECIALLY DEDICATED ACCOUNT BANK AGREEMENT

GENERAL

In accordance with articles L. 214-173 and D. 214-228 of the French Monetary and Financial Code, each Servicer has entered into with the Management Company, the Custodian and the Specially Dedicated Account Bank a separate Specially Dedicated Account Bank Agreement (*Convention de Compte Spécialement Affecté*) pursuant to which at least one account of such Servicer shall be identified in order to be operated as a Specially Dedicated Bank Account (*compte spécialement affecté*).

OPERATION UNTIL NOTIFICATION BY THE MANAGEMENT COMPANY

Credit

The Specially Dedicated Bank Account(s) shall be credited in accordance with and subject to the provisions of the Home Loans Purchase and Servicing Agreement.

Debit

Without prejudice to the rights of the Issuer under the Specially Dedicated Account Bank Agreements, until the Management Company sends a Notification of Control to the Specially Dedicated Account Bank of the contrary, the Servicers will be granted the right to operate their respective Specially Dedicated Bank Account(s) in giving any instructions of wire transfers from its Specially Dedicated Bank Account(s), but only for the purpose of:

(a) transferring to the General Account, on each Settlement Date, any amount of Available Collections standing to the credit of such Specially Dedicated Bank Account(s) as of such date; and

(b) transferring to any other bank account of the relevant Servicer, any sum standing to the credit of any Specially Dedicated Bank Account but which are not sums owed to the Issuer (such as insurance premia), as soon as possible after having given evidence to the Management Company that such amounts are not owed to the Issuer.

At any time if it deems it is in the interest of the Noteholders and of the Residual Unitholders, the Management Company shall be entitled to serve without delay to the Specially Dedicated Account Bank either (i) a Notification of Control including an instruction from the Management Company to the Specially Dedicated Account Bank to transfer without delay the amounts standing to the credit of any Specially Dedicated Bank Account to any relevant Issuer Account, or (ii) a Notification of Release, substantially in the form set out in the relevant Specially Dedicated Bank Account Agreement.

In accordance with the provisions of the Specially Dedicated Account Bank Agreements, as from the receipt by the Specially Dedicated Account Bank of the Notification of Control given by the Management Company, the Specially Dedicated Account Bank shall cease to comply with the instructions of any Servicer and comply with the sole instructions given by the Management Company (or of any persons designated by it). Therefore, any instruction which could be given by the Servicer or by any other person designated by the Servicer following the receipt of such Notification of Control shall be deemed null and void. Furthermore, the Specially Dedicated Account Bank has undertaken *vis-à-vis* the Issuer to refuse to conform with such instruction given by the Servicer (including, as the case may be, any instruction given by the Servicer prior to the date on which the Notification of Control has been received but not yet implemented, except where such instruction consists in a transfer order to the General Collection Account) or by any other person designated by the Servicer after the date of receipt of the Notification of Control.

REMUNERATION OF THE CASH STANDING TO THE CREDIT OF THE SPECIALLY DEDICATED BANK ACCOUNTS

The cash standing to the credit of the Specially Dedicated Bank Accounts will be remunerated at a rate as set out in the general terms and conditions of the Specially Dedicated Account Bank, save if otherwise agreed

separately between the Management Company and the Specially Dedicated Account Bank, provided that if the rate so obtained is less than zero, the remuneration will be deemed equal to zero.

CHANGE OF SPECIALLY DEDICATED ACCOUNT BANK

If the Specially Dedicated Account Bank ceases to have the Account Bank Required Ratings or an Insolvency Event occurs in respect of the Specially Dedicated Account Bank, each Servicer shall terminate its Specially Dedicated Account Bank Agreement and appoint, with the prior approval of the Management Company (such approval not to be unreasonably withheld or delayed) a new specially dedicated account bank within thirty (30) calendar days and close its Specially Dedicated Bank Account(s), provided that the conditions precedent set out therein are satisfied (and in particular but without limitation that new specially dedicated bank accounts have been opened with a new specially dedicated account bank with the Account Bank Required Ratings) unless (if the Specially Dedicated Account Bank ceases to have the Account Bank Required Ratings only) the Reserves Provider has increased within thirty (30) calendar days after the downgrade of the ratings of the Specially Dedicated Account Bank below the Account Bank Required Ratings, the Commingling Reserve up to the applicable Level 2 Commingling Reserve Required Amount.

Either the Specially Dedicated Account Bank or any Servicer (on giving one-month prior notice) may terminate a Specially Dedicated Account Bank Agreement, provided that the conditions precedent set out therein are satisfied (and in particular but without limitation that a new specially dedicated bank account has been opened with a new specially dedicated account bank with the Account Bank Required Ratings).

GOVERNING LAW

Each Specially Dedicated Account Bank Agreement shall be governed by French law and all claims and disputes arising in connection therewith shall be subject to the exclusive jurisdiction of the competent courts in commercial matters within the jurisdiction the *Cour d'Appel* of Paris.

ORIGINATION, UNDERWRITING AND MANAGEMENT PROCEDURES

The description below is a summary of the origination, underwriting and management procedures applied by BPCE Group retails banks with respect to Home Loans.

ORIGINATION AND UNDERWRITING PROCEDURES (CREDIT GUIDELINES)

The Credit Guidelines described in this Section have not been subject to any material change over the past five (5) years prior to the Issuer Establishment Date.

Decentralised decision-making structure

The origination, underwriting and the servicing of the Home Loans is performed by BPCE Group's retails banks organised on a regional basis around the Banques Populaires and the Caisses d'Epargne. Each Banque Populaire and Caisse d'Epargne has to comply with (i) the credit policy guidelines defined by the applicable national network and (ii) with BPCE Group's credit risk policy.

Banques Populaires as well as Caisses d'Epargne distribute home loans with the aim to establish a sustainable relationship with profitable customers. Home loan is considered as a tool in order to develop cross-selling opportunities. Both networks have an excellent franchise in the French retail banking market and operate through a well-developed branch network.

Main drivers of the French residential home loans are:

- the predominance of fixed rate and of monthly amortisation (including interest and principal amount) leading to a constant instalment till maturity of the loan;
- the vast majority of loans are secured either by a mortgage or a guarantee (the last in a growing proportion); and
- French lending policies are based on the Borrower's capability to repay rather than on the property value.

Banques Populaires and Caisses d'Epargne grant home loans through their branch networks. Under BPCE Group policy, personal interview is a mandatory prerequisite in the underwriting process.

According to the banking regulations, to healthy practices of management and to the standards of BPCE Group, the control system of every bank lies on three levels of control: two levels of permanent control and one level of periodic control.

Control lines are developed at banks level and led by BPCE divisions:

- BPCE Group Risk, Compliance and Permanent Control Division (DRCCP);
- BPCE Group General Inspection Division in charge of periodic control.

IT facilities

DRCCP has developed and maintains the BPCE Group scoring system providing a Basel II notation from 1 to 10, the lower score the higher credit quality.

Banques Populaires and Caisses d'Epargne use network dedicated systems depending on the time life of the loan:

- Underwriting: VCI for Banques Populaires and NEO for Caisses d'Epargne.
- Servicing: Evolan Loans (Sopra) for Banques Populaires and SYNCHRO (internal software) for Caisses d'Epargne.
- Litigation: Collection (Sopra) for Banques Populaires and VARIO (internal software) for Caisses d'Epargne.

Each network uses the same IT platform (iBP or ITCE). A data warehouse hosted by iBP allows BPCE to manage loans granted by Banques Populaires and Caisses d'Epargne as collateral at a centralised level.

Underwriting Policies

The home loan general lending criteria of BPCE Group primarily focus on the appreciation of the Borrower's debt repayment capacity.

As French licensed credit institutions, the members of the BPCE Group apply the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU when assessing the credit worthiness of a borrower.

In most cases and in accordance with the general practice in the French residential loan market, Banques Populaires and Caisses d'Epargne consider the purchase price as the property value of the property, after a check of purchase price consistency with prices for comparable property. Also, in certain circumstances, an appraisal of the market value of a property may be required. But, in any case, no home loan is granted considering the sole (or even predominant) appraisal of the property.

Underwriting is based upon supporting documentation provided by prospective borrowers which is subsequently fully verified by the Banques Populaires and Caisses d'Epargne. Prior to a loan offer being made, all home loan applications are fully underwritten to make sure that they comply with BPCE's prescribed lending criteria.

In line with the EBA's guidelines, underwriting practices defined by BPCE Group provide for both financial and behavioural factors to be taken into account, such as:

- Loan amount / total credit exposures in order to prevent any excessive indebtedness of the borrowers (in particular in case of multiple loans);
- Down-payment rate: when the personal contribution of the customers does not cover at least all upfront costs (real estate agents' fees, acquisition cost, security costs, notary commission…), the underwriting will be subject to a strict credit approval delegation scheme and/or a tailored monitoring system;
- Household budget computation / debt-to-income ratio (before and after the financing/refinancing): a borrower with a DTI ratio higher than 33% must be carefully analysed in relation to the disposal income and down-payment rate. The time since the customer has been working at his/her current company is an important criterion of the risk's assessment. The delegation system must address this point;
- Total disposal income / available income per family member (*quotient familial*): each institution must set a minimum level of income freely available to a borrower after deducting credit commitments and basic living expenses, and after taking into account certain specificities (such as marital status or number of dependent children) taking into consideration regional specificities and the borrower's socio-economic group.
- Contractual term loan: a home loan application with a maturity exceeding 25 years shall be analysed by an underwriter with a higher level of authority (i.e. the branch manager or his line management at a minimum if the branch manager is himself the customer advisor in the loan application);
- Quality of the security package: each security interest (Mortgage on the property, Home Loan Guarantee or other) shall at least cover 100% of the initial principal balance of the home loan as well as any unpaid interests (3 up to 9 months). The use of a Home Loan Guarantee (CEGC or Parnasse Garanties (for Banques Populaires only)) is usually preferred over a Mortgage by borrowers (generally well-known customers and with a low risk profile) owing to the lower cost. A dedicated underwriting process is run by the Home Loan Guarantor. A loan application refused by CEGC or Parnasse Garanties cannot be secured by a Mortgage without the approval of the higher delegation level (being specified that the delegation grid is more restrictive for residential mortgage loan).

Traditionally, the bank's decision whether to underwrite or not a home loan is made by the branch network and in certain cases by the relevant regional's credit centre (depending on the level of authority of the underwriters).

All home loan underwriting decisions, whether completed at branch level or in the regional credit centres, are subject to internal monitoring by the bank in order to ensure the bank's procedures and policies regarding underwriting rules are being followed.

Borrowers cannot apply for a home loan via the internet through a full credit digital process.

All new customers solicited by partnered brokers or other independent intermediaries are directed to a local branch salesperson for a discussion about the loan and a review of their loan application.

Such intermediation activities are ruled by BPCE Group guidelines stating a formal process of "*prescripteurs*" agreement under local Risk Department and Compliance Department as well as a senior manager authority.
Intermediaries are rated upon financial data, historical relationship and fees. As described above, referred customers are processed as usual customers, but are specifically monitored. Under BPCE Group guidelines, local Risk Committee must report on residential loan prescription at least on an annual basis.

Pre-Acceptance Control

Prior to the acceptance of a home loan, information on the client is systematically collected from:

(i) the National Database on Household Credit repayment Incidents (*Fichier des Incidents de Remboursements des Crédits aux Particuliers)* held by the *Banque de France*, where payment incidents are recorded on all types of non-professional loans to individuals, including unauthorised overdrafts, over-indebtedness (*surendettement)*; and

(ii) the Central Cheque Register (*Fichier Central des Chèques*) held by the *Banque de France*, the central record of (i) payment incidents involving bad cheques, (ii) bans on writing cheques imposed by banks to account holders having caused these incidents, and (iii) bans on writing cheques ordered by court; and

(iii) the national Companies Banking Register (*Fichier Bancaire des Entreprises*) database (*FIBEN*) held by the *Banque de France* which records information pertaining to corporations and other types of businesses, including self-employed individuals, such as (i) information on bill payment incidents and risks reported by credit institutions, (ii) legal information pertaining to judgements handed down by a commercial or a civil court ruling over a commercial case, (iii) existence of legal proceedings and (iv) manager ratings (*Banque de France* awards a rating expressed as a figure to individuals exercising a management function).

If, as a result of the above searches, the client is found to be registered as a defaulting applicant, the mortgage underwriting scorecard of such client is immediately downgraded and the loan application is processed following the delegation scheme.

The relevant client relationship manager shall collect the necessary information from the general information system within the *bank*, and is responsible for the completion of the loan file and collection of all relevant documents (including, *inter alia*, salary slips, tax statements, bank statements and audited financial statements for self-employed applicants). Debts and income are verified against certain documents as set out in the bank procedures. The client relationship manager also checks whether the property price is coherent with the current market conditions and the project (an appraisal may be asked).

After the applicant has been interviewed by the local branch, the most suitable loan is proposed. All material data on the loan application is thereafter checked and kept in the Borrower's file.

If a Home Loan Guarantee is requested from CEGC, the pre-acceptance process also includes the underwriting and acceptance process to be undertaken by CEGC.
CEGC runs its own underwriting process in addition with the one performed by the bank.

Parnasse Garanties is restricted to civil servant borrowers. Applications and granting process are computed through BPs underwriting system. Only Banques Populaires' network distributes such guarantee within the BPCE Group.

Decision Process

The decision process is based on a non-automated analysis of the loan application by the client relationship manager and the approval by an authorised person as required by the authorisation system. Each client relationship manager is assigned an approval limit based, inter alia, upon its seniority, the internal credit rating of the applicant (via a scoring program developed by DRCCP, principally based on behaviour, which automatically assigns a credit rating from 1 to 10 - the lower score the higher credit quality - to a Borrower), the debt-to-income ratio of the applicant and the available income per family member (*quotient familial*).

In the event the approval limit criteria are not satisfied (such as debt-to-income ratio being above the level required, or the internal credit rating being higher than the level required), or the amount of the loan is higher than the approval limit, the decision shall be taken by a higher authority than the client relationship manager. Any decision is taken in light of objective criteria (such as, *inter alia*, type of employment, age and life insurance, debt-to-income ratio, assets and revenue of the client).

The delegation grid is implemented on a national basis within Banques Populaires' and Caisses d'Epargne's networks and is locally customised. The use of this delegation scheme is periodically reviewed by DRCCP.

Each client relationship manager must undertake a training programme conducted by each regional bank to gain or reinforce the authority to approve home loans. Each Banque Populaire and Caisse d'Epargne has established various levels of authority for its underwriters who approve home loan applications.

Once the IT file is completed, the underwriting system provides the client relationship manager with the information about the level of authority needed in order to get a final decision (Credit Committee, head of credit, branch manager or the client relationship manager).

Pre-Funding Controls

Once accepted, the home loan request file is transmitted to the central loan department of the relevant Banque Populaire or Caisse d'Epargne, which is responsible for the second level verification and disbursement of the home loans.

The central loan department staff verifies that (i) all the documents necessary for the funding of the home loan have been provided, (ii) the home loan complies with applicable laws and (iii) information provided in respect of the client or property is consistent. In the event that any documents are missing or are not legally compliant, the home loan funding process is put on hold.

During this stage, the persons in charge at such department are responsible for liaising with all relevant third parties (including, inter alia, any CEGC, any Parnasse Garanties (for Banques Populaires) and the relevant notary public).

The home loan offer and home loan documentation may only be issued to the client once (i) all the documents required from the borrower have been obtained, (ii) the decision for underwriting the home loan has been approved and (iii) all controls have been completed.

Upon reception by the bank of an offer accepted by a client, such department checks the validity of the acceptance and proceeds with the funding of the home loan.

Fraud detection

In order to mitigate the risk of fraud, various procedures and anti-fraud policies have been developed by the bank's Risk and Compliance Departments for the BPCE's Group covering (i) staff training in order to explain potential risk, (ii) operational support to the bank / networks and (iii) the implementation of specific control tools to identify and prevent fraudulent loan application.

Anti-money laundering controls also contribute to fraud detection.

SERVICING PROCEDURES

Servicing

Once originated, Banques Populaires and Caisses d'Epargne are responsible for the servicing of their home loans portfolios as well as the loan disbursement, the administration, the collection and servicing process (including in case of prepayments and restructuring actions).

Branches are in charge of monitoring and working out the delinquent payments incurred on home loans as they manage the day-to-day risks and the commercial relationship. All branches of each network use an arrears management system that automatically sends scheduled payment notifications to borrowers.

Recovery process is based on (i) an accurate analysis of the debtor situation, (ii) a clear identification of the customer's problem, (iii) a sustained communication with the debtor, (iv) the risk reassessment, (v) remediation proposals, (vi) commitment follow-up, (vii) recovery customised actions with regards to the borrower behaviour.

Recovery processes are documented and the recovery performances are closely monitored.

Amicable recovery is favoured within an escalating recovery actions process which is described in the first two steps described below.

Step 1 - Amicable collection at branch level

The branch remains generally responsible for dealing with overdue amounts during the first months (one or two months depending on the Banque Populaire or Caisse d'Epargne's policy).

After an analysis of direct debit rejection, the client relationship manager will activate the new direct debit instruction (if possible) and/or contact the client with a view to find a solution (calls or one-to-one approach when appropriate).

Each branch can rely on an efficient arrears management system allowing to, first, detect incidents and then, send automatic notifications to the borrower (phone calls, mails and/or SMS) to remind the missing instalment and to ask the borrower a regularisation of its situation.

If the situation is not remedied within a period between 30 and 45 days after the first missed payment (depending on the servicing procedures of each regional bank and/or circumstances of the borrower), one of the two actions below is triggered:

(i) either the contract moves under the scope of the centralised collection unit of the regional bank (usually under the authority of the credit department). A collecting agent will then handle the borrower case; or
(ii) the loan is accelerated with a transfer to the litigation department (usually linked to the legal department).

During the first month, more than two-third of delinquencies are recovered.

Banques Populaires' network

Arrears strategy for 1-29 days delinquent	» Immediate and automatic mail to record the situation and ask for regularisation.
	» Specific mails at the account manager disposal.
	» Mail to announce the transfer to defaulted loan sector.
	» Phone and e-mail messages.
	» One-to-one approach when necessary.
	» Exam of debtor situation.
	» Search enforcement of recoveries in accordance with a negotiating recovery scheme.
	» Information of situation to the Home Loan Guarantors.
	» Follow-up of debtor commitments.
Arrears strategy for 30 to 59 days delinquent	Same as above + actions from Network prevention, assistance and supervision or transfer to sector advice and negotiation when necessary.
Arrears strategy for 60 to 89 days delinquent	Same as above.
Arrears strategy for 90 days and more delinquent to late stage	Transfer to the defaulted loan sector, except if a sale agreement exists.

Caisses d'Epargne's network

Arrears strategy for 1-29 days delinquent	» Immediate call to record the situation and ask for regularisation.
	» One-to-one approach when necessary.
	» Phone calls linked to the daily follow up of debtor commitments.
	» Daily recording of decisions made.
Arrears strategy for 30 to 59 days delinquent	» Mail at 30 days of arrears.
	» At 45 days of arrears, transfer to a dedicated team within the legal department in charge of reaching an agreement, emails, SMS.
	» Follow-up of debtor commitments.
	» Phone calls.
Arrears strategy for 60 to 89 days delinquent	Negotiation for recovering arrears with a specific plan, or a shift of 6 months maximum of instalments if the Home Loan Guarantor agrees, or a loan restructuration under legal department approval.
Arrears strategy for 90 days and more delinquent to late stage	Transfer to the defaulted loan sector, except if a sale agreement exists.

Step 2 - Amicable collection by centralised collection department

The goal is to reinstate the borrower as a performing customer of the branch.

During this phase, the customer file will be transferred to a dedicated collection officer in the centralised collection unit of the Banque Populaire or Caisse d'Epargne who will (i) analyse the borrower situation, (ii) reassess the repayment capacity of the borrower and (ii) check the property price and the security.

If the conclusion of its analysis is positive, the collection officer might conclude an amicable agreement with the purpose of such agreement to obtain repayment of the all overdue amounts (such as a deferral or spreading of the unpaid instalments).

The objective of this phase is to make sure the borrower returns to performing status under branch management (in any case, after a probationary period that can last from 3 months up to 15 months).

When an agreement cannot be reached or if the borrower breaches its commitment after having negotiated a plan, the loan is transferred to the litigation department of the bank, generally under the bank legal department authority. The loan is then accelerated.

Step 3 - Litigation

When a loan has at least three unpaid monthly instalments and after the out-of-court phase has been proven unsuccessful, such home loan is transferred to the central litigation department of the relevant bank ("Unité de Recouvrement Contentieux") and all amounts are immediately declared due and payable in full ("déchéance du terme").

The litigation team of the relevant bank also manages the over-indebtedness procedures.

The Banque Populaire or Caisse d'Epargne may seek a consensual sale of the property or in the last instance, foreclosure of the secured property in its capacity as mortgagee. For loans guaranteed either by CEGC or by Parnasse Garanties the respective guarantor is notified by the bank in case a consensual sale has not been setup.

Guaranteed home loans

At the loan origination, a contractual commitment from the borrower exists not to grant a lien to any other creditor and to register the lien at his exclusive expense in case of default. The borrower pays a fee to the Home Loan Guarantor.

The Home Loan Guarantor guarantees the payment of the debt to the bank. Once the loan has been accelerated, guarantee is called and the reimbursement process starts (subject to settlement of the guaranteed amount within one month). The Home Loan Guarantor carries out the work-out of the loan (subrogation in the rights of the bank). The foreclosure process is carried out by the Home Loan Guarantor under the same process as for a French Mortgage.
Parnasse Garanties can be called after the loan acceleration as well as CEGC but under the additional condition of at least 4 unpaid monthly instalments, and up to 9 unpaid monthly instalments. Under those circumstances, interests in arrears and unpaid notional amount are compensated by the Home Loan Guarantors.

French Mortgages

At the loan's origination, the Mortgage is registered by notaries in the Land Registry held by a dedicated administration. The foreclosure process is carried out by the bank. The maximum amount recovered by the bank is the principal amount plus interests plus late payment penalties.

In addition and under French Law, the bank has a full recourse on the borrower's assets in the case the loan is not fully repaid after the sale of the property (*droit de gage général* provided for by article 2284 *et. seq* of the French Civil Code).

DESCRIPTION OF THE ENVIRONMENTAL EFFICIENCY OF THE PROPERTIES FINANCED BY THE HOME LOANS

Existing data on environmental performance of the properties financed by the Home Loans are not available as at the date of this Prospectus.

Works will be launched by the Transaction Agent and the Sellers to gather information on environmental performance of the properties which they finance from time to time.

If and when the relevant information on environmental performance of the properties financed by the Home Loans becomes available, the Transaction Agent will use reasonable endeavours (*obligation de moyens*) to communicate such information to the Managament Company and such information will then be set out in the Investor Report.

DESCRIPTION OF THE BPCE GROUP, THE TRANSACTION AGENT, THE RESERVES PROVIDER, THE SELLERS AND THE SERVICERS

1 PRESENTATION OF GROUPE BPCE

Groupe BPCE is the second largest banking group in France[1], with its two leading brands, Banque Populaire and Caisse d'Epargne. Its 106,500 employees serve 31.2 million customers, 9 million of whom are cooperative shareholders. The Group's companies adapt their banking business as closely as possible to the needs of individuals and regions.

With 14 Banque Populaire banks (including Bred Banque Populaire, Casden Banque Populaire and Crédit Coopératif which are not Sellers under the Transaction), 15 Caisses d'Epargne, Natixis, Crédit Foncier, Banque Palatine and BPCE International, Groupe BPCE offers its customers an extensive range of products and services, including solutions in savings, placement, cash management, financing, insurance and investment. In keeping with its cooperative structure, the Group builds long-term relationships with its customers and helps them achieve their goals, and as such finances over 20% of the French economy.

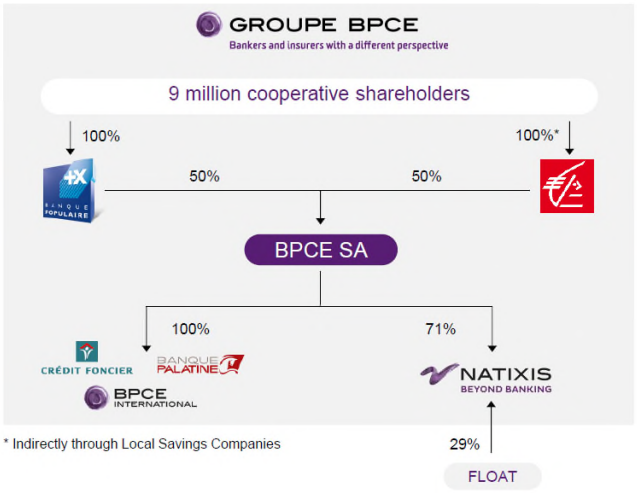
Its full-service banking model is based on a three-tier structure:

- the two cooperative networks with the Banque Populaire banks and Caisses d'Epargne, which are central players in their respective regions;
- BPCE, the central institution, responsible for the Group's strategy, control and coordination;
- the BPCE subsidiaries, including Natixis, Crédit Foncier, Banque Palatine and BPCE International.

In addition, all credit institutions affiliated with BPCE are covered by a guarantee and solidarity mechanism.

The scope of affiliated entities is mainly comprised of the Banque Populaire and Caisse d'Epargne networks and Natixis.

► GROUPE BPCE SIMPLIFIED ORGANIZATION CHART AT JUNE 30, 2018



BPCE SA's ownership interests and voting rights in Natixis were identical at December 31, 2017

[1] Market share: 21.6% of on-balance sheet customer deposits & savings and 21.1% of customer loans (Source: Banque de France Q3 2017 – all non-financial customers combined).

2 ORGANIZATION OF GROUPE BPCE

2.1 BANQUE POPULAIRE BANKS AND CAISSES D'EPARGNE

The Group has a distinctly cooperative character, with cooperative shareholders owning the Banque Populaire banks and the Caisses d'Epargne, the two networks that form the foundation of the Group's retail banking operations.

The Banque Populaire banks and the Caisses d'Epargne are credit institutions. Their governance comprises a Board of Directors for the Banque Populaire banks, and a Steering and Supervisory Board and a Management Board for the Caisses d'Epargne.

Banque Populaire banks

The Banque Populaire banks are wholly-owned by their cooperative shareholders.

Cooperative shareholders are individuals (including Banque Populaire bank employees) and legal entities. Cooperative shareholder customers play an active part in the life, ambitions and development of their bank. The cooperative shareholder base is coordinated at two levels: locally through the initiatives of each Banque Populaire bank as well as nationally through those of the Fédération Nationale des Banques Populaires. The Annual General Shareholders' Meeting provides an opportunity for cooperative shareholders to contribute to the operation of their Banque Populaire bank.

Caisses d'Epargne

The Caisses d'Epargne are wholly-owned by the local savings companies (LSCs).

The LSCs are cooperative companies with open-ended capital stock, which is wholly owned by cooperative shareholders. Any individual or legal entity that is a customer of a Caisse d'Epargne may acquire cooperative shares in an LSC, thereby becoming a cooperative shareholder. Caisses d'Epargne employees are also entitled to become cooperative shareholders. Lastly, local and regional authorities, and French inter-municipal cooperation institutions (Établissements publics de coopération intercommunale) within the local savings company's territorial constituency are also entitled to become cooperative shareholders, but their shareholdings, taken together, may not exceed 20% of the capital of a given local savings company.

The local savings companies are tasked with coordinating the cooperative shareholder base, within the framework of the general objectives defined by the individual Caisse d'Epargne with which they are affiliated. LSCs hold Annual General Shareholders' Meetings at least once a year in order to approve the annual financial statements and are governed by a Board of Directors elected by the Annual General Shareholders' Meeting from among the cooperative shareholders. The Board of Directors appoints a Chairman, who is responsible for representing the local savings company at the Annual General Shareholders' Meeting of the Caisse d'Epargne with which it is affiliated. Local savings companies are not authorized to carry out banking business.

2.2 BPCE: THE CENTRAL INSTITUTION OF GROUPE BPCE

BPCE, founded by a law dated June 18, 2009, is the central institution of Groupe BPCE, a cooperative banking group. As such, it represents the credit institutions that are affiliated with it.

The affiliated institutions, within the meaning of article L. 511-31 of the French Monetary and Financial Code, are:

- the 14 Banque Populaire banks (including Bred Banque Populaire, Casden Banque Populaire and Crédit Coopératif which are not Sellers under the Transaction) and their 40 Mutual Guarantee Companies, whose sole corporate purpose is to guarantee loans issued by the Banque Populaire banks;

- the 15 Caisses d'Epargne, whose share capital is held by 228 local savings companies (LSCs);

- Natixis; one Caisse Régionale de Crédit Maritime Mutuel; Banque BCP SAS (France); Banque de Tahiti; Banque de Nouvelle-Calédonie; Banque Palatine; Crédit Foncier de France; Compagnie de Financement Foncier; Locindus; Cicobail; Société Centrale pour le Financement de l'Immobilier (SOCFIM); BPCE International; Batimap; Batiroc Bretagne-Pays de Loire; Capitole Finance-Tofinso; Comptoir Financier de Garantie; Océor Lease Nouméa; Océor Lease Réunion; Océor Lease Tahiti; Sud-Ouest Bail.

Activities

The company's role is to guide and promote the business and expansion of the cooperative banking group comprising the Caisse d'Epargne network, the Banque Populaire network, the affiliated entities and, more generally, the other entities under its control.

The purpose of the company is:

- to be the central institution for the Banque Populaire network, the Caisse d'Epargne network and the affiliated entities, as provided for by the French Monetary and Financial Code. Pursuant to Articles L. 511-31 et seq. and Article L. 512-107 of the French Monetary and Financial Code, it is responsible for:

  – defining the Group's policy and strategic guidelines as well as those of each of its constituent networks,

  – coordinating the sales policies of each of its networks and taking all measures necessary for the Group's development, including acquiring or holding strategic Equity interests,

  – representing the Group and each of its networks to assert their shared rights and interests, including before the banking sector institutions, as well as negotiating and entering into national and international agreements,

  – representing the Group and each of its networks as an employer to assert their shared rights and interests, as well as negotiating and entering into collective industry-wide agreements,

  – taking all measures necessary to guarantee the liquidity of the Group and each of its networks, and as such to determine rules for managing the Group's liquidity, including by defining the principles and terms and conditions of investment and management of the cash flows of its constituent entities, and the conditions under which these entities may carry out transactions with other credit institutions or investment companies, carry out securitization transactions or issue financial instruments, and perform any financial transaction necessary for liquidity management purposes,

  – taking all measures necessary to guarantee the solvency of the Group and each of its networks, including implementing the appropriate Group internal financing mechanisms and setting up a Mutual Guarantee Fund shared by both networks, for which it determines the rules of operation, the terms and conditions of use in addition to the funds provided for in Articles L. 512-12 and L. 512-86-1, as well as the contributions of affiliates for its initial allocation and reconstitution,

  – defining the principles and conditions for organizing the internal control system of Groupe BPCE and each of its networks, as well as controlling the organization, management and quality of the financial position of affiliated institutions, including through on-site checks within the scope defined in paragraph 4 of Article L. 511-31,

  – defining risk management policies and principles and the limits thereof for the Group and each of its networks, and ensuring permanent risk supervision on a consolidated basis,

  – approving the Articles of Association of affiliated entities and local savings companies and any changes thereto,

  – approving the persons called upon, in accordance with Article L. 511-13, to determine the effective business orientation of its affiliated entities,

- requesting the contributions required to perform its duties as a central institution,

- ensuring that the Caisses d'Epargne duly fulfill the duties provided for in Article L. 512-85;

- to be a credit institution, officially approved to operate as a bank. On this basis, it exercises, both in France and other countries, the prerogatives granted to banks by the French Monetary and Financial Code, and provides the investment services described in Articles L. 321-1 and L. 321-2 of the said code; it also oversees the central banking, financial and technical organization of the network and the Group as a whole;

- to act as an insurance intermediary, and particularly as an insurance broker, in accordance with the regulations in force;

- to act as an intermediary for real estate transactions, in accordance with the regulations in force;

- to acquire stakes, both in France and abroad, in any French or foreign companies, groups or associations with similar purposes to those listed above or with a view to the Group's expansion, and more generally, to undertake any transactions relating directly or indirectly to these purposes that are liable to facilitate the achievement of the company's purposes or its expansion.

USE OF PROCEEDS

On the Issue Date, the proceeds arising from the issue of the Class A Notes, the Class B Notes and the Residual Units will be applied by the Management Company (i) to finance the purchase of the Home Loans from the Sellers in accordance with and subject to the terms of the Home Loans Purchase and Servicing Agreement and (ii) to pay on the Issue Date the Issuance Premium Amount to the Transaction Agent on behalf of the Sellers as premium in accordance with the Home Loans Purchase and Servicing Agreement.

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes (including the Class A Notes) in the form (subject to completion and amendment) in which they will be set out in the Issuer Regulations. These terms and conditions include summaries of, and are subject to, the detailed provisions of, the Issuer Regulations and the other Transaction Documents.

Under the Transaction, and subject to compliance with all relevant laws, regulations and terms and conditions of the Issuer Regulations, the Issuer will issue asset-backed notes being the Class A Notes and the Class B Notes (together, the "**Notes**"). The following are the terms and conditions of the Notes, including the Class A Notes (the "**Terms and Conditions of the Notes**").

Under a paying agency agreement entered into on or before the Issuer Establishment Date (the "**Paying Agency Agreement**") between the Management Company, the Custodian and BNP Paribas Securities Services, a French *société en commandite par actions*, whose registered office is located at 3, rue d'Antin, 75002 Paris (France) registered with the Trade and Companies Registry of Paris (France) under number 552 108 011, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution*, acting through its office located at 3-5-7 rue du General Compans, 93500 Pantin (France), in its capacity as paying agent under the terms of the Paying Agency Agreement (the "**Paying Agent**"), among other things, the Management Company will appoint, with the prior approval of the Custodian, the Paying Agent to make payments of principal, interest and other amounts (if any) in respect of the Class A Notes only, on its behalf.

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

These Conditions are subject to the detailed provisions of, the Issuer Regulations, the Paying Agency Agreement and the other Transaction Documents.

The holders of Notes and all persons claiming through them or under the Notes are entitled to the benefit of, and are bound by, the Issuer Regulations, copies of which are available for inspection at the respective head offices of the Management Company (the addresses of which are specified on the last page of this Prospectus) and on its website (www.france-titrisation.fr).

Capitalised terms used but not defined in the Conditions will have the meaning assigned to them in the Appendix to this Prospectus.

1. FORM, DENOMINATION AND TITLE

(a) The 10,000 Class A Notes due October 2053 will be issued by the Issuer in bearer form (*au porteur*) in denominations of EUR 100,000 each, with an aggregate amount of EUR 1,000,000,000.

The Class A Notes will be issued at a price of 100.366 per cent. of their Initial Principal Amount.

The 125,000 Class B Notes due October 2053 will be issued by the Issuer in registered form (*nominatif*) in denominations of EUR 1,000 each, with an aggregate amount of EUR 125,000,000.

The Class B Notes will be issued at a price of 100 per cent. of their Initial Principal Amount.

The Notes will at all times be represented in book entry form (*forme dématérialisée*), in compliance with article L. 211-3 of the French Monetary and Financial Code. No physical documents of title will be issued in respect of the Notes.

(b) The Class A Notes will, upon issue, be registered in the books of Euroclear France ("**Euroclear France**") (acting as central depository) which shall credit the accounts of Euroclear France account holders including Clearstream Banking, société anonyme ("**Clearstream Banking**") and Euroclear Bank S.A./N.V. ("**Euroclear**") and be admitted in the clearing systems of Euroclear France and Clearstream Banking (the "**Clearing Systems**"). For the avoidance of doubt, the Class B Notes will not be cleared in any clearing system.

(c) Title to the Class A Notes shall at all times be evidenced by entries in the books of the account holders affiliated with the Clearing Systems, and a transfer of Class A Notes may only be effected through registration of the transfer in the register of the account holders. Title to the Class A Notes passes upon the credit of those Class A Notes to an account of an intermediary affiliated with the Clearing Systems. The transfer of the Class A Notes in registered form shall become effective in respect of the Issuer and third parties by way of transfer from the transferor's account to the transferee's account following the delivery of a transfer order (*ordre de mouvement*) signed by the transferor or its agent. Any fee in connection with such transfer shall be borne by the transferee unless agreed otherwise by the transferor and the transferee.

Title to the Class B Notes shall at all times be evidenced by entries in the register of the Custodian, in its capacity as registrar, and a transfer of such Class B Notes may only be effected through registration of the transfer in such register.

(d) All Class A Notes are intended to be fungible among themselves. The Class A Notes shall not be considered as forming part of the same category as the Class B Notes issued by the Issuer.

(e) All Class B Notes are intended to be fungible among themselves.

2. STATUS AND RELATIONSHIP

(a) Status

The Class A Notes constitute direct, unsubordinated and limited recourse obligations of the Issuer.

The Class B Notes constitute direct, subordinated and limited recourse obligations of the Issuer.

Each Class of notes ranks *pari passu* without any preference or priority amongst itself. The Class A Notes are the most senior Notes issued by the Issuer on the Issue Date.

All payments of principal and interest on the Notes (and arrears, if any) shall be made to the extent of the Available Distribution Amount, subject to the relevant Priority of Payments.

(b) Relationship between the Class A Notes, the Class B Notes and the Residual Units

During the Amortisation Period and the Accelerated Amortisation Period, (i) payments of interest and principal due and payable in respect of the Class B Notes are subordinated to payments of interest and principal due and payable in respect of the Class A Notes and (ii) payments of interest and principal due and payable in respect of the Residual Units are subordinated to payments of interest and principal in respect of the Notes of all Classes.

3. INTEREST

(a) General

Each Note accrues interest on its Principal Amount Outstanding, from the relevant Issue Date (inclusive) until the earlier of the date when the Principal Amount Outstanding of such Note is reduced to zero and the Final Legal Maturity Date, at the Class A Notes Interest Rate or the Class B Notes Interest Rate, as calculated in accordance with Conditions 3(c) and 3(d) below.

(b) Payment Dates and Interest Periods

(i) Payment Dates

Interest in respect of the Notes will be payable, according to the provisions of paragraph (d) below, quarterly in arrears with respect to each Interest Period, on each Payment Date, being the date falling on the last Business Day of the first calendar month of each quarter (being the months of January, April, July

and October in each year) (provided that the first Payment Date will fall in January 2019) until the later of the date on which the Principal Amount Outstanding of such Note is reduced to zero and the Final Legal Maturity Date.

(ii) Interest Period

An Interest Period means, for any Payment Date during the Amortisation Period or the Accelerated Amortisation Period, any period beginning on (and including) the previous Payment Date and ending on (but excluding) the next Payment Date, save for the first Interest Period, which shall begin on (and including) the Issue Date and shall end on (but excluding) the first Payment Date following that Issue Date and the last Interest Period shall end at the latest on (and excluding) the Final Legal Maturity Date.

(c) Rate of interest and calculation of interest amounts for Notes

(i) The rate of interest applicable to the Class A Notes (the "**Class A Notes Interest Rate**") will be equal to the aggregate of EURIBOR plus the Class A Margin provided that, if EURIBOR plus the Class A Margin is less than zero (0), the Class A Notes Interest Rate will be deemed to be zero (0).

In these Conditions:

"**EURIBOR**" means the interest rate applicable to deposits in euros in the Eurozone for three (3) month-Euro deposits (or in the case of the first Interest Period, the linear interpolation of three (3) and six (6) month Euro deposits) as determined by the Management Company on any Interest Rate Determination Date in accordance with Condition 3(c)(ii).

"**Class A Margin**" means before and including the First Optional Redemption Date, 0.45% *per annum* and from and excluding the First Optional Redemption Date, 0.90% *per annum*.

The Class A Notes Interest Rate will be determined by the Management Company on each Interest Rate Determination Date prior to the commencement of each Interest Period.

(ii) For the purposes of the Conditions 3(c)(i), EURIBOR will be determined by the Management Company on each Interest Rate Determination Date prior to the commencement of each Interest Period on the following basis:

(1) the Management Company will determine the EURIBOR for three (3)-month Euro deposits (or, in the case of the first Interest Period, the linear interpolation of three (3) and six (6) month Euro deposits) which appears on the Reuters Screen EURIBOR01 Page (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying comparable rates as of 11:00 a.m. (Paris time), on each Interest Rate Determination Date;

(2) if such rate does not appear on the Reuters Screen EURIBOR01 Page (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying comparable rates or any such replacement benchmark):

(A) the Management Company will request the principal Eurozone office of each of the Reference Banks to provide a quotation of the rate at which deposits in Euros are offered by the Reference Banks in the Eurozone interbank market at approximately 11:00 am (Paris time), on such Interest Rate Determination Date to prime banks in the Eurozone interbank market for a period of three (3) months (or, in the case of the first Interest Period, the linear interpolation of three (3) and six (6)-month Euro deposits) and for an amount representative of the Principal Amount Outstanding of the Class A Notes;

(B) if at least two (2) such quotations are provided, the rate for the relevant Interest Period will be the arithmetic mean (rounded if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005 being rounded upwards) of such quotations; and

(C) if fewer than two (2) such quotations are provided as requested, the rate for the relevant Interest Rate Determination Date will be the arithmetic mean of the rates quoted by major banks in the Euro-zone, selected by the Management Company, at approximately 11:00 am (Paris time), on that Interest Rate Determination Date for loans in Euros to leading European banks for a period equal to the relevant Interest Period (or, in the case of the first Interest Period, the linear interpolation of three (3) and six (6)-month Euro deposits) for an amount representative of the aggregate Principal Amount Outstanding of the Class A Notes,

(2) if the Management Company is unable to determine EURIBOR in accordance with the provisions of sub-paragraph (1) above in relation to any Interest Period, the EURIBOR applicable during such Interest Period will be the EURIBOR last determined in relation thereto;

(3) notwithstanding sub-paragraphs (1) to (2) above, if a EURIBOR Discontinuity Event has occurred, EURIBOR shall be determined in accordance with the Reference Rate Determination Process.

For the purposes of these Conditions:

"**Eurozone"** means the region comprised of Member States that have adopted as their legal currency the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992) and the Treaty of Amsterdam (signed in Amsterdam on 2 October 1997).

"**Reference Rate Determination Process**" means, following the occurrence of a EURIBOR Discontinuity Event with respect to EURIBOR:

(a) the Management Company will, as soon as reasonably practicable and after discussion with the Transaction Agent, appoint a rate determination agent which is not an affiliateof BPCE Group (the "**Rate Determination Agent**"), which will determine in its sole discretion, acting in good faith, in a commercially reasonable manner, taking into account the then prevailing market practice and in accordance with the applicable laws and regulations, and after discussion with the Transaction Agent, whether a substitute or successor rate for purposes of determining the reference rate on the Interest Rate Determination Date that is substantially comparable to EURIBOR is available, provided that if the Rate Determination Agent determines that there is an industry accepted successor rate or a reference rate published or endorsed by a regulator in the European Union or the stock exchanges on which the Notes are listed, the Rate Determination Agent will use such successor rate or reference rate to determine the substitute reference rate. If the Rate Determination Agent has determined a substitute or successor rate in accordance with the foregoing (such rate, the "**Replacement Rate**") for purposes of determining the reference rate on the Interest Rate Determination Date, the Rate Determination Agent will also determine changes (if any) to the business day convention, the definition of business day, the Interest Rate Determination Date, the day count fraction and any method for calculating the Replacement Rate, including any adjustment factor needed to make such Replacement Rate comparable to EURIBOR (the "**Other Determinations**"), in each case in a manner that is consistent with industry-accepted practices for such Replacement Rate. The Rate Determination Agent will notify the Management Company of the foregoing as soon as reasonably practicable and the Management Company will, as soon as reasonably practicable, publish on its website and on Bloomberg the Replacement Rate, as well as the Other Determinations, notify the Class A Noteholders of such Replacement Rate and Other Determinations through the facilities of Euroclear France in accordance with Condition 8 (*Notice to Noteholders*) of the Terms and

Conditions of the Notes (the "**Replacement Rate Notice**") and notify the Interest Rate Swap Counterparty of the same;

(b) unless Class A Noteholders representing at least ten (10) per cent. of the Principal Amount Outstanding of the Class A Notes have notified in writing the Management Company that they oppose to the Replacement Rate and/or the Other Determinations duly justifying the reason for opposing to the Replacement Rate and/or the Other Determinations within ten (10) Business Days following the publication of the Replacement Rate Notice (the "**Replacement Rate Opposition Notice**"), the determination of the Replacement Rate and the Other Determinations by the Rate Determination Agent will (in the absence of manifest error) be final and binding on the Issuer, the Management Company, the Noteholders (for the avoidance of doubt without the need to call a Noteholders' Meeting for the Class A Noteholders or the Class B Noteholders or to consult the Residual Unitholders), the Sellers, the Transaction Agent, the Residual Unitholders and the Paying Agent and all references to EURIBOR in any Transaction Document will be deemed to be references to the Replacement Rate, including any alternative method for determining such rate;

(c) in case Class A Noteholders representing at least ten (10) per cent. of the Principal Amount Outstanding of the Class A Notes have delivered to the Management Company a Replacement Rate Opposition Notice duly justifying the reason for opposing to the Replacement Rate and/or the Other Determinations within ten (10) Business Days following the publication of the Replacement Rate Notice by the Management Company, the Management Company shall, as soon as reasonably practicable and after discussion with the Transaction Agent, appoint a second rate determination agent which is not an affiliate of BPCE Group nor a member of the same group as the Rate Determination Agent (the "**Alternative Rate Determination Agent**") which shall, under the same conditions and requirements, determine, after discussion with the Transaction Agent, an alternative replacement rate (such rate, the "**Alternative Replacement Rate**") and/or the corresponding Other Determinations. The Alternative Reference Rate and/or the Other Determinations, as applicable, will be notified by the Alternative Rate Determination Agent to the Management Company as soon as reasonably practicable and the Management Company will, as soon as reasonably practicable, publish on its website and on Bloomberg the Alternative Replacement Rate, as well as the Other Determinations, notify the Class A Noteholders of such Alternative Replacement Rate and Other Determinations through the facilities of Euroclear France in accordance with Condition 8 (*Notice to Noteholders*) of the Terms and Conditions of the Notes (the "**Alternative Replacement Rate Notice**") and notify the Interest Rate Swap Counterparty of the same;

(d) in case (i) the Alternative Replacement Rate is the same reference rate as the Replacement Rate determined initially by the Rate Determination Agent and the Other Determinations determined by the Alternative Rate Determination Agent are substantially the same as those determined initially by the Rate Determination Agent or (ii) no notifications in writing by Class A Noteholders representing at least ten (10) per cent. of the Principal Amount Outstanding of the Class A Notes have been received by the Management Company that they oppose to the Alternative Replacement Rate and/or the Other Determinations duly justifying the reason for opposing to the Alternative Replacement Rate and/or the Other Determinations within ten (10) Business Days following the receipt of the Alternative Replacement Rate Notice (the "**Alternative Replacement Rate Opposition Notice**"), the determination of the Alternative Replacement Rate and the Other Determinations by the Alternative Rate Determination Agent will (in the absence of manifest error) be final and binding on the Issuer, the Management Company, the Noteholders (for the avoidance of doubt without the need to call a Noteholders' Meeting for the Class A Noteholders or the Class B Noteholders or to consult the Residual Unitholders), the Sellers, the Transaction Agent, the Residual Unitholders and the Paying Agent and all references to EURIBOR in any Transaction Document will be deemed to be references to the Alternative Replacement Rate, including any alternative method for determining such rate;

(e) in case Class A Noteholders representing at least ten (10) per cent. of the Principal Amount Outstanding of the Class A Notes have delivered to the Management Company an Alternative Replacement Rate Opposition Notice duly justifying the reason for opposing to the Alternative Replacement Rate and/or the Other Determinations within ten (10) Business Days following the publication of the Alternative Replacement Rate Notice by the Management Company and

subject to the Alternative Replacement Rate being different than the Replacement Rate determined initially by the Rate Determination Agent and/or the Other Determinations determined by the Alternative Rate Determination Agent being substantially different than those determined initially by the Rate Determination Agent, the Management Company shall, as soon as reasonably practicable and after discussion with the Transaction Agent, appoint a third rate determination agent which is not an affiliate of BPCE Group nor a member of the same group as the Rate Determination Agent or the Alternative Rate Determination Agent (the "**Final Rate Determination Agent**") which will analyse the methodology used by the Rate Determination Agent and the Alternative Rate Determination Agent and determine, after discussion with the Transaction Agent, in its sole discretion, acting in good faith, in a commercially reasonable manner and in accordance with the applicable laws and regulations and taking into account the then prevailing market practice, which substitute reference rate between the Replacement Rate and the Alternative Replacement Rate and which Other Determinations shall apply (such rate, the "**Final Replacement Rate**"). The Final Rate Determination Agent will notify the Management Company of the Final Replacement Rate as soon as reasonably practicable and the Management Company will, as soon as reasonably practicable, publish on its website and on Bloomberg the Final Replacement Rate, as well as the Other Determinations determined by the relevant agent, notify the Class A Noteholders of such Final Replacement Rate and Other Determinations through the facilities of Euroclear France in accordance with Condition 8 (*Notice to Noteholders*) of the Terms and Conditions of the Notes (the "**Final Replacement Rate Notice**") and notify the Interest Rate Swap Counterparty, the Class B Noteholders, the Sellers, the Transaction Agent, the Residual Unitholders and the Paying Agent of the same. The determination of the Final Replacement Rate and the Other Determinations will (in the absence of manifest error) be final and binding on the Issuer, the Management Company, the Noteholders, the Sellers, the Transaction Agent, the Residual Unitholders and the Paying Agent and all references to EURIBOR in any Transaction Document will be deemed to be references to the Final Replacement Rate, including any alternative method for determining such rate,

provided that:

(i) any opposition made by any Noteholder in writing must be accompanied by evidence to the Management Company's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes;

(ii) the Rating Agencies have received prior notice of the contemplated Replacement Rate, Alternative Replacement Rate, Final Replacement Rate, as applicable, concomitantly with the Replacement Rate Notice, Alternative Replacement Rate Notice, Final Replacement Rate, respectively and the replacement of the EURIBOR by such replacement rate will not result, in the reasonable opinion of the Management Company, in the downgrading or the withdrawal of any of the ratings of the Class A Notes, unless such replacement limits such downgrading or avoids such withdrawal;

(iii) the Replacement Rate, the Alternative Replacement Rate or the Final Replacement Rate (as applicable) will be applicable to all Class A Notes;

(iv) as long as a substitute reference rate is not deemed final and binding in accordance with the paragraphs (a) to (e) above or in case, for any reason, no substitute reference rate is determined, EURIBOR will be equal to the last EURIBOR available on the relevant applicable screen rate; and

(v) in case, at any time after a substitute reference rate has been adopted in accordance with the foregoing, the Management Company considers that such replacement rate is no longer substantially comparable to the reference rate or does not constitute an industry accepted successor rate, the Issuer shall re-appoint a rate determination agent (which may or may not be the same entity as any of the Rate Determination Agent, the Alternative Rate Determination Agent or the Final Rate Determination Agent) for the purposes of confirming the substitute reference rate as determined under paragraphs (a) to (e) above or determining a substitute reference rate in an identical manner as described paragraphs (a) to (e) above.

"**EURIBOR Discontinuity Event**" means, with respect to the EURIBOR, the occurrence of any of the following events:

(a) the Management Company determines at any time prior to or on any Interest Rate Determination Date that the EURIBOR has been discontinued;

(b) the Management Company determines at any time prior to or on any Interest Rate Determination Date that there has been a material disruption to the EURIBOR or an adverse change in the methodology of calculating the EURIBOR or the EURIBOR has ceased to exist or be published;

(c) a public statement by the administrator of the EURIBOR that it will cease publishing the EURIBOR permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the EURIBOR);

(d) a public statement by the supervisor of the administrator of the EURIBOR that the EURIBOR has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;

(e) a public announcement by the supervisor of the administrator of the EURIBOR of the permanent or indefinite discontinuation of the applicable screen rate or base rate; or

(f) a public statement by the supervisor of the administrator of the EURIBOR that the EURIBOR may no longer be used or that its use is subject to restrictions or adverse consequences.

(iii) The rate of interest applicable to the Class B Notes (the "**Class B Notes Interest Rate**") in respect of any Interest Period will be a fixed rate of 0.50% *per annum*.

(d) Calculation of the Class A Notes Interest Amount and the Class B Notes Interest Amount

(i) Class A Notes Interest Amount

The Class A Notes Interest Amount in respect of the Interest Period that will end on the immediately following Payment Date, shall be calculated by the Management Company, on each Calculation Date, as being equal to the product between:

(A) (a) the product of (i) the Class A Notes Interest Rate, (ii) the Principal Amount Outstanding of each Class A Note as of the first day of the relevant Interest Period and (iii) the actual number of days in the related Interest Period, divided (b) three hundred sixty (360), rounded down to the nearest cent (half a Euro cent being rounded downwards); and

(B) the number of Class A Notes that are outstanding.

(ii) Class B Notes Interest Amount

The Class B Notes Interest Amount in respect of the Interest Period that will end on the immediately following Payment Date, shall be calculated by the Management Company, on each Calculation Date, as being equal to the product between:

(A) (a) the product of (i) the Class B Notes Interest Rate (ii) the Principal Amount Outstanding of each Class B Note as of the first day of the relevant Interest Period and (iii) ninety (90), divided (b) three hundred sixty (360), rounded down to the nearest cent (half a Euro cent being rounded downwards); and

(B) the number of the Class B Notes that are outstanding.

(e) Reference Banks

The Management Company shall use reasonable commercial endeavour to ensure that, for so long as any of the Notes remain outstanding, it has designated at least four (4) Reference Banks. The initial Reference Banks are to be the principal Eurozone offices of four (4) major banks in the Eurozone interbank market (the "**Reference Banks**") chosen by the Management Company, being as at the date of this Prospectus, BNP Paribas, Crédit Agricole, Natixis and Société Générale. In the event of the principal Eurozone office

of any such bank being unable or unwilling to continue to act as a Reference Bank, the Issuer shall appoint such other bank as may have been previously approved in writing by the Management Company to act as such in its place.

(f) Notification to be final

All notifications, determinations, calculations and decisions given, expressed or made or obtained for the purposes of this Condition, whether by the Reference Banks (or any one of them) or by the Management Company will (in the absence of wilful misconduct, bad faith or manifest error) be binding on the Paying Agent, the Custodian, the Issuer, Euronext Paris on which the Notes are for the time being listed and all Noteholders and (in the absence of wilful misconduct, bad faith or manifest error) no liability to the Noteholders shall attach to the Reference Banks or the Management Company in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder provided they act in accordance with the standards set out in this Condition.

4. REDEMPTION

(a) Amortisation Period

On each Payment Date during the Amortisation Period, all Class A Notes shall be subject to mandatory partial redemption on a *pari passu* and *pro rata* basis, to the extent of the aggregate amount of Class A Notes Amortisation Amount in respect of all Class A Notes , and in accordance with subject to the Normal Priority of Payments, until the earlier of (i) the date on which the Principal Amount Outstanding of each Class A Note is reduced to zero and (ii) the Final Legal Maturity Date and, provided that the Class A Notes have been redeemed in full, all Class B Notes shall be subject to mandatory partial redemption on a pari passu and pro rata basis, to the extent of the aggregate amount of Class B Notes Amortisation Amount in respect of all Class B Notes, and in accordance with and subject to the Normal Priority of Payments, until the earlier of (a) the date on which the Principal Amount Outstanding of each Class B Note is reduced to zero and (b) the Final Legal Maturity Date.

(b) Accelerated Amortisation Period

On each Payment Date during the Accelerated Amortisation Period and on the Issuer Liquidation Date, all Class A Notes shall be subject to mandatory redemption on a pari passu and pro rata basis, to the extent of the aggregate amount of Class A Notes Amortisation Amount in respect of all Class A Notes, and in accordance with subject to the Accelerated Priority of Payments, until the earlier of (i) the date on which the Principal Amount Outstanding of each Class A Note is reduced to zero and (ii) the Final Legal Maturity Date and, provided that the Class A Notes have been redeemed in full, all Class B Notes shall be subject to mandatory redemption on a pari passu and pro rata basis, to the extent of the aggregate amount of Class B Notes Amortisation Amount in respect of all Class B Notes, and in accordance with and subject to the Accelerated Priority of Payments, until the earlier of (a) the date on which the Principal Amount Outstanding of each Class B Note is reduced to zero and (b) the Final Legal Maturity Date.

(c) Determination of the amortisation of the Notes

On each Calculation Date, the Management Company will determine:

(a) if such Payment Date falls in the Amortisation Period, the Expected Amortisation Amount and the Principal Amortisation Amount in respect of such Payment Date;

(b) the Class A Notes Amortisation Amount in respect of the then outstanding Class A Notes;

(c) the Class B Notes Amortisation Amount in respect of the then outstanding Class B Notes; and

(d) the Principal Amount Outstanding of each Note on such Payment Date; and

(e) the Note Principal Amounts.

Each such determination by the Management Company will (in the absence of wilful misconduct, bad faith or manifest error) be binding on the Paying Agent, the Custodian, the Issuer, Euronext Paris on which the Notes are for the time being listed and all Noteholders.

(d) Definitions

For the purpose of this Condition:

(A) the "**Expected Amortisation Amount**" shall be equal to the amount, as calculated on each Calculation Date with respect to the immediately following Payment Date during the Amortisation Period, equal to the positive difference between (i) and (ii), where:

(i) is the aggregate of the Class A Notes Outstanding Amount and the Class B Notes Outstanding Amount, both as at the immediately preceding Payment Date after giving effect to any payment in accordance with the Normal Priority of Payments (or, as the case may be, on the Issuer Establishment Date in case of the first Payment Date), and of the Residual Units nominal amount; and

(ii) is the sum of the aggregate Outstanding Principal Balance of the Performing Home Loans on the Determination Date immediately preceding such Calculation Date, excluding the Purchased Home Loans subject to a re-transfer or rescission or in relation to which an Indemnity Amount has been paid on or prior the immediately following Payment Date, where:

"**Class A Notes Outstanding Amount**" means, at any time, the aggregate Principal Amount Outstanding of all Class A Notes;

(B) the "**Class A Notes Amortisation Amount**" on a given Payment Date shall be an amount (rounded down to the nearest Euro cent) equal to in respect of each Class A Note:

(a) during the Amortisation Period, (A) the minimum of (x) the Principal Amortisation Amount as calculated on the immediately preceding Calculation Date and (y) the Class A Notes Outstanding Amount as at the previous Payment Date after giving effect to any payment in accordance with the relevant Priority of Payments (B) divided by the aggregate number of Class A Notes outstanding; and

(b) during the Accelerated Amortisation Period: (A) the Class A Notes Outstanding Amount as at the immediately preceding Payment Date after giving effect to any payment in accordance with the relevant Priority of Payments (B) divided by the aggregate number of Class A Notes outstanding,

where:

"**Class A Notes Outstanding Amount**" means, at any time, the aggregate Principal Amount Outstanding of all Class A Notes at that time;

(C) the "**Class B Notes Amortisation Amount**" on a given Payment Date shall be an amount (rounded down to the nearest Euro cent) equal to in respect of each Class B Note:

(a) during the Amortisation Period, (A) the minimum of (x) the Principal Amortisation Amount, as calculated on the immediately preceding Calculation Date and (y) the Class B Notes Outstanding Amount as at the previous Payment Date after giving effect to any payment in accordance with the relevant Priority of Payments (B) divided by the aggregate number of Class B Notes outstanding; and

(b) during the Accelerated Amortisation Period, (A) the Class B Notes Outstanding Amount as at the previous Payment Date after giving effect to any payment in

accordance with the relevant Priority of Payments (B) divided by the aggregate number of Class B Notes outstanding.

where:

the "**Class B Notes Outstanding Amount**" means, at any time, the aggregate Principal Amount Outstanding of the Class B Notes;

(D) "**Principal Amortisation Amount**" means the amount as calculated on each Calculation Date during the Amortisation Period, equal to:

(a) for the purpose of calculating the Class A Notes Amortisation Amount, the lower of:

(i) the Available Distribution Amount on such Calculation Date minus all amounts falling due and payable under items (1) to (4) of the Normal Priority of Payments on the immediately following Payment Date; and

(ii) the Expected Amortisation Amount on such Calculation Date;

(b) for the purpose of calculating the Class B Notes Amortisation Amount, the lower of:

(i) the Available Distribution Amount on such Calculation Date minus all amounts falling due and payable under items (1) to (9) of the Normal Priority of Payments on the immediately following Payment Date; and

(ii) the positive difference between (i) the Expected Amortisation Amount and (ii) the amount paid in accordance with item (5) of the Normal Priority of Payments on such Calculation Date.

(e) Principal Amount Outstanding

On a particular date, the Principal Amount Outstanding of a Note is equal to the Initial Principal Amount of that Note less the aggregate amount of all Class A Notes Amortisation Amounts or Class B Notes Amortisation Amounts (as applicable) paid in respect of that Note prior to such date.

(f) Early redemption in full on the First Optional Redemption Date or on any of the three (3) subsequent Payment Dates

The Class A Notes will be subject to early redemption in full on the First Optional Redemption Date or on any of the three (3) subsequent Payment Dates occurring after such First Optional Redemption Date if the Management Company receives a request in writing by the Transaction Agent on behalf of the Sellers at the latest fifteen (15) calendar days prior to the contemplated early redemption date, to redeem all (but not some only) of the Notes, subject to the Sellers or any other entity authorised to purchase the Home Loan having agreed to repurchase the outstanding Purchased Home Loans at a purchase price which shall be sufficient, taking into account for this purpose the Issuer Cash, excluding the amount of the Commingling Reserve, to enable the Issuer to repay in full all amounts outstanding in respect of the Notes after payment of all other amounts due by the Issuer and ranking senior to the Notes in accordance with the Accelerated Priority of Payments.

The Management Company will send a notice to the Transaction Agent at the latest ninety (90) calendar days before the First Optional Redemption Date to remind the Transaction Agent with the early redemption option available to the Sellers.

In the event that the conditions for an early redemption set out in this Condition 4(f) are complied with, the Management Company shall notify the Noteholders and the Interest Rate Swap Counterparty of the same in accordance with Condition 10 below and, the Issuer will be bound to redeem the Notes.

(g) Early redemption in full in case of Tax Event

The Class A Notes will be subject to early redemption in full following the occurrence of a Tax Event and following a request of the Class A Noteholders acting by a general assembly resolution or of the sole holder of the Class A Notes, as the case may be, to liquidate the Issuer, subject to the Sellers or any other entity authorised to purchase the Home Loan having agreed to repurchase the outstanding Purchased Home Loans at a purchase price which shall be sufficient, taking into account for this purpose the Issuer Cash, excluding the amount of the Commingling Reserve, to enable the Issuer to repay in full all amounts outstanding in respect of the Notes after payment of all other amounts due by the Issuer and ranking senior to the Notes in accordance with the Accelerated Priority of Payments.

A "**Tax Event**" will occur when, by reason of a change in, or amendment to, tax law (or regulation or the application or official interpretation thereof), which change becomes effective on or after the Issue Date, on the next or any subsequent Payment Date, the Issuer or the Paying Agent on its behalf would become obliged to deduct or withhold from any payment of principal or interest in respect of the Class A Notes any amount for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the French Republic.In the event that the conditions for an early redemption set out in this Condition 4(g) are complied with, the Management Company shall notify the Noteholders and the Interest Rate Swap Counterparty of the same in accordance with Condition 10 below and, the Issuer will be bound to redeem the Notes.

(h) Early redemption in full in case of any other Issuer Liquidation Event

The Class A Notes will be subject to early redemption in full following the occurrence of any Issuer Liquidation Events (other than contemplated iin Condition 4(f) or (g)), subject to the Sellers or any other entity authorised to purchase the Home Loan having agreed to repurchase the outstanding Purchased Home Loans at a purchase price which shall be sufficient, taking into account for this purpose the Issuer Cash, excluding the amount of the Commingling Reserve, to enable the Issuer to repay in full all amounts outstanding in respect of the Notes after payment of all other amounts due by the Issuer and ranking senior to the Notes in accordance with the Accelerated Priority of Payments.In the event that the conditions for an early redemption set out in this Condition 4(h) are complied with, the Management Company shall notify the Noteholders and the Interest Rate Swap Counterparty of the same in accordance with Condition 10 below and, the Issuer will be bound to redeem the Notes.

(i) Cancellation

The Notes redeemed in full pursuant to the foregoing provisions will be cancelled upon redemption and may not be resold or re-issued.

(j) No purchase of Notes by the Issuer

In accordance with article L. 214-169 of the French Monetary and Financial Code, no Noteholder shall be entitled to ask the Issuer to repurchase its Notes.

(k) Final Legal Maturity Date

Unless previously redeemed, each of the Notes will be redeemed at its Principal Amount Outstanding on the Payment Date falling in October 2053 subject to the Priority of Payments applicable during the Accelerated Amortisation Period and to the extent of the Available Distribution Amount.

5. PAYMENTS

(a) Funds Allocation Rules and Priorities of Payment

Any payment of interest or principal in respect of a Class of Notes shall be made on a Payment Date to the extent of the available funds in accordance with the Funds Allocation Rules and the applicable Priority

of Payments as set out in the Issuer Regulations (see the Section entitled "APPLICATION OF FUNDS" of the Prospectus).

(b) Method of Payment

(i) Method of payment in respect of the Class A Notes

Payments of principal and interest in respect of the Class A Notes will be made in Euro by credit or transfer to a Euro denominated account (or any other account to which Euro may be credited or transferred) specified by the payee with a bank, in a country within the TARGET2 system (i.e. the Trans-European Automated Real-time Gross settlement Express Transfer system).

Any payment in respect of the Class A Notes shall be made:

– by the Paying Agent and only if the Paying Agent has received the appropriate funds no later than the relevant Payment Date from the Account Bank acting upon the instructions of the Custodian and the Management Company, by debiting the General Account to the extent of the Available Distribution Amount and subject to the applicable Priorities of Payments;

– for the benefit of the Noteholders to the Euroclear France Account Holders and all payments made to such Euroclear France Account Holders in favour of the Noteholders will be an effective discharge of the Paying Agent in respect of such payment.

Any payment of the appropriate funds to the Paying Agent by the Issuer will be an effective discharge of the Issuer in respect of the related payment to be made in respect of the Class A Notes.

(ii) Method of payment in respect of the Class B Notes

Any amount of interest or principal due in respect of any Class B Note will be paid in Euro by the Management Company on each applicable Payment Date, by debiting the General Account to the extent of the Available Distribution Amount and subject to the applicable Priorities of Payments.

The payments in respect of the Class B Notes will be made to the Class B Noteholders identified as such in the books of the Custodian, in its capacity as registrar.

(iii) Tax

(1) No additional amounts

All payments of principal and/or interest in respect of the Notes will be subject to applicable tax laws in any relevant jurisdiction.

Payments of principal and interest in respect of the Notes will be made net of any withholding tax or deductions for or on account of any tax applicable to the Notes in any relevant state or jurisdiction, and neither the Issuer nor the Paying Agent are under any obligation to pay any additional amounts as a consequence of any such withholding or deduction. No commission or expenses will be charged to the Class A Noteholders or the Class B Noteholders in respect of such payments.

(2) Supply of information

Each Noteholder shall be responsible for supplying to the Paying Agent, in a timely manner, any information as may be required by the latter in order for it to comply with the identification and reporting obligations imposed on it by the European Council Directive 2003/48/EC of 3 June 2003 (as modified by the European Union Council Directive 2014/48/EU adopted by the European Council on 24 March 2014) if applicable, by any other European 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 conform to such directive or directives or by any similar regulation imposing identification and reporting obligations.

(iii) Payments on Business Days

If the due date for payment of any amount of principal or interest in respect of any Note is not a business day in the jurisdiction where payment is to be received, no further payments of additional amounts by way of interest, principal or otherwise shall be due.

(c) Initial Paying Agent (in respect of the Class A Notes only)

(i) The initial Paying Agent is:

BNP Paribas Securities Services
3, rue d'Antin
75002 Paris

(ii) Pursuant to the Paying Agency Agreement:

(A) the Management Company may on giving a 30-day prior written notice terminate the appointment of the Paying Agent and appoint a new paying agent; and

(B) the Paying Agent may resign on giving a 30-day prior written notice to the Management Company and the Custodian,

provided that the conditions precedent set out therein are satisfied (and in particular but without limitation that a new paying agent has been appointed).

Notice of any amendments to the Paying Agency Agreement shall promptly be given to the Noteholders in accordance with Condition 8 (*Notice to Noteholders*).

(d) Deferral

If on any applicable Payment Date, the Available Distribution Amount is not sufficient to pay, transfer to another Issuer Account or redeem any amount then due and payable (including, without limitation, any amount of principal or interest in respect of any class of Notes) or to be transferred or to be redeemed, such unpaid amount shall constitute arrears which will become due and payable by the Issuer on the next following Payment Date, at the same rank, but in priority to the payment of the amounts of same nature in the applicable Priority of Payments and to the extent of the Available Distribution Amount. Such unpaid amount will not accrue default interest until full payment. For the avoidance of doubt, the failure by the Issuer to pay in full any amount of interest due and payable on the Class A Notes in accordance with the Conditions, where non-payment continues for a period of five (5) Business Days, will constitute an Accelerated Amortisation Event.

6. Prescription

If the Issuer has not been liquidated earlier, on the Final Legal Maturity Date, any principal and/or interest amount remaining unpaid in respect of the Notes (after applying on such date the Priority of Payments applicable during the Accelerated Amortisation Period) shall be automatically and without any formalities (*de plein droit*) cancelled, and as a result, with effect from the Final Legal Maturity Date, the Noteholders shall no longer have any right to assert a claim in respect of the Notes against the Issuer, regardless of the amounts which may remain unpaid after the Final Legal Maturity Date.

7. REPRESENTATION OF THE NOTEHOLDERS

(a) The Masse

The Noteholders of each class of Notes will be automatically grouped for the defence of their respective common interests in a masse (each a "**Masse**").

If, and to the extent that, all Notes of a particular Class are held by a single Noteholder, the rights, powers and authority of the relevant Masse will be vested in such Noteholder and no representative will need to be appointed.

Each Masse shall be governed by:

(i) articles L. 228-46 *et seq.* of the French Commercial Code and by articles R. 228-57 *et seq.* of the French Commercial Code, as amended and codified in the French Commercial Code, to the extent such provisions are applicable, given that the Issuer, being a *fonds commun de titrisation*, has no legal personality, and is subject to the provisions of the Issuer Regulations; and

(ii) articles L. 214-169 *et seq.* of the French Monetary and Financial; and

(iii) the laws and regulations governing *fonds communs de titrisation*.

Notices for calling for a general meeting (*assemblée générale*) of the Noteholders of a class of Notes (each a "**Noteholders' Meeting**") and resolutions passed at any Noteholders' Meeting and any other decision to be published pursuant to French laws and regulations will be published as provided under Condition 8 (Notice to Noteholders).

(b) Status of each Masse

Each Masse will be a separate legal entity (*personnalité civile*) pursuant to the provisions of article L. 228-46 and article L. 228-47 of the French Commercial Code represented by one representative (each a "**Noteholder Representative**"). The relevant Masse alone, to the exclusion of any Noteholder of the relevant class of Notes, shall exercise the common rights, actions and benefits which may accrue now or in the future with respect to the relevant class of Notes.

(c) Noteholder Representative

(i) Appointment

Any citizen of any EU Member State or any resident in any EU Member State, or any association or company having its statutory office in any EU Member State, may be appointed as a Noteholder Representative, provided that the following persons may not be chosen as a Noteholder Representative in respect of a class of Notes:

(A) the Management Company or the Custodian;

(B) any person holding at least ten per cent. (10%) of the share capital of the Management Company and/or the Custodian or in respect of which the Management Company and/or the Custodian holds at least ten per cent. (10%) of the share capital;

(C) any person guaranteeing all or part of the obligations of the Issuer;

(D) the Noteholder Representative in respect of the other class of Notes;

(E) the respective managers (*gérants*), general managers (*directeurs généraux*), members of the board of directors (*conseil d'administration*), of the executive board (*directoire*) or of the

supervisory board (*conseil de surveillance*), statutory auditors (*commissaires aux comptes*) or employees of the above mentioned entities, and their ascendants, descendants and spouses; and

(F) the persons to whom the practice of banker is forbidden or who have been deprived of the rights of directing, administering or managing a business in whatever capacity.

The initial Noteholders Representative in respect of the Class A Notes will be:

Antoine LACHENAUD, Avocat
SELARL MCM Avocat
10, rue de Sèze 75009 Paris

The initial Noteholders Representative in respect of the Class B Notes will be:

Philippe MAISONNEUVE, Avocat
SELARL MCM Avocat
10, rue de Sèze 75009 Paris

In the event of death, resignation, retirement or revocation of a Noteholders Representative, a substitute Noteholders Representative will be appointed by a Noteholders' Meeting in respect of the relevant class of Notes.

The initial substitute Noteholders Representative in respect of the Class A Notes will be:

Pierre-Igor LEGRAND, Avocat
AARPI KLEM AVOCATS
2, rue de Logelbach 75017 PARIS

The initial substitute Noteholders Representative in respect of the Class B Notes will be:

Pierre-Igor LEGRAND, Avocat
AARPI KLEM AVOCATS
2, rue de Logelbach 75017 PARIS

Any interested party shall have the right to obtain the name and address of a Noteholders Representative at the office of the Management Company.

(ii) Powers of a Noteholder Representative

Each Noteholder Representative shall, in the absence of any decision to the contrary of the relevant Noteholders' Meeting, have the power to make all decisions of management in order to defend the common interests of the Noteholders of the relevant class of Notes. All legal proceedings against the Noteholders of a class of Notes or initiated by them must be brought against the relevant Noteholder Representative or by it. Any legal proceedings that are not brought in accordance with this provision shall not be legally valid. Neither the Noteholders of a class of Notes nor a Noteholder Representative shall be entitled to interfere in the management of the affairs of the Issuer.

(iii) Annual fee

The Issuer will pay an annual fee to each Noteholder Representative (if any) in an amount equal to EUR 350 or to be agreed on the appointment of the relevant Noteholder Representative. Such annual fee shall be paid in advance on the first Payment Date for the first five (5) years of the Transaction and then, if the Class A Notes are not redeemed on the First Optional Redemption Date or any of the three subsequent Payment Dates, paid in advance for the next years until the Final Legal Maturity Date (unless paid in another manner agreed with the Noteholder Representative).

(d) Noteholders' Meetings

(i) Convocation of a Noteholders' Meetings

Noteholders' Meetings shall be held in France and at any time, upon convocation by the relevant Noteholder Representative or, as the case may be, by the Management Company. One or more Noteholders of the relevant class of Notes holding at least one-thirtieth of the outstanding Notes of that Class may address to the relevant Noteholder Representative with a copy to the Management Company, a demand for convocation of a Noteholders' Meeting in respect of that class of Notes. If such Noteholders' Meeting has not been convened within two (2) months from such demand, the Noteholders of the relevant class of Notes may commission one of them to petition the competent court in Paris to appoint an agent (*mandataire*) who will call the Noteholders' Meeting.

Notice of the date, hour, place, agenda and quorum requirements of any Noteholders' Meeting will be notified as provided in Condition 8 (*Notice to Noteholders*) not less than fifteen (15) calendar days prior to the date of the relevant Noteholders' Meeting for the first convocation and not less than ten (10) calendar days in the case of a second convocation prior to the date of the reconvened Noteholders' Meeting.

Each Noteholder of a class of Notes shall have the right to participate in any Noteholders' Meeting in respect of that class of Notes in person or by proxy. Each Note of a Class carries the right to one vote in respect of that class of Notes.

Any Noteholders' Meeting not convened in accordance with the foregoing provisions shall nonetheless be validly convened if all the Noteholders of the relevant class of Notes are present or represented at the Noteholders' Meeting.

(ii) Powers of Noteholders' Meetings

Noteholders' Meetings are entitled to deliberate on the dismissal and replacement of the relevant Noteholder Representative, on all measures intended to ensure the defence of the Noteholders of a class of Notes, on any other common matter relating to a class of Notes and the Conditions relating thereto and on any proposal aimed at amending the Conditions in respect of that class of Note, provided that Noteholders' Meetings may not increase the obligations of the Noteholders of the relevant class of Note, establish unequal treatment between those Noteholders nor alter the obligations of the Noteholders of the other class of Notes.

(iii) Quorum and majority rules

Noteholders' Meetings may deliberate validly on first convocation only if the Noteholders of the relevant class of Notes present or represented hold at least one fifth of the principal amount outstanding the Notes of that Class. On second convocation, no quorum shall be required.

Decisions at Noteholders' Meetings shall be taken at a two-third majority of votes cast by the Noteholders of the relevant class of Notes attending, or represented at, such Noteholders' Meeting.

(iv) Notices of decisions and information of Noteholders of a class of Notes

Decisions of any Noteholders' Meeting must be published in accordance with Condition 8 (Notice to Noteholders) not later than ninety (90) calendar days from the date of such Noteholders' Meeting.

Each Noteholder of a class of Notes or the Noteholder Representative in respect of that class of Notes shall have the right, during the fifteen (15) calendar day period preceding the holding of a Noteholders' Meeting in respect of the relevant class of Notes, 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 such Noteholders' Meeting which will be available for inspection at the head office of the Management Company and at the specified office of the Paying Agent and at any other place as specified in the notice for that Noteholders' Meeting.

(v) Management Company, conflicts between Masses and conflicts between holders of securities issued by the Issuer

In the case of a conflict between the decisions taken by the different Masses of Notes and/or between the decisions taken by the Masses of Notes and the Residual Unitholders, the Management Company shall act in accordance with the decision of the Most Senior Class of Notes Outstanding unless such decision would result in an Amendment to the Financial Characteristics of another Class of Notes or of the Residual Units issued by the Issuer (including those of a junior rank). In such a case, and unless the holders affected by such decision agree to such modification, the Management Company shall not be bound to act pursuant to such decisions and shall incur no liability for such inaction, where:

"**Amendment to the Financial Characteristics**" means, in respect of a specified Class of Notes or the Residual Units, any amendment or waiver of the Terms and Conditions of the Notes of the relevant Class or the Residual Units (as applicable) (other than an amendment to correct a manifest error or which is of a formal, minor or technical nature) or to any of the Funds Allocation Rules but only if the proposed amendment or waiver impacts the timing and/or amount of payments owed under the Notes of such Class or the Residual Units (as applicable) or the level of risk relating to such other Class or the Residual Units (as applicable), such as, without limitation, by way of an increase in the amounts payable by the Issuer to creditors of a higher rank than such Class or the Residual Units (as applicable) (to the exception of any increase of any Issuer Expenses in accordance with the provisions of the Issuer Regulations); and

"**Most Senior Class of Notes Outstanding**" means:

(i) for so long as the Class A Notes remain outstanding, the Class A Notes; and

(ii) provided that the Class A Notes have been fully redeemed and for so long as the Class B Notes remain outstanding, the Class B Notes.

(vi) Expenses

The Issuer will pay all reasonable expenses relating to any notice and publication made in accordance with Condition 8 (*Notice to Noteholders*) of the Notes or incurred in the operation of each Masse, including reasonable expenses relating to the calling and holding of Noteholders' Meetings in respect of each class of Notes, and all reasonable administrative expenses resolved upon by a Noteholders' Meeting.

8. Notice to Noteholders

Notices may be given to Noteholders in any manner deemed acceptable by the Management Company provided that for so long as the Class A Notes are listed on the Paris Stock Exchange (Euronext Paris), such notice shall be in accordance with the rules of Euronext Paris. Notices regarding the Class A Notes will be deemed duly given if (i) published on the website of the Management Company (www.france-titrisation.fr) or (ii) published in a leading daily newspaper of general circulation in Paris (which is expected to be *La Tribune* or *Les Echos*) or any other newspaper of general circulation appropriate for such publications and approved by the Management Company and the Custodian. In addition, the Management Company may decide to publish a copy of any such notice in Bloomberg, through the facilities of Euroclear France or through any other appropriate medium.

Notices regarding the Class B Notes may be published by the Management Company on its website (www.france-titrisation.fr) or through any appropriate medium.

All such notices shall be notified to the Rating Agencies and the *Autorité des Marchés Financiers*.

Noteholders will be deemed to have received such notices three (3) Business Days after the date of their first publication.

In the event that the Management Company declares the dissolution of the Issuer after the occurrence of an Issuer Liquidation Event (including in the event that the conditions for an early redemption set out in either Condition (e) or (f) above are complied with), the Management Company will notify such decision to the Noteholders within ten (10) Business Days.

The Issuer will pay reasonable and duly documented expenses incurred with such notices.

9. Non petition, limited recourse and decisions binding

(a) Non petition

Pursuant to article L. 214-175, III of the French Monetary and Financial Code, Book VI of the French Commercial Code (which govern insolvency proceedings in France) is not applicable to the Issuer.

(b) Limited recourse

In accordance with article L. 214-169, II of the French Monetary and Financial Code, the Noteholders shall be bound by each of the Funds Allocation Rules (including, without limitation, the Priority of Payments) as set out in the Issuer Regulations, notwithstanding the opening against them of an insolvency proceeding pursuant to the provisions of Book VI of the French Commercial Code or any equivalent procedure governed by any foreign law (*procédure équivalente sur le fondement d'un droit étranger*) and such Funds Allocation Rules (including, without limitation, the Priority of Payments) shall apply even in the case of liquidation of the Issuer.

In accordance with article L. 214-169 of the French Monetary and Financial Code, the Issuer's assets may only be subject to civil proceedings (*mesures civiles d'exécution*) to the extent of the Funds Allocation Rules (including, without limitation, the Priority of Payments).

In accordance with article L. 214-175, III of the French Monetary and Financial Code, the Issuer is liable for its debts (*n'est tenu de ses dettes*) to the extent of its assets (*qu'à concurrence de son actif*) and in accordance with the rank of its creditors as provided by law (*selon le rang de ses créanciers défini par la loi*) or, pursuant to article L. 214-169 of the French Monetary and Financial Code, in accordance with the provisions of the Issuer Regulations.

Pursuant to article L. 214-183, I of the French Monetary and Financial Code, only the Management Company may enforce the rights of the Issuer against third parties. Accordingly, the Noteholders shall have no recourse whatsoever against the Borrowers under the Purchased Home Loans.

To the extent that it may have any claim (including any contractual claim or action (*action en responsabilité contractuelle*)) against the Issuer the payment of which is not expressly contemplated under any applicable Funds Allocation Rules (including, without limitation, the Priority of Payments) set out in these Issuer Regulations, each Noteholder undertakes to waive to demand payment of any such claim as long as all Notes and Residual Units issued by the Issuer have not been repaid in full.

(c) Decisions binding

In accordance with Article L. 214-169 II of the French Monetary and Financial Code, the Noteholders, will be bound by the rules governing the decisions made by the Management Company in accordance with the provisions of the Issuer Regulations and the decisions made by the Management Company on the basis of such rules.

10. Governing law and submission to jurisdiction

(a) Governing law

The Notes and the Issuer Regulations are governed by and will be construed in accordance with French law.

(b) Submission to jurisdiction

All claims and disputes in connection with the Notes and the Issuer Regulations shall be subject to the exclusive jurisdiction of the competent courts in commercial matters within the jurisdiction the *Cour d'Appel* of Paris.

WEIGHTED AVERAGE LIFE OF THE CLASS A NOTES AND ASSUMPTIONS

The "**Weighted Average Life**" (WAL) of the Class A Notes refers to the average amount of time that will elapse from the date of issuance of a security to the date of principal redemption thereon. The weighted average lives of the Class A Notes will be influenced by, among other things, the quantum of losses relating thereto and the amount of Available Distribution Amount (which also depends on the rate of redemption of the Purchased Home Loans) available to be applied in accordance with the Priority of Payments during the Amortisation Period.

The actual weighted average life of the Class A Notes cannot be stated as the ultimate rate of repayment and prepayment of the Purchased Home Loans and a number of other relevant factors are unknown. However, estimates of the possible average life of the Class A Notes can be made based upon certain assumptions.

The figures contained in the following tables were prepared based on, inter alia, the characteristics of the Home Loans complying with the Home Loan Eligibility Criteria included in the provisional portfolio (the "**Provisional Portfolio**") as at the 31st August 2018 (the "**Provisional Portfolio Reference Date**") the provisions of Terms and Conditions of the Class A Notes and the Transaction Documents, and certain additional assumptions (the "**Modelling Assumptions**"), including:

(a) that as of the Selection Date, the aggregate Outstanding Principal Balance of the Purchased Home Loans is €1,125,000,000 and that the amortisation schedule of the Purchased Home Loans mirrors that calculated for each Home Loan in the Provisional Portfolio as at the Provisional Portfolio Reference Date by reference to the period commencing on the Provisional Portfolio Reference Date (and assuming, *inter alia*, the interest payment as well as the principal payment for each Home Loan is calculated on a loan-by-loan basis assuming each Home Loan amortises monthly and according to its (i) remaining term, (ii) outstanding principal balance, (iii) applicable interest rate and (iv) amortisation type (i.e. annuity loan));

(b) that the Selection Date is 30 September 2018, the Issue Date is 29 October 2018, the first Determination Date is 31 October 2018 and the First Optional Redemption Date is 31 October 2023;

(c) that each Payment Date falls on the last calendar day of January, April, July or October (with no regard as to whether such week day is a Business Day), with the first Payment Date falling on 31st of January 2019;

(d) that the Purchased Home Loans are not subject to any defaults or losses or enforcement, no Purchased Home Loans are in arrears and the Purchased Home Loans continue to perform until their redemption in full, and no Purchased Home Loans is subject to a Commercial Renegotiation;

(e) other than in the case of the table entitled "*Assuming no Early redemption in full on First Optional Redemption Date or on any of the three subsequent Payment Dates*", that no Home Loan is sold by the Issuer (other than, where applicable, on or immediately prior to the First Optional Redemption Date), either as a result of a re-transfer or rescission by any of the Sellers pursuant to the terms of the Home Loans Purchase and Servicing Agreement or otherwise;

(f) in the case of the table entitled *"Assuming Early redemption in full on First Optional Redemption Date"*, the Class A Notes are redeemed at their Principal Amount Outstanding on the First Optional Redemption Date;

(g) in the case of the table entitled *"Assuming no Early redemption in full on First Optional Redemption Date or on any of the three subsequent Payment Dates"*, the Class A Notes are not redeemed as a result of the sale of the Purchased Home Loans;

(h) that three month EURIBOR is equal to -0.319 per cent. and no EURIBOR Discontinuity Event occurs;

(i) that the Interest Rate Swap Fixed Rate under the Interest Rate Swap Agreement is 1.15 per cent.;

(j) that no Accelerated Amortisation Event, no Issuer Liquidation Event (except in case of the table "*Assuming Early redemption in full on First Optional Redemption Date*" where an Issuer Liquidation

Event occurs on the First Optional Redemption Date as a result of the sale of the Purchased Home Loans) and no Servicer Termination Event has occurred;

(k) that no income is generated by the investment of the Issuer Cash and no remuneration is received from the Account Bank;

(l) that no Deemed Collections, Adjusted Available Collections, Re-transfer Prices, Rescission Amounts and Indemnity Amounts are paid to the Issuer;

(m) that no amount is debited from the Commingling Reserve;

(n) that no Interest Rate Swap Termination Amount, Interest Rate Swap Collateral Liquidation Amount, Replacement Swap Premium and/or any Interest Rate Swap Collateral Account Surplus are paid to or by the Issuer;

(o) subject to paragraph (r) below, that Issuer Expenses are equal to the sum of:

(i) variable fees equal to 0.35 per cent. per annum of the aggregate Outstanding Principal Balance of the Purchased Home Loans at the beginning of each Monthly Collection Period; and

(ii) fixed fees of €150,000 per annum (inclusive of VAT) (distributed equally through time);

(p) that all collections in respect of the Purchased Home Loans arising from the Selection Date will be available in the General Account for application on each relevant Payment Date thereafter and no other amounts is standing to the credit of the General Account;

(q) that all amounts payable, including but not limited to interest on the Class A Notes are calculated based on the actual number of days in the period and a year of 360 days **provided that** in the case of (i), (ii) and (iii) below such amounts are calculated based on a month of 30 days and a year of 360 days:

(i) amortisation of the Purchased Home Loans calculated pursuant to paragraph (a) above;

(ii) accrual of interest on the Purchased Home Loans; and

(iii) Issuer Expenses calculated pursuant to paragraph (p)(i) above;

(r) that, as of the Issue Date, the Principal Amount Outstanding of (i) the Class A Notes is equal to €1,000,000,000, (ii) the Class B Notes is equal to €125,000,000, (iii) the Residual Units is equal to €0;

(s) that the General Reserve Initial Cash Deposit Amount is equal to €5,000,000;

(t) that the Interest Component Purchase Price is equal to €0 on any Payment Date;

(u) that the Interest Rate Swap Agreement is not terminated and the Interest Rate Swap Counterparty fully complies with its obligations under the Interest Rate Swap Agreement;

(v) that no event occurs that would cause payments on the Class A Notes to be deferred; and

(w) that the Weighted Average Lives of the Class A Notes are calculated on an Actual/365 basis.

The actual characteristics and performance of the Purchased Home Loans are likely to differ, perhaps materially, from the assumptions outlined herein (including the Modelling Assumptions), and the Modelling Assumptions outlined in this section do not profess to be an exhaustive list of assumptions employed.

The following tables are hypothetical in nature and are provided only to give a general sense of how the principal cash flows available to the Issuer might behave under various prepayment scenarios. It should be noted that the

Issuer does not expect that the Purchased Home Loans will prepay at a constant rate until maturity, or that all of the Purchased Home Loans will prepay at the same rate, or that there will be no losses or delinquencies on the Purchased Home Loans or that no repurchase by the relevant Seller or any Commercial Renegotiation will occur until maturity. Any difference between the Modelling Assumptions and, *inter alia*, the actual prepayment or loss experience on the Purchased Mortgage Loans will affect the redemption profile of the Class A Notes and may cause the weighted average lives of the Class A Notes to differ (which difference could be material) from the figures in the tables for each indicated CPR.

"**CPR**" refers to an assumed annualised constant prepayment rate ("**R**") in respect of the loans and is

periodicised in relation to a given Monthly Collection Period as follows:

1 - ((1 - *R*)^(1/12))

Assuming Early redemption in full on First Optional Redemption Date
Class A Notes WAL (in years)

CPR	Weighted Average Life	First Principal Redemption	Last Principal Redemption
0.0%	4.27	Jan-19	Oct-23
2.0%	4.06	Jan-19	Oct-23
4.0%	3.85	Jan-19	Oct-23
6.0%	3.66	Jan-19	Oct-23
8.0%	3.47	Jan-19	Oct-23
10.0%	3.29	Jan-19	Oct-23
12.0%	3.11	Jan-19	Oct-23
14.0%	2.95	Jan-19	Oct-23
16.0%	2.79	Jan-19	Oct-23
18.0%	2.64	Jan-19	Oct-23
20.0%	2.50	Jan-19	Oct-23

Assuming no Early redemption in full on First Optional Redemption Date or on any of the three subsequent Payment Dates
Class A Notes WAL (in years)

CPR	Weighted Average Life	First Principal Redemption	Last Principal Redemption
0.0%	8.52	Jan-19	Jan-37
2.0%	7.30	Jan-19	Jul-35
4.0%	6.31	Jan-19	Apr-34
6.0%	5.50	Jan-19	Jan-33
8.0%	4.85	Jan-19	Oct-31
10.0%	4.31	Jan-19	Jul-30
12.0%	3.86	Jan-19	Jul-29
14.0%	3.49	Jan-19	Jul-28
16.0%	3.17	Jan-19	Oct-27
18.0%	2.91	Jan-19	Jan-27
20.0%	2.67	Jan-19	Apr-26

The Weighted Average Life of the Class A Notes is subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.

For further information in relation to the risks involved in the use of the average lives estimated above, see "*Risk Factors – Forecasts and Estimates*" above.

REGULATORY COMPLIANCE

RETENTION STATEMENT

Pursuant to the Class A Notes Subscription Agreement, the Sellers have undertaken that, until redemption in full of the Class A Notes:

(a) to retain a material net economic interest of not less than 5% in the securitisation in accordance with the provisions of article 405 paragraph (1) of the Capital Requirements Regulations, article 53 paragraph (1) of Section 5 implementing AIFM, article 254(2) of the Solvency II Delegated Act and article 6 of the STS Regulation, and therefore retain on an ongoing basis a material net economic interest which, in any event, shall not be less than 5 per cent. At the Issue Date, such material net economic interest shall be retained by each Seller, as originator, in accordance with option (d) of article 405 paragraph (1) of the Capital Requirements Regulations, article 51 paragraph (1) of Section 5 implementing AIFM, article 254(2) of the Solvency II Delegated Act and of article 6(3) of the STS Regulation, through the subscription of the Class B Notes in relation to the proportion of the total securitised exposures for which it is the originator;

(b) they shall adhere to the requirements set out in article 408 of the Capital Requirements Regulation;

(c) they shall at all times comply with the provisions of articles 404 to 410 of the Capital Requirements Regulation, Section 5 of the AIFM Directive and Chapter VIII of the Solvency II Delegated Act;

(d) in compliance with article 405 paragraph (1) of the Capital Requirements Regulations, whatever its form, the net economic interest retained for the purpose of complying with their the covenant set out above, including retained positions, interest or exposures, shall not be subject to any credit risk mitigation (within the meaning of article 4 paragraph 1 sub-paragraph (57) of the Capital Requirements Regulations) or any short positions or any other hedge and shall not be sold except to the extent permitted by the Capital Requirements Regulations, the Section 5 implementing AIFM, the Solvency II Delegated Act, the STS Regulation and any guidance or any technical standards published in relation thereto,; and

(e) they shall make appropriate disclosures to the Noteholders about the retained net economic interest in the securitisation transaction contemplated in the Prospectus and to make available to the Management Company, and the Management Company in turn has undertaken to make available to the investors all materially relevant data as required under article 409 of the Capital Requirements Regulation, articles 22 and 23 of Regulation (EU) No. 625/2014 of 13 March 2014, items (e) to (g) of article 52 of Section 5 implementing AIFM, article 254 of the Solvency II Delegated Act and, in the event that an STS notification, as defined in Article 27(1) of the STS Regulation, is sent to ESMA, article 7 of the STS Regulation, which in each case, can be obtained by the Management Company from the Sellers and then by the investors from the Management Company upon request.

Any breach or change in the manner in which the retained net economic interest is held will be notified by the Sellers to each of the Management Company and the Custodian and in turn by the Management Company to the Class A Noteholders.

After the Issue Date, the Management Company will prepare and disclose on each Investor Reporting Date with respect to the next Payment Date the Investor Report wherein relevant information with regard to the Home Loans will be disclosed together with a confirmation of the retention of the material net economic interest by the Sellers.

SECTION 5 OF CHAPTER III OF THE REGULATION IMPLEMENTING THE EU ALTERNATIVE INVESTMENT MANAGERS DIRECTIVE

Investors should be aware of article 17 of the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers ("**AIFM**") and Section 5 of Chapter III of the Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012 implementing AIFM ("**Section 5**") which introduced risk retention and due diligence requirements in respect of alternative investment fund managers that are required to become authorised under AIFM. These requirements came into force on 22 July 2013 in general.

Whilst the requirements under Section 5 implementing AIFM are similar to those which apply under articles 405 through 409 of the CRR they are not identical. In particular, additional due diligence obligations apply to relevant alternative investment fund managers especially in respect of requirements for retained interest and qualitative requirements concerning sponsors and originators, and AIFMs exposed to securitisations. Amongst others, prior to being exposed to securitisations, an AIFM must ensure that the sponsor and originator:

(a) grant credit based on sound and well-defined criteria and clearly establish the process for approving, amending, renewing and re-financing the Home Loans;

(b) have in place and operate effective systems to manage the ongoing administration and monitoring of credit risk-bearing portfolios and exposures, including for identifying and managing problem loans and for making adequate value adjustments and provisions;

(c) adequately diversify each credit portfolio based on the target market and overall credit strategy;

(d) have a written policy on credit risk that includes risk tolerance limits and provisioning policy and describes the measurement, monitoring and control of such risk;

(e) grant readily available access to all materially relevant data on the credit quality and performance of the individual underlying exposures, cash flows and collateral supporting a securitisation exposure and to any information that is necessary to conduct comprehensive and well informed stress tests on the cash flows and collateral values supporting the underlying exposures;

(f) grant readily available access to all other relevant data necessary for the AIFM to comply with the applicable qualitative requirements; and

(g) disclose the level of their retained net economic interest, as well as any matters that could undermine the maintenance of the minimum required net economic interest.

The Sellers have internal policies and procedures with respect to the items listed in paragraphs (a) to (d) above. Please see the information set out in this Prospectus, in particular in the Section "*ORIGINATION, UNDERWRITING AND MANAGEMENT PROCEDURES*", the Section "*DESCRIPTION OF THE HOME LOANS PURCHASE AND SERVICING AGREEMENT AND THE RESERVES CASH DEPOSIT AGREEMENT*" and the Section "*CREDIT STRUCTURE*".

With respect to the commitment of the Sellers to retain a material net economic interest in the Portfolio and with respect to paragraphs (e) to (g) and to the information to be made available by the Sellers to the Issuer and the Issuer to investors, please refer to the statements in the sub-section "Retention Statement" above.

INVESTORS ARE REQUIRED TO ASSESS COMPLIANCE

Each prospective investor is required to independently assess and determine the sufficiency of the information described in this Prospectus for the purposes of complying with articles 404 to 410 of the Capital Requirements Regulation, Section 5 implementing AIFM, article 254 to 257 of the Solvency II Delegated Act and articles 6 and 7 of the STS Regulation and its own situation and obligations in this respect.

The Management Company, the Custodian, the Sellers, the Servicers, the Transaction Agent, the Account Bank, the Specially Dedicated Account Bank, the Paying Agent, the Listing Agent, the Interest Rate Swap Counterparty, the Joint Arrangers and the Joint Lead Managers make no representation or warranty that such information is sufficient in all circumstances.

Investors who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory charges for non compliance with articles 404 to 410 of the Capital Requirements Regulation, Section 5 implementing AIFM, article 254 to 257 of the Solvency II Delegated Act and articles 6 and 7 of the STS Regulation should seek guidance from their regulator.

VOLCKER RULE

The Issuer is being structured so as not to constitute, now, or immediately following the issuance of the Notes and the application of the proceeds thereof, a "covered fund" for purposes of the Volcker Rule under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"). Although other exclusions may be available to the Issuer, this conclusion is based on the exemption from the definition of "covered fund" provided for loan securitizations, as contained in Section 10(c)(8) of the Volcker Rule. It is possible, however, that U.S. regulators could take a contrary position and determine that the Issuer should not be excluded from the definition of "covered fund" under the Volcker Rule. For more details, please see "*Risk Factors— Regulatory Considerations - Volcker Rule*"). The general effects of the final rules implementing the Volcker Rule remain uncertain. Any prospective investor in the Notes, including a U.S. or non-U.S. bank or an affiliate or subsidiary thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule and regulatory implementation.

FRENCH TAXATION REGIME

The following is a summary limited to certain tax considerations in France relating to the Class A Notes that may be issued by the Issuer and specifically contains information on taxes on income from securities withheld at source. This summary is based on the laws in force as of the date of this Prospectus and is subject to any changes in law. 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 Class A Notes. Each prospective holder or beneficial owner of Class A Notes should consult its tax adviser as to the tax consequences of any investment in or ownership and disposition of the Class A Notes.

FRENCH TAX TREATMENT

Withholding tax

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

Notwithstanding the foregoing, article 125 A, III of the French General Tax Code provides that the 75% withholding tax does not apply if the issuer of the debt instrument can prove that the principal purpose and effect of the transaction is not that of allowing the payments of interest or other income to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the official doctrine of the French tax authorities (BOI-INT-DG-20-50-20140211), an issue of debt instruments is deemed to have a qualifying purpose and effect, and accordingly is able to benefit from the Exception, if such instruments are:

(a) offered by means of a public offer within the meaning of article L. 411-1 of the French Monetary and Financial Code 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

(b) 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 that the operation of such market is carried out by a market operator, an investment services provider, or by a similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(c) admitted, at the time of their issue, to the clearing operations of a central depositary or of a securities clearing, delivery and payments systems operator within the meaning of article L. 561-2 of the French Monetary and Financial Code, or of one or more similar foreign depositaries or operators, provided that such depositary or operator is not located in a Non-Cooperative State.

In the present case, application has been made to the *Autorité des Marchés Financiers* in its capacity as competent authority under French law for the Class A Notes issued on the Issue Date under the Transaction to be listed on the Paris Stock Exchange (Euronext Paris), and, subject to the effective listing of each such Class A Notes, the exemption referred to in (b) above will apply. Likewise, it is intended that the Class A Notes will, upon issue, be registered in the books of Euroclear France (acting as central depository) and, subject to such effective clearing, the exemption referred to in (c) above will apply.

Consequently, under current law, all payments in respect of the Class A Notes will be made free from any withholding or deduction for or on account of any tax imposed in France.

Payments made to French tax residents individuals

Pursuant to article 9 of the 2013 French Finance Law (*loi de finances pour 2013 n°2012-1509 du 29 décembre 2012*), subject to certain limited exceptions, interest income received from 1 January 2013 by French tax resident individuals is subject to a 24% withholding tax, which is creditable against their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also generally levied by way of withholding tax at an aggregate rate of 17.2% on interest paid to French tax resident individuals.

Payments of principal and interest in respect of the Class A Notes shall be made net of any withholding tax (if any) applicable to the Class A Notes in the relevant state or jurisdiction and neither the Issuer nor the Paying Agent shall be under any obligation to gross up such amounts or to pay any additional amounts as a consequence.

Repeal of the EU Directive on the Taxation of Savings Income

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State.

In relation to French taxation, the Savings Directive has been implemented in French law under article 242 ter of the French General Tax Code and articles 49 I ter to 49 I sexies of Schedule III to the French General Tax Code. These provisions impose 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 other Member States (or certain territories), including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest (within the meaning of the Savings Directive) paid to that beneficial owner.

For a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

On 10 April 2013, the Luxembourg government has announced its intention to opt out of the withholding system in favour of automatic exchange of information with effect from 1 January 2015. A number of non-EU countries and territories (including Switzerland) have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a directive (Council Directive 2014/48/EU) amending the Savings Directive, which enlarge the scope of the Savings Directive and require that additional steps be taken by tax authorities in certain circumstances to identify the beneficial owner of interest payments, using a "look-through" approach.

On 9 December 2014, the Council of the European Union adopted the European Council Directive 2014/107/UE amending the existing European Directive 2011/16/EU on administrative cooperation in the field of taxation (the "**DAC**") pursuant to which Member States are generally required to apply new measures on mandatory automatic exchange of information as from 1 January 2016 (1 January 2017 in the case of Austria). The DAC, as amended, brings interest, dividends and other incomes, as well as account balances and sales proceeds from financial assets, within the scope of the automatic exchange of information and intends to mirror the global standard of automatic information exchange agreed by the G20.

The DAC is generally broader in scope than the EU Savings Directive, although it does not impose withholding taxes.

In order to avoid overlap between the EU Savings Directive and the DAC, as amended, the Council of the European Union adopted on 10 November 2015 a directive (Council Directive 2015/2060/EU) repealing the EU Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfill administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before that date).

The Decree 2016-1683 of 5 December 2016 specifies the persons required to comply with the reporting obligation, the nature of the items to be declared, the conditions and time limits within which the declaration provided for in Article 1649 AC of the French General Tax Code is filed and the rules on due diligence and information collection to which financial institutions are subject in order to comply with their obligations.

In relation to French taxation, the DAC has been implemented in French law under article 1649 AC of the French General Tax Code (as amended by article 44 of the 2015-1786 Amending Finance Law for 2015). This Article provides that, to ensure automatic exchange in the field of taxation, the French financial institutions shall diligently report the required information about equity income, account balances and the surrender value of guaranteed investment contracts or bonds or similar financial investments. As a consequence, any account managing institution, insurance institution or equivalent as well as any other financial institution are under the obligation to identify the account to which the payment is made as well as the account holder. They must also collect data on the jurisdiction of residence and taxpayer identification number (TIN) of all account holders and, in case of any entity being an account holder, of the person controlling the account. As a result, for each non-French client, the financial institution will have to report to the French tax authorities all of the information about this client. Subsequently, the authorities themselves will be in charge of reporting the information to the tax authorities in the State of which the client is a resident.

It should be noted that article 1649 AC of the French General Tax Code had been first drafted in the context of agreements such as FATCA. Since it was redrafted as a transposition of the DAC, the scope of this provision has been expanded in order to make the exchange of information mandatory for clients who are resident for tax purposes in a member State or in a State with which an agreement on automatic exchange of information (in every sense of the OECD standards) has been signed. If a payment were to be made or collected through a non-EU country which has adopted similar measures and has opted for a withholding system, or through certain dependent or associated territories which have adopted similar measures and which have 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 Class A Note as a result of the imposition of such withholding tax.

DESCRIPTION OF THE ISSUER ACCOUNTS

THE ISSUER ACCOUNTS

On the Issuer Establishment Date, the Management Company will ensure that the Custodian, in accordance with the provisions of the Account Bank and Cash Management Agreement, will open the following bank accounts in the name of the Issuer with the Account Bank:

(A) the General Account which shall be:

(i) credited with:

(a) on the Issue Date, the proceeds of the issue by the Issuer of the Class A Notes, the Class B Notes and the Residual Units (in each case, to the extent not paid by way of set-off, as the case may be);

(b) on the first Settlement Date, an amount equal to the aggregate of all the collections received under all the Home Loans sold by the Sellers to the Issuer between the Selection Date (included) and the Issuer Establishment Date (excluded)

(c) on each Settlement Date, with any amount of Available Collections debited from any Specially Dedicated Bank Account and on or before each Settlement Date with any amount due and payable by any Servicer and Seller to the Issuer on that date (including for the avoidance of doubt, any Deemed Collection, any Adjusted Available Collections, any Indemnity Amount, any Rescission Amount and any Re-Transfer Price);

(d) on any date, any Interest Rate Swap Net Amount paid by the Interest Rate Swap Counterparty to the Issuer and/or any Interest Rate Swap Termination Amount payable to the Issuer and/or any Replacement Swap Premium payable to the Issuer and/or any Interest Rate Swap Collateral Liquidation Amount and/or any Interest Rate Swap Collateral Account Surplus (if any);

(e) on each Settlement Date, with any amount required to be transferred on such date from the Commingling Reserve Account in the event of a breach by any Servicer of any of its payment obligations under the Home Loans Purchase and Servicing Agreement during the immediately preceding Quarterly Collection Period;

(f) by the Cash Manager with, on each Settlement Date, the proceeds resulting from the investment of Issuer Cash standing to the credit of the General Account, if any;

(g) by the Account Bank, from time to time, with any remuneration relating to any sums standing to the credit of the General Account, credited in accordance with the Account Bank and Cash Management Agreement;

(h) on each Settlement Date, the remaining amounts standing to the credit of the General Reserve Account after the transfer to the Reserves Provider of any remuneration relating to any sums standing to the credit of the General Reserve Account, credited in accordance with the Account Bank and Cash Management Agreement;

(i) on any date, with any other amounts to be received from time to time by the Issuer pursuant to the Transaction Documents and not otherwise credited to another Issuer Account (including without limitation any amount of cash collections directly received under the Purchased Home Loans or the related Ancillary Rights following notification of the Borrowers, any insurance company or any Home Loan Guarantor); and

(j) on the Issuer Liquidation Date, the proceeds resulting from the sale of the then outstanding Purchased Home Loans, as the case may be; and

(ii) debited by:

(a) on the Purchase Date, the Principal Component Purchase Price of the Purchased Home Loans paid to the Sellers (to the extent not paid by way of set-off, as the case may be);

(b) when appropriate, upon termination of the Interest Rate Swap Agreement and the entry of the Issuer into a replacement Interest Rate Swap Agreement, any Replacement Swap Premium payable by the Issuer to such replacement Interest Rate Swap Counterparty on any date;

(c) on the Issue Date, the Issuance Premium Amount paid by the Management Company to the Transaction Agent on behalf of the Sellers as premium in accordance with the Home Loans Purchase and Servicing Agreement;

(d) on each Settlement Date, any Adjusted Available Collections to be paid to any Servicer (if any and to the extent the credit balance of the General Account will not be in a debit position after such payment);

(e) on each Payment Date, including on the Issuer Liquidation Date, by any amounts payable out of the monies standing to the credit of the General Account, pursuant to the applicable Priority of Payments;

(f) on any date, by any amounts not pertaining to the Issuer and which had been directly received on the General Account under the Purchased Home Loans or the related Ancillary Rights following notification of the Borrowers, any insurance company or any Home Loan Guarantor in accordance with item (A)(i)(i) above;

(B) the General Reserve Account which shall be:

(i) credited:

(a) by the Reserves Provider with, on the Issuer Establishment Date, the General Reserve Initial Cash Deposit Amount pursuant to the Reserve Cash Deposits Agreement;

(b) by the Issuer with, on each Payment Date during the Amortisation Period and the Accelerated Amortisation Period, such amount as is necessary for the credit standing to the General Reserve Account to be equal to the General Reserve Required Amount applicable on that Payment Date, by the transfer of monies from the General Account to the General Reserve Account, in accordance with and subject the applicable Priority of Payments; and

(c) by the Account Bank, from time to time, with any remuneration relating to any sums standing to the credit of the General Reserve Account, credited in accordance with the Account Bank and Cash Management Agreement; and

(ii) debited in full on each Settlement Date preceding a Payment Date falling during the Amortisation Period and the Accelerated Amortisation Period, in order to credit:

(a) with respect to sums corresponding to any remuneration referred to in paragraph (B)(i)(c) above credited by the Account Bank during the immediately preceding Investment Period: any bank account of the Reserves Provider; and

(b) with respect to any other sums: the General Account;

(C) the Commingling Reserve Account, which shall be:

(i) if the Management Company determines that the Commingling Reserve needs to be adjusted in order to comply with the Commingling Reserve Required Amount:

(a) credited by the Reserves Provider (A) within thirty (30) calendar days following the date on which the Specially Dedicated Account Bank is downgraded below the Account Bank Required Ratings or BPCE is downgraded below the ratings indicated in the definition of Level 1 Commingling Reserve Required Amount (as applicable), or (B) thereafter on the Settlement Date following the Calculation Date on which the Management Company makes such determination, with the necessary amounts in order for the credit standing to the Commingling Reserve Account to be at least equal to the Commingling Reserve Required Amount applicable on that date; or

(b) if no payment has been made by the Reserves Provider pursuant to (a) above and a Servicer Termination Event referred to in paragraph (h) of the definition of "Servicer Termination Event" has occurred and is continuing, credited by the Issuer on the immediately following Payment Date, by transferring into the Commingling Reserve Account the necessary amount in order for the credit standing to the Commingling Reserve Account to be at least equal to the Commingling Reserve Required Amount applicable on the previous Settlement Date, in accordance with, and subject to, the applicable Priority of Payments; or

(c) debited on the immediately following Payment Date, in order to repay to the Reserves Provider (for the avoidance of doubt, outside the applicable Priority of Payments) the excess of the Commingling Reserve over the Commingling Reserve Required Amount, provided that, until the earlier of the date on which all Class A Notes have been redeemed in full and the Issuer Liquidation Date, no Servicer Termination Event referred to in paragraph (g) of the definition of "Servicer Termination Event" has occurred (save if the Management Company has received since then a Master Servicer Report on any Subsequent Information Date) and no Issuer Liquidation Event has occurred; and

(ii) credited by the Account Bank, from time to time, with any remuneration relating to any sums standing to the credit of the Commingling Reserve Account, credited in accordance with the Account Bank and Cash Management Agreement;

(iii) on each Settlement Date, debited of an amount corresponding to any remuneration referred to in paragraph (C)(ii) above credited by the Account Bank during the immediately preceding Investment Period, which shall be transferred to any bank account of the Reserves Provider (for the avoidance of doubt, outside any Priority of Payments);

(iv) on each relevant Settlement Date, in the event of a breach by a Servicer of any of its payment obligations under the Home Loans Purchase and Servicing Agreement during the immediately preceding Quarterly Collection Period, debited on that Settlement Date of an amount equal to the lowest of (a) the unpaid amount in respect of the Available Collections arisen during such Quarterly Period which are under the responsibility of such Servicer as set out in the three (3) Master Servicer Reports that the Transaction Agent should have transferred to the Issuerand (b) the amount then standing to the credit of the Commingling Reserve Account, in order to credit the corresponding funds to the General Account; and

(v) on the date on which all Class A Notes have been redeemed in full, debited in full by the transfer of all monies standing to its credit to the Reserves Provider, to such account of the Reserves Provider as the Reserves Provider may direct (for the avoidance of doubt, outside any Priority of Payments);

(D) the Interest Rate Swap Collateral Accounts, which shall be credited from time to time with collateral transferred by the Interest Rate Swap Counterparty in accordance with the terms of the Interest Rate Swap Agreement and shall be debited with such amounts as are due to be transferred to the Interest Rate Swap Counterparty, as the case may be, under the Interest Rate Swap Agreement.

The Interest Rate Swap Collateral Accounts will comprise (a) a collateral cash account when collateral is posted in the form of cash by the Interest Rate Swap Counterparty to the Issuer pursuant to the terms of the Interest Rate Swap Agreement and (b) a collateral securities account (which shall be opened in the

books of the Custodian) when collateral is posted in the form of eligible securities by the Interest Rate Swap Counterparty to the Issuer pursuant to the terms of the Interest Rate Swap Agreement.

No payments or deliveries may be made in respect of the Interest Rate Swap Collateral Accounts other than the transfer of collateral to the Issuer or the return of excess collateral to the Interest Rate Swap Counterparty in accordance with the terms of the Interest Rate Swap Agreement, subject to the allocation of any Interest Rate Swap Collateral Account Surplus in accordance with the terms of the Issuer Regulations, and unless upon termination of the Interest Rate Swap Agreement, an amount is owed by the Interest Rate Swap Counterparty to the Issuer, in which case, the collateral held on the Interest Rate Swap Collateral Accounts may form a part of the Available Distribution Amount of the Issuer and be applied in accordance with the applicable Priority of Payments, except if used in accordance with the below.

All or part of the Interest Rate Swap Termination Amount payable to the Issuer or the Interest Rate Swap Collateral Liquidation Amount (as the case may be) may be applied by the Issuer to pay all or part of any replacement swap premium to be paid by the Issuer to any replacement swap counterparty upon the entry into a new interest rate swap agreement. Such payment by the Issuer to the replacement swap counterparty shall be made outside the Priority of Payments.

REMUNERATION OF THE ISSUER CASH STANDING TO THE CREDIT OF THE ISSUER ACCOUNTS

The Issuer Cash standing to the credit of the Issuer Accounts will be remunerated at a rate as set out in the general terms and conditions of the Account Bank, save if otherwise agreed separately between the Management Company and the Account Bank, provided that if the rate so obtained is less than zero, the remuneration will be deemed equal to zero.

ALLOCATION OF THE ISSUER ACCOUNTS

Each of the Issuer Accounts (other than the Interest Rate Swap Collateral Account) is exclusively allocated by the Management Company to the operation of the Issuer in accordance with the provisions of the Account Bank and Cash Management Agreement and the Issuer Regulations.

The Management Company is not entitled to pledge, assign, delegate or, more generally, grant any title in or right whatsoever over the Issuer Accounts to third parties. The amounts credited to the Issuer Accounts (other than the Interest Rate Swap Collateral Account), can be (i) allocated to the payment of any amount due by the Issuer in accordance with the applicable Priority of Payments or (ii) invested by the Cash Manager in Eligible Investments.

CREDIT AND DEBIT OF THE ISSUER ACCOUNTS

In accordance with the provisions of the Issuer Regulations, the Management Company will give such instructions as are necessary to the Custodian and the Account Bank to ensure that each of the Issuer Accounts is credited or, as the case may be, debited in the manner described above under Section "DESCRIPTION OF THE ISSUER ACCOUNTS — The Issuer Accounts".

CHANGE OF THE ACCOUNT BANK

Pursuant to the Account Bank and Cash Management Agreement:

(a) the Custodian shall (i) as soon as possible, if an Account Bank Termination Event occurs or (ii) within thirty (30) calendar days, if the Account Bank ceases to have the Account Bank Required Ratings, terminate the appointment of the Account Bank; and

(b) the Account Bank may resign on giving a 30-day prior written notice to the Management Company and the Custodian,

provided that the Account Bank may only be replaced if:

(i) the substitute account bank has the Account Bank Required Ratings;

(ii) the substitute account bank (i) is duly licensed as an *établissement de crédit* (credit institution) by the *Autorité de Contrôle Prudentiel et de Résolution* to enter into opérations de banque (banking transactions within the meaning of article L. 311-1 of the French Monetary and Financial Code) and as an investment services provider duly licensed to engage in *tenue de compte-conservation d'instruments financiers* (account custody for financial instruments within the meaning of article L. 542-1 of the French Monetary and Financial Code) or (ii) is authorised to carry out the same activities as the Account Bank in accordance with any applicable laws;

(iii) the substitute account bank assumes the rights and obligations of the Account Bank with respect to the operation of the Issuer Accounts and acknowledges and agrees to non petition and limited recourse provisions in substantially similar terms as those set out in the Account Bank and Cash Management Agreement;

(iii) the Rating Agencies have received prior notice of such replacement and such replacement will not result, in the reasonable opinion of the Management Company, in the placement on "negative outlook", or as the case may be on "rating watch negative" or "review for possible downgrade", or the downgrading or the withdrawal of any of the ratings of the Class A Notes, or that the said replacement limits such downgrading;

(iv) the Management Company has previously and expressly approved such replacement and the identity of the relevant entity, provided that such approval may not be refused without a material and justified reason; and

(v) such replacement is made in accordance with applicable laws and regulations at the time of such replacement; and

GOVERNING LAW

The Account Bank and Cash Management Agreement is governed by French law and all claims and disputes arising in connection therewith shall be subject to the exclusive jurisdiction of the competent courts in commercial matters within the jurisdiction the *Cour d'Appel* of Paris.

NON PETITION AND LIMITED RECOURSE AGAINST THE ISSUER – DECISIONS BINDING

Each party to the Transaction Documents:

(a) has acknowledged and agreed that, pursuant to article L. 214-175, III of the French Monetary and Financial Code, Book VI of the French Commercial Code is not applicable to the Issuer;

(b) has agreed to (*accepté*), for the purposes of article L. 214-169, II of the French Monetary and Financial Code, and shall be bound by, each of the Funds Allocation Rules (including, without limitation, the Priorities of Payments) as set out in the Issuer Regulations, notwithstanding the opening against it of an insolvency proceeding pursuant to the provisions of Book VI of the French Commercial Code or any equivalent procedure governed by any foreign law (*procédure équivalente sur le fondement d'un droit étranger*) and has acknowledged and agreed such Funds Allocation Rules (including, without limitation, the Priorities of Payments) shall apply even in case of liquidation of the Issuer;

(c) has acknowledged and agreed that, in accordance with article L. 214-169 of the French Monetary and Financial Code, the Issuer's assets may only be subject to civil proceedings (*mesures civiles d'exécution*) to the extent of the Funds Allocation Rules (including, without limitation, the Priority of Payments).

(d) has acknowledged and agreed that, in accordance with article L. 214-175, III of the French Monetary and Financial Code, the Issuer is liable for its debts (*n'est tenu de ses dettes*) to the extent of its assets (*qu'à concurrence de son actif*) and in accordance with the rank of its creditors as provided by law (*selon le rang de ses créanciers défini par la loi*) or, pursuant to article L. 214-169 of the French Monetary and Financial Code, in accordance with the provisions of the Issuer Regulations;

(e) has undertaken that, to the extent that it may have any claim (including any contractual claim or action (*action en responsabilité contractuelle*)) against the Issuer the payment of which is not expressly contemplated under any applicable Funds Allocation Rules (including, without limitation, the Priority of Payments) and the cash allocation provisions set out in the Issuer Regulations, it shall waive to demand payment of any such claim as long as all Notes and Residual Units issued by the Issuer have not been repaid in full; and

(f) has agreed to (*accepté*), for the purposes of article L. 214-169, II of the French Monetary and Financial Code, and shall be bound by, the rules governing the decisions made by the Management Company in accordance with the provisions of the Issuer Regulations and the decisions made by the Management Company on the basis of such rules.

Pursuant to the provisions of the Issuer Regulations, the Management Company has expressly and irrevocably undertaken, upon the conclusion of any agreement, in the name and on behalf of the Issuer and with any third party, to ensure that such third party expressly shall acknowledge and agree to be bound by the above provisions on the same or substantially similar terms .

CREDIT STRUCTURE

REPRESENTATIONS AND WARRANTIES RELATED TO THE HOME LOANS

In accordance with the provisions of the Home Loans Purchase and Servicing Agreement, each Seller will give certain representations and warranties relating to the transfer of Purchased Home Loans to the Issuer, including as to the compliance of the Purchased Home Loans with the Home Loan Eligibility Criteria. Without prejudice to such representations and warranties, none of the Sellers guarantees the solvency of the Borrowers or the effectiveness of the related Ancillary Rights (see Section "DESCRIPTION OF THE HOME LOAN AGREEMENTS AND THE HOME LOANS").

GENERAL RESERVE

General Reserve Initial Cash Deposit

Under the Home Loans Purchase and Servicing Agreement, the Reserves Provider has undertaken to guarantee the performance of the Purchased Home Loans, up to an amount equal to, on the Issuer Establishment Date, the General Reserve Initial Cash Deposit Amount, in accordance with and subject to the provisions of the Reserve Cash Deposits Agreement.

In accordance with articles L. 211-36 and L. 211-38 to L. 211-40 of the French Monetary and Financial Code and with the provisions of the Reserve Cash Deposits Agreement, as security for the full and timely payment of its financial obligations (*obligations financières*) under such performance guarantee, the Reserves Provider will make, on the Issuer Establishment Date, the General Reserve Initial Cash Deposit with the Issuer by way of full transfer of title (*remise de sommes d'argent en pleine propriété à titre de garantie*).

The General Reserve Initial Cash Deposit Amount will be equal to the General Reserve Required Amount applicable on the Issuer Establishment Date. The General Reserve Initial Cash Deposit will constitute the initial balance standing to the credit of the General Reserve Account.

Purpose of the General Reserve

The amount standing to the credit of the General Reserve Account aims to provide liquidity and a protection to the Issuer in case of weak performance of the Purchased Home Loans, as the case may be, and shall be applied by the Issuer as described below.

Functioning of the General Reserve

On each Payment Date during the Amortisation Period and the Accelerated Amortisation Period, the General Reserve Account will be, as applicable, replenished so that the amount standing to the credit of the General Reserve Account is equal to the General Reserve Required Amount applicable on that Payment Date, by the transfer of monies from the General Account to the General Reserve Account, in accordance with and subject to the applicable Priority of Payments.

On each Settlement Date preceding a Payment Date falling during the Amortisation Period and the Accelerated Amortisation Period, the General Reserve Account shall be debited in full by the transfer of all monies standing to its credit to the General Account and the corresponding monies will then be applied to the payment of any and all sums owed by the Issuer, in accordance with and subject to the applicable Priority of Payments.

According to the provisions of the Account Bank and Cash Management Agreement, the Cash Manager is responsible, upon appropriate instructions given by the Management Company, for investing the credit balance of the General Reserve Account. The share of the corresponding financial proceeds received from such investment shall be paid directly to the Reserves Provider on each Payment Date, as remuneration of the General Reserve Cash Deposit.

Release of the General Reserve

The General Reserve will be released to the Reserves Provider as reimbursement of the General Reserve Cash Deposit, if and to the extent not otherwise reimbursed, to the extent of available funds and in accordance with and subject to the relevant Priority of Payments. In particular, but without limitations, no repayments will be made under the General Reserve Cash Deposit until all other amounts owed by the Issuer and ranking higher in the relevant Priority of Payments have been paid.

CREDIT ENHANCEMENT

Credit enhancement for the Class A Notes will be provided by

(a) the excess margin, which will provide the first loss protection for the holders of the Class A Notes;

(b) the General Reserve (subject to the specific rules pertaining to the allocation of the General Reserve);

(c) the subordination at all times of payments of interest and principal due in respect of the Class B Notes; and

(d) the subordination at all times of payments of interest and principal due in respect of the Residual Units.

In the event that the credit enhancement provided by the General Reserve is reduced to zero without any possibility of being further increased by debiting the General Account and the protection provided by the excess margin and the subordination of the Residual Units and the Class B Notes is reduced to zero, the Class A Noteholders will directly bear the risk of loss of principal and interest related to the Purchased Home Loans.

CASH MANAGEMENT AND INVESTMENT RULES

INTRODUCTION

In accordance with the Account Bank and Cash Management Agreement, the Management Company has appointed, with the prior approval of the Custodian, the Cash Manager to invest the Issuer Cash. The Cash Manager has undertaken to manage the Issuer Cash in accordance with the provisions of the following investment rules.

Eligible Investments

A securities account shall be associated with the Issuer Accounts opened in the books of the Account Bank.

The Cash Manager may, subject to the applicable Priority of Payments, invest the Issuer Cash in the following Eligible Investments:

(i) Euro denominated cash deposits (*dépôts en espèces*) with a credit institution whose registered office is located in a member state of the European Economic Area or the Organisation for Economic Cooperation and Development and rated at least A2 (long-term) or at least P-1 (short-term) by Moody's, and at least A (long term) and A-1 (short-term) by S&P, with a zero or positive yield and which may be repaid or withdrawn at no cost or penalty at any moment at the request of the Issuer in order to make sums available within twenty-four (24) hours at the latest, having a maturity date at the latest on the next Settlement Date;

(ii) treasury bills (*bons du trésor*) denominated in Euros which are backed by the full faith and credit of the Republic of France;

(iii) debt instruments (*titres de créances*) referred to in paragraph 2° of article D. 214-219 of the French Monetary and Financial Code, denominated in Euro, subject to such securities being admitted for trading on a regulated market located in a European Economic Area member state and not conferring any direct or indirect right to the share capital of any company; and

(iv) negotiable debt instruments (*titres de créances négociables*) within the meaning of articles L. 213-1 *et seq.* of the French Monetary and Financial Code (other than asset-backed commercial papers), denominated in Euros which have a maturity at the time of issuance of not exceeding nine months, exclusive of days of grace, or upon any renewal thereof, the maturity of which is likewise limited,

provided that in all cases:

(a) the investment shall repay the fixed principal amount at par and not be purchased at premium over par;

(b) such investments will only be made such that there is no withholding or deduction for or on account of taxes applicable thereto;

(c) the investment cannot be made in tranches of other asset-backed securities, securities indexed to a credit risk, swaps or other derivative instruments, synthetic securities or similar receivables;

(d) the investments described in items (ii), (iii), and (iv) will be rated:

(A) with respect to S&P:

(i) at least A-1 by S&P for any investment with a maturity up to and including (60) days; or

(ii) at least AA- or A-1+ by S&P for any investment with a maturity of more than sixty (60) days and less than three hundred and sixty five (365) days; and

(B) with respect to Moody's: at least A2 (long-term) or at least P-1 (short-term) by Moody's, for investments with a maturity up to and including three (3) months,

it being understood that the Management Company will ensure that the Cash Manager complies with the investment rules described below.

Investment rules

Each of the investments with a maturity date will mature at the latest on the next Settlement Date (excluded). There will be no investment whose maturity date would overrun the Final Legal Maturity Date.

The securities shall have a stated maturity date and shall not be disposed of before their maturity date, except in exceptional circumstances under instructions of the Management Company, when justified by the need to protect the interests of the Noteholders and of the Residual Unitholders, such as when the situation of the issuer of the securities gives cause for concern, where there is a risk of market disruption or of inter-bank payment disruption at the maturity date of the relevant securities.

The Management Company will appoint the Cash Manager to arrange for the investment of the Issuer Cash. The Management Company will verify that the Cash Manager manages the Issuer Cash in accordance with the investment criteria contained in the Section "ELIGIBLE INVESTMENTS" above, provided that the Management Company will remain liable to the Noteholders and the Residual Unitholders for the control and verification of the investment rules.

These investment rules tend to remove any risk of loss in principal and to provide for a selection of securities whose credit quality does not risk a review of the ratings of the Class A Notes.

Change of Cash Manager

Pursuant to the Account Bank and Cash Management Agreement, at any time during the lifetime of the Issuer:

(a) the Management Company shall, as soon as possible, if a Cash Manager Termination Event occurs, terminate the appointment of the Cash Manager; and

(b) the Cash Manager may resign on giving a 30-day prior written notice to the Management Company and the Custodian,

provided that the conditions precedent set out therein are satisfied (and in particular but without limitation that a new cash manager has effectively been appointed).

Governing law

The Account Bank and Cash Management Agreement shall be governed by French law and all claims and disputes arising in connection therewith will be subject to exclusive jurisdiction of the competent courts in commercial matters within the jurisdiction the *Cour d'Appel* of Paris.

LIQUIDATION OF THE ISSUER, CLEAN-UP OFFER AND RE-PURCHASE OF THE HOME LOANS

Introduction

Pursuant to the Issuer Regulations and the Home Loans Purchase and Servicing Agreement, the Management Company may declare the early liquidation of the Issuer in accordance with the articles L. 214-186 and R. 214-226 of the French Monetary and Financial Code in the circumstances described below. Except in such circumstances, the Issuer would be liquidated on the Issuer Liquidation Date.

Liquidation

The Management Company shall be entitled to declare the dissolution of the Issuer and liquidate the Issuer in one single transaction in case of the occurrence of any of the following events (each an "**Issuer Liquidation Event**"):

(a) the liquidation is in the interest of the Noteholders and the Residual Unitholders; or

(b) the Notes and the Residual Units issued by the Issuer are held by a single holder and such holder requests the liquidation of the Issuer; or

(c) the Notes and the Residual Units issued by the Issuer are held solely by the Sellers and the Management Company receives a request in writing by the Sellers (or the Transaction Agent on their behalf), acting unanimously, to liquidate the Issuer; or

(d) at any time, the Outstanding Principal Balance (*capital restant dû*) of the undue (*non échues*) Performing Home Loans held by the Issuer falls below 10 per cent. of the maximum aggregate of the Outstanding Principal Balance (*capital restant dû*) of the undue (*non échues*) Performing Home Loans recorded since the Issuer Establishment Date and the Management Company receives a request in writing by the Sellers (or the Transaction Agent on their behalf), acting unanimously, to liquidate the Issuer; or

(e) after the occurrence of a Tax Event, a general assembly resolution of the Class A Noteholders is passed or a decision of the sole holder of the Class A Notes is made, as the case may be, requesting the liquidation of the Issuer; or

(f) on the First Optional Redemption Date or any of the three (3) subsequent Payment Dates (only) occurring after such First Optional Redemption Date the Management Company receives a request in writing by the Sellers (or the Transaction Agent on their behalf), acting unanimously, to liquidate the Issuer.

Clean-up Offer

Upon the occurrence of an Issuer Liquidation Event in the circumstances described above, pursuant to the provisions of the Home Loans Purchase and Servicing Agreement and the Issuer Regulations, the Management Company shall propose to each Seller, within the framework of a clean-up offer, to repurchase in a single transaction the Purchased Home Loans transferred by it to the Issuer and remaining among the Assets Allocated to the Issuer in accordance with the following terms and conditions.

Repurchase of the Home Loans

The repurchase price of the Purchased Home Loans comprised within the Assets Allocated to the Issuer shall be in the case of a liquidation upon the occurrence of an Issuer Liquidation Event, an amount based on the fair market value of assets having similar characteristics to the Assets Allocated to the Issuer, having regard to the sum of the Outstanding Principal Balances of the Home Loans comprised within the Assets Allocated to the Issuer.

In addition such repurchase price, taking into account for this purpose the Issuer Cash, excluding the amounts of the Commingling Reserve, must be sufficient to enable the Issuer to repay in full all amounts outstanding in respect of the Notes after payment of all other amounts due by the Issuer and ranking senior to the Notes in accordance with the Accelerated Priority of Payments.

The repurchase of the Assets Allocated to the Issuer in the circumstances described above will take place on a Payment Date, and at the earliest on the first Payment Date following the date on which the relevant event will have been determined by the Management Company.

Each Seller will be entitled to reject any clean-up offer proposed by the Management Company. Consequently, if the sale of the Purchased Home Loans to any Seller in accordance with the conditions set out above does not occur for whatever reason, the Management Company may offer to dispose of the remaining Assets Allocated to the Issuer, to any institution qualified to acquire these Purchased Home Loans under the same terms and conditions and subject to the specific provisions of the Home Loans Purchase and Servicing Agreement.

Liquidation Procedure of the Issuer

The Management Company, pursuant to the provisions of the Issuer Regulations, shall be responsible for the liquidation procedure in the event of any liquidation of the Issuer. In this respect, it has full authority to dispose of the Assets Allocated to the Issuer.

On the Issuer Liquidation Date, the Management Company will apply the Issuer Cash (excluding the amounts of the Commingling Reserve) in accordance with and subject to the Accelerated Priority of Payments, and any amount standing to the credit of the Commingling Reserve Account upon the liquidation of the Issuer shall be released and retransferred directly to the Reserves Provider, in accordance with and subject to the Reserve Cash Deposits Agreement.

In accordance with the provisions set out in the Issuer Regulations, the Management Company shall inform of its decision to liquidate the Issuer (i) the Noteholders and the Residual Unitholders, (ii) the Rating Agencies and (iii) the AMF.

The Statutory Auditor and the Custodian shall continue to exercise their duties until the completion of the liquidation procedure of the Issuer.

MODIFICATIONS TO THE TRANSACTION

Modification of the elements contained in the Prospectus

The Management Company and the Custodian may agree to any modification of the elements contained in the Prospectus, except in the case of a transfer of the management further to a withdrawal of the licence of the Management Company, in respect of which the decision is taken solely by the Custodian.

After the listing of the Class A Notes on the Paris Stock Exchange (Eurolist by Euronext Paris S.A.), any event which may have an impact on the Class A Notes and any modification of characteristic elements (*éléments caractéristiques*) contained in the Prospectus shall be made public in accordance with article 223-21 of the AMF General Regulations (*Règlement Général* de l'*Autorité des Marchés Financiers*).

Any new facts or any error or inaccuracy relating to the information contained in the Prospectus which may have a material impact on the valuation of the Class A Notes and which occurs or is observed on a date falling between the date of the visa granted by the AMF in relation to the Prospectus and the Issue Date, shall be mentioned in a complementary information note (*note complémentaire*) which, prior to its diffusion, is submitted to the approval of the *Autorité des Marchés Financiers*.

This complementary information note (*note complémentaire*) shall be annexed to this Prospectus and incorporated in the next Investor Report. Any such modification will be binding with respect to the Class A Noteholders within three (3) Business Days after they have been informed thereof.

Modification of the Transaction Documents

The Management Company and the Custodian, acting in their capacity as founders of the Issuer, may agree to amend from time to time the provisions of the Issuer Regulations or any other Transaction Documents, provided that:

(a) other than for amendments of a minor or mere technical nature or made to correct a manifest error, and, unless otherwise consented to or directed by the Noteholders (in accordance with the Conditions) and the Residual Unitholders (acting unanimously), amendments to the Issuer Regulations or to any other Transaction Documents shall be made provided that the Rating Agencies have received prior notice of any amendment and that such amendment shall not result, in the reasonable opinion of the Management Company, in the placement on "negative outlook" or as the case may be on "rating watch negative" or on "review for possible downgrade", or the downgrading or the withdrawal of any of the ratings of the Class A Notes or that such amendment limits such downgrading or avoids such withdrawal;

(b) any Amendment to the Financial Characteristics of the Class A Notes shall require the prior approval of the Class A Noteholders (by a decision of the general assembly of the relevant Masse or of the sole holder of the Class A Notes, as the case may be);

(c) any Amendment to the Financial Characteristics of the Class B Notes issued by the Issuer shall require the prior approval of the Class B Noteholders (by a decision of the general assembly of the Masse or of the sole holder of the Class B Notes, as the case may be);

(d) any Amendment to the Financial Characteristics of the Residual Units issued by the Issuer shall require the prior approval of the relevant Residual Unitholder(s); and

(e) subject to paragraphs (a) to (d) above, any amendments to the Issuer Regulations shall be notified to the Noteholders and the Residual Unitholder(s), it being specified that such amendments shall be, automatically and without any further formalities (*de plein droit*), enforceable as against such Noteholders and Residual Unitholder(s) within three Business Days after they have been notified thereof.

In the case of a conflict between the decisions taken by the different Masses of Notes and/or between the decisions taken by the Masses of Notes and the Residual Unitholders, the Management Company shall act in

accordance with the decision of the Most Senior Class of Notes Outstanding unless such decision would result in an Amendment to the Financial Characteristics of another Class of Notes or of the Residual Units issued by the Issuer (including those of a junior rank). In such a case, and unless the holders affected by such decision agree to such modification, the Management Company shall not be bound to act pursuant to such decisions and shall incur no liability for such inaction.

Without prejudice to the generality of the foregoing, any modification of any of the provisions of the Transaction Documents which is made in order (a) to obtain or maintain the eligibility of the Class A Notes to the Eurosystem legal framework related to monetary policy, (b) for the Transaction to be able to qualify as a simple, transparent and standardised securitisation in accordance with the provisions of the STS Regulation and the related regulatory technical standards and implementing technical standards, (c) to comply with any new requirement received from the Rating Agencies in relation to their rating methodology, (d) to comply with the LCR Regulation and the related regulatory technical standards and implementing technical standards, (e) to implement the changes required by or comply with the 2017 Order (including, without limitation, (i) any amendment made to the provisions of the AMF General Regulations following the Issue Date in order to implement the 2017 Order and (ii) any other text implementing or ratifying the 2017 Order as will be adopted or will enter into force following the Issue Date), (f) to comply with any changes in the requirements of the CRA Regulation, (g) to enable the Class A Notes to be (or to remain) listed and admitted to trading on Euronext Paris or (h) to enable the Issuer and/or the Interest Rate Swap Counterparty to comply with any obligation which applies to it under EMIR, will not necessarily require consent from the Noteholders or the Residual Unitholders, if such modification (1) (i) does not result in the placement on "negative outlook", "rating watch negative" or "review for possible downgrade" or the downgrading or withdrawal of any of the ratings of the Class A Notes or (ii) limits such downgrading of or avoids such withdrawal of the rating of any Class A Notes which could have otherwise occurred and (2) is not an Amendment to the Financial Characteristics of the Notes, provided that the Management Company shall remain entitled to consult the Noteholders and the Residual Unitholders in relation to any such modification to obtain their view on the same.

For the avoidance of doubt, no party to the Transaction Documents has agreed in advance to make the above listed modifications and their implementation will therefore be subject to the approval of each party to the Transaction Documents which may be impacted by any such modifications.

In addition, for the avoidance of doubt, notwithstanding the above provisions and notwithstanding the potential Amendment to the Financial Characteristics of the Class B Notes and potential Amendment to the Financial Characteristics of the Residual Units that would be triggered by any modification to the way of determining the Class A Notes Interest Rate implemented in accordance with the Reference Rate Determination Process, such modification will not require to call a Noteholders' Meeting for the Class A Noteholders or the Class B Noteholders or to consult the Residual Unitholders.

Any amendment to the relevant Transaction Documents shall require the prior consent of the Interest Rate Swap Counterparty:

(i) where such amendment has or could have a material adverse effect on the interests of the Interest Rate Swap Counterparty under the Interest Rate Swap Agreement or under the relevant Transaction Documents; or

(ii) if any Funds Allocation Rules are amended.

Notwithstanding the provisions set out in the sections "Modification of the elements contained in the Prospectus" and "Modification of the Transaction Documents" above, the Management Company will, under all circumstances, act in the interest of the Noteholders and of the Residual Unitholders.

GOVERNING LAW – SUBMISSION TO JURISDICTION

Governing Law

The Transaction Documents will be governed by and interpreted in accordance with French Law.

Jurisdiction

The parties to the Transaction Documents have agreed to submit any dispute that may arise in connection with the Transaction Documents to the exclusive jurisdiction of the competent courts in commercial matters within the jurisdiction the *Cour d'Appel* of Paris.

GENERAL ACCOUNTING PRINCIPLES GOVERNING THE ISSUER

The accounts of the Issuer, generally, shall be prepared in accordance with the recommendations of the French *Conseil National de la Comptabilité* (the National Accounting Board) as set out in its *avis* no. 2003-09 dated 24 June 2003 implemented by Regulation of the French *Comité de la Règlementation Comptable* no. 2003-03 dated 2 October 2003.

Purchased Home Loans and income

The Purchased Home Loans shall be recorded on the Issuer's balance sheet at their nominal value. The potential difference between the purchase price and the nominal value of the receivables, whether positive or negative, shall be carried in an adjustment account on the asset side of the balance sheet. In the event that this difference is significant, it shall be carried forward on a *pro rata temporis* and *pari passu* basis of the amortisation of the Purchased Home Loans and otherwise it shall be amortised at once.

The interest on the Purchased Home Loans shall be recorded in the income statement, *pro rata temporis.* The accrued and overdue interest shall appear on the asset side of the balance sheet in an apportioned receivables account.

Delinquencies on the Purchased Home Loans existing as at the Purchase Date are recorded in an adjustment account on the asset side of the balance sheet. This amount shall be carried forward on a *pro rata temporis* basis over a period of 12 months. Defaults on the Purchased Home Loans existing as at the Purchase Date are recorded in a loss account and any settlement in respect of any such Purchased Home Loan is recorded as a recovery in the profit and loss statement.

The Home Loans that are accelerated by any Servicer pursuant to the terms and conditions of the Home Loans Purchase and Servicing Agreement and in accordance with the Servicing Procedures shall be accounted for as a bad debt and as an expenses in the account for defaulted assets.

Issued Notes and income

The Notes and the Residual Units shall be recorded at their nominal value and disclosed separately in the liability side of the balance sheet. Any potential differences, whether positive or negative, between the issuance price and the nominal value of the Notes be recorded in an adjustment account on the liability side of the balance sheet. These differences shall be carried forward to the income statement on a *pro rata* basis with the amortization of the relevant Notes.

The interest due with respect to the Notes shall be recorded in the income statement *pro rata temporis.* The accrued and overdue interest shall appear on the liability side of the balance sheet in an apportioned liabilities account.

Expenses, fees and income related to the operation of the Issuer

The various fees and income paid to the Custodian, the Management Company, the Servicers, the Paying Agent, the Data Protection Agent, the Specially Dedicated Account Bank, the Cash Manager and the Account Bank shall be recorded, as expenses, in the accounts *pro rata temporis* over the accounting period.

All costs related to the establishment of the Issuer shall be borne by the Transaction Agent on behalf of the Sellers.

Interest Rate Swap Agreement

The interest received and paid pursuant to the Interest Rate Swap Agreement shall be recorded at its net value in the income statement. The accrued interest to be paid or to be received shall be recorded in the income statement *pro rata temporis*. The accrued interest to be paid or to be received shall be recorded, with respect to the Interest Rate Swap Agreement, on the liability side of the balance sheet, where applicable, on an apportioned liabilities account (*compte de créances ou de dettes rattachées*).

Amount standing to the credit of the General Reserve Account

The amount standing to the credit of the General Reserve Account shall be recorded to the credit of the General Reserve Account on the liability side of the balance sheet.

Amount standing to the credit of the Commingling Reserve Account

The amount standing to the credit of the Commingling Reserve Account shall be recorded to the credit of the Commingling Reserve Account on the liability side of the balance sheet.

Issuer Cash

The income generated from the Issuer Cash investments shall be recorded in the income statement *pro rata temporis* (excluding interest earned on the Commingling Reserve Account and the General Reserve Account which belongs to the Reserves Provider).

Income

The net income shall be posted to a retained earnings account.

Liquidation Surplus

The Liquidation Surplus shall consist of the income arising from the liquidation of the Issuer and the retained earnings.

Duration of the accounting periods

Each accounting period of the Issuer shall be 12 months and begin on 1 January and end on 31 December, save for the first accounting period of the Issuer which shall begin on the Issuer Establishment Date and end on 31 December 2019.

Accounting information in relation to the Issuer

The accounting information with respect to the Issuer shall be provided by the Management Company, under the supervision of the Custodian, in its annual report of activity and half-yearly report of activity, pursuant to the applicable accounting standards.

As at the Issuer Establishment Date, the provisions of the said accounting standards lead to the presentation of consolidated accounts of the Issuer, which are audited by the statutory auditor of the Issuer.

THIRD PARTY EXPENSES

The Issuer Expenses include the following expenses and fees. In accordance with the Issuer Regulations, the Issuer Expenses will be paid to their respective beneficiaries pursuant to the relevant Priority of Payments and the amounts of fees set out in this Section "THIRD PARTY EXPENSES" may be increased in accordance with the provisions of the Transaction Documents and in line with market practices.

The amounts of Issuer Expenses set out below are expressed exclusive of VAT. VAT will be paid by the Issuer in addition to such amounts, if charged.

Management Company

In consideration for its obligations with respect to the Issuer, the Management Company shall receive a fee (taxes excluded) equal to EUR 54,000 per annum, payable in equal portions on each Payment Date.

The Management Company will also receive, on each Payment Date, in addition to the fees mentioned above, a fee equal to 1/12 of 0.002 per cent. of the Outstanding Principal Balance of the Purchased Home Loans, as determined by the Management Company as of the beginning of each of the three Monthly Collection Periods immediately preceding such Payment Date, and payable in equal portions on each Payment Date.

Additionally, the Management Company will receive an amount equal to the fees payable to the statutory auditor of the Issuer: EUR 6,700 per annum (taxes excluded). The fees payable to the statutory auditor of the Issuer will be paid directly by the Management Company to the statutory auditor in equal portions on each Payment Date.

The Management Company will receive an amount equal to EUR 1,000 (taxes excluded) each time it has to apply any Priority of Payments on a date which is not a Payment Date.

The Management Company shall also receive a liquidation fee equal to EUR 5,000 (taxes excluded), an anticipated liquidation fee (in case of the liquidation occurs during of the first three years of the transaction) equal to EUR 15,000 (taxes excluded), a fee for the replacement of a party (other than any Servicer or the Management Company) equal to EUR 5,000 (taxes excluded) and a fee equal to EUR 10,000 (taxes excluded) each time a new entity replaces any Servicer following the occurrence of an Individual Servicer Termination Event or a Master Servicer Termination Event.

The Management Company shall also receive a fee for the amendment of the Transaction Documents and/or the Prospectus at a daily rate of EUR 900 per working day activity per person (jour homme) payable on the Payment Date following such amendment.

The Management Company shall also receive, on each Payment Date, an additional fee, in case of reprocessing data file (frais de retraitement de fichier "Master Servicer Report") after three (3) months grace period from and including the Issuer Establishment Date, equal to EUR 2,500 (taxes excluded) by restatement.

The Management Company will also receive:

- a fee equal to EUR 1,000 per each FATCA and/or AEOI declaration;
- a fee equal to EUR 1,000 per each consultation of the Noteholders and/or the Residual Unitholders (out-side the scope of a merger, partial contribution of assets or any other mode of transfer by operation of law (*transmission universelle de patrimoine*));
- a fee equal to EUR 250 per each EMIR declaration and per swap if such declaration is prepared and sent by the Management Company (a fee equal to EUR 150 if such declaration is prepared and sent by the Interest Rate Swap Counterparty);

- a fee equal to EUR 10,000 for the creation of the loan-level data file with respect to the Purchased Home Loans to be made available on a quarterly basis on the website of the European DataWarehouse, payable once on the Payment Date immediately following the date upon which the Sellers and the Transaction Agent decide to delegate to the Management Company the task to ensure that the loan-level data with respect to the Purchased Home Loans is made available on a quarterly basis on the website of the European DataWarehouse, as applicable and the Management Company accepts such delegation; and

- an administrative fee equal to EUR 700 per publication in case of specific reporting to publish (including, for each publication of the loan-level data file on the website of the European DataWarehouse in the event that the Sellers and the Transaction Agent have decided to delegate such task to the Management Company and the Management Company has accepted such delegation).

In order to prepare any STS and ESMA reporting, and if, after the Issuer Establishment Date, any Seller, any Servicer, the Transaction Agent, the Noteholders and/or the Residual Unitholders or any other stakeholders request the Management Company to make significant modifications, changes to reporting or to produce significant materials as a result of regulatory or operational requirements (except in the case of an amendment which is of a formal, minor or technical nature or is made to correct a manifest error or the liquidation of the Issuer), the Management Company shall be entitled to be indemnified on the basis of the time spent by charging an additional fee at a daily rate of EUR 900 per working day activity per person subject to the prior agreement of such requesting party.

The Management Company will also receive, in addition of the fees mentioned above, other fees for specific tasks as to be carried out for the purposes of the management of the Issuer, and the reimbursement of all taxes as may be reasonably incurred for the operation of the Issuer and paid directly by the Management Company, with the prior consultation of the Transaction Agent.

Custodian

In consideration for its obligations with respect to the Issuer (including in its capacity as registrar in relation to the Class B Notes and Residual Units), the Custodian shall receive a fee equal to EUR 40,000 *per annum* (taxes excluded), payable in equal portions on each Payment Date.

The Custodian shall also receive a fee for the amendment of the documentation or the replacement of a party equal to EUR 5,000 (taxes excluded).

Servicer

In consideration for its obligations with respect to the Issuer, each Servicer shall receive, on each Payment Date a "**Servicing Fee**" equal to:

(i) in respect of the administration and collection (*gestion*) of the Purchased Home Loans in respect of which it is responsible, an all-inclusive quarterly fee (exclusive of any value added tax, if any, and any disbursement whatsoever) equal to the aggregate of 1/12 of 0.1 per cent. *per annum* of the Outstanding Principal Balance of such Purchased Home Loans, as of the beginning of each of the three Monthly Collection Periods preceding such Payment Date;

(ii) in respect of the recovery (*recouvrement*) of the Delinquent Home Loans and Defaulted Home Loans in respect of which it is responsible, an all-inclusive quarterly fee (inclusive of any value added tax, if any, and any disbursement whatsoever) equal to the aggregate of 1/12 of 0.5 per cent. *per annum* of the Outstanding Principal Balances of the Delinquent Home Loans and Defaulted Home Loans as of the beginning of the each of the three Monthly Collection Periods preceding such Payment Date.

Transaction Agent

For the avoidance of doubt, no fees will be paid by the Issuer to BPCE in consideration for its obligations as Transaction Agent. In case of substitution of the Transaction Agent, a fee may need to be paid by the Issuer to the substitute transaction agent.

Account Bank

In consideration for its obligations with respect to the Issuer, the Account Bank shall receive a fee equal to EUR 150 per month per Issuer Account (excluding VAT), plus EUR 15 per each Target transfer and EUR 8 per each SEPA wire transfer implemented by the Account Bank, payable in arrears on each Payment Date.

Cash Manager

In consideration for its obligations with respect to the Issuer, the Cash Manager shall receive a fee as set out in the general terms and conditions of the Cash Manager which shall be deducted from (and shall not exceed) the income generated by the Eligible Investments made during any Investment Period.

Paying Agent and Listing Agent

In consideration for its obligations with respect to the Issuer, the Paying Agent shall receive:

(a) subject to paragraph (b) below, a fee of EUR 250 (excluding VAT) per payment of any Class A Notes Interest Amount, and a fee of EUR 250 (excluding VAT) per payment of any principal amount paid in relation to the Class A Notes (if any), with both fees payable in arrears by the Issuer on each Payment Date;

(b) if any holder of Class A Notes has requested that the relevant Class A Notes it has subscribed be in the registered form, the administrative servicing (*service titre*),

(i) a fee of EUR 500 per inscription on the registered account for any holder of Class A Notes;

(ii) an annual fee of EUR 150 (excluding VAT) per holder of Class A Notes which has requested that the relevant Class A Notes subscribed by it be in the registered form, with a minimum of EUR 1,500 in total for all holders of Class A Notes concerned, payable in arrears by the Issuer on each Payment Date,

provided that the fees mentioned in (i) and (ii) above apply only in the event that a maximum of 20 holders of Class A Notes have requested that the relevant Class A Notes they have subscribed be in the registered form, in the event that more than 20 holders of Class A Notes have made such request, these amounts shall be re-assessed and agreed between the Management Company, the Custodian and the Paying Agent; and

(c) in consideration for its obligations with respect to the notices to be sent to the Class A Noteholders through the facilities of Euroclear France, upon request of the Management Company, in relation to any Replacement Rate, Alternative Replacement Rate, Final Replacement Rate and the related Other Determinations in accordance with the Reference Rate Determination Process, a fee of EUR 500 (excluding VAT) per published notice.

In consideration for its obligations with respect to the Issuer, the Listing Agent shall receive upfront fees payable by the Issuer Establishment Date by the Transaction Agent on behalf of the Sellers. For the avoidance of doubt, no fees will be paid by the Issuer to the Listing Agent.

Rating Agencies

The fees payable by the Issuer to the Rating Agencies will be equal to:

(a) in respect of S&P: an annual surveillance fee of EUR 25,000 (taxes excluded) per annum;

(b) in respect of Moody's: an annual surveillance fee of EUR 17,000 (taxes excluded) per annum,

in each case payable on the Payment Date immediately following the date of the invoice received from the relevant Rating Agency.

Data Protection Agent

In consideration for its obligations with respect to the Issuer, the Data Protection Agent shall receive a fee of EUR 1,000 per annum, payable annually in arrears and of EUR 750 (taxes excluded) per test (if any) after the launch of the transaction. All taxes, expenses and costs incurred by the Data Protection Agent in connection with the Home Loans Purchase and Servicing Agreement shall be deemed fully compensated by such fee.

General Expenses

The Issuer will also pay such other fees and expenses as may be reasonably incurred for its operation or in relation to the Notes, and in particular:

(a) the annual fee payable to each Noteholder Representative and referred to in Condition 7 (*Representation of the Noteholders*) of the Notes. Such annual fee shall be paid in advance on the first Payment Date for the first five (5) years of the Transaction and then, if the Class A Notes are not redeemed on the First Optional Redemption Date or any of the three subsequent Payment Dates, paid in advance for the next years until the Final Legal Maturity Date (unless paid in another manner agreed with the Noteholder Representative);

(b) all reasonable expenses relating to any notice and publication made in accordance with Condition 9 (*Notice to Noteholders*) of the Notes or incurred in the operation of each Masse, including reasonable expenses relating to the calling and holding of Noteholders' Meetings in respect of each Masse, and all reasonable administrative expenses resolved upon by a Noteholders' Meeting;

(c) an annual fee payable to the *Autorité des Marchés Financiers* in an amount equal to 0.0008% of the aggregate of (i) the Principal Amount Outstanding of each class of Notes and (ii) the nominal amount of the Residual Units as at the 31st December of each year; and

(d) a fee payable to the European DataWarehouse in relation to the loan-level data with respect to the Purchased Home Loans made available on a quarterly basis on the website of the European DataWarehouse.

As part of the Issuer Expenses, the Management Company, acting in its discretion and in the interest of the Noteholders and Residual Unitholders, may use such amount as it deems necessary to ensure the continuation of the Home Loan Agreements.

INFORMATION RELATING TO THE ISSUER

The Management Company shall publish information relating to the Issuer in accordance with the then current and applicable accounting rules and practices.

Annual Information

Within four (4) months after the end of each financial year, the Management Company shall prepare and publish, in accordance with the then current and applicable accounting rules and practices and under the supervision of the Custodian, an annual report of activity which shall include:

1. the annual financial statements, together with the audit report from the statutory auditor.

   The accounting documents are the following:

   (a) the inventory of the Assets Allocated to the Issuer including:

      (i) the inventory of the portfolio of the Purchased Home Loans purchased by the Issuer; and

      (ii) the amount and the distribution of the Issuer Cash;

   (b) the annual accounts including:

      (i) the Issuer's balance sheet;

      (ii) the Issuer's income statement; and

      (iii) the appendix describing the accounting methods applied and, if appropriate, a detailed report on the debts of the Issuer and the guarantees received.

2. A report including:

   (a) the amount and proportion of all fees and expenses borne by the Issuer during the financial year;

   (b) the amount of the Issuer Cash by reference to the Assets Allocated to the Issuer;

   (c) a description of the transactions carried out by the Issuer during the course of the financial year;

   (d) any ratio related to the transactions carried out by the Issuer during the course of the financial year; and

   (e) information relating to the Purchased Home Loans and the Notes.

3. Any changes made to the rating reports on the Class A Notes and to the main features of the Prospectus and any event which may have an impact on the Notes.

The statutory auditor shall verify the accuracy of the information contained in the annual activity report.

Half-yearly Information

Within three (3) months after the end of the first half of the financial year, the Management Company shall prepare and publish, in accordance with the then current and applicable accounting rules and practices and under the supervision of the Custodian, a report of activity for the first half of the year which shall include:

1. the unaudited financial statements, together with the review report by the statutory auditor;

2. the information specified in paragraphs 2.(b), 2.(c) and 2.(d) of the above Section entitled "INFORMATION RELATING TO THE ISSUER – Annual Information"; and

3. any changes made to the rating reports on the Class A Notes and to the main features of the Prospectus and any event which may have an impact on the Notes issued by the Issuer.

The statutory auditor shall verify that the information contained in the report of activity for the first half of the fiscal year is true and accurate.

The annual report of activity, the report of activity for the first half of the financial year and any other information published by the Management Company with respect to the Issuer shall be provided to the Noteholders upon requests. Such reports will also be available at the principal office of the Custodian.

Additional Information

The Management Company shall publish on its internet website, or through any other means that it deems appropriate, any information regarding the Sellers, the Servicers, the Purchased Home Loans, the Notes and the management of the Issuer which it considers significant in order to ensure adequate and accurate information for the Noteholders.

In particular, the Management Company shall make available and shall publish on its internet website (www.france-titrisation.fr), on each Investor Reporting Date, the Investor Report. In each Investor Report, the Management Company will notably provide to the investors information in relation to:

(a) the retention of the material net economic interest by the Sellers in compliance with the Capital Requirements Regulations, Section 5 implementing AIFM, Solvency II Delegated Act and the STS Regulation: in the first Investor Report, the Management Company will disclose the amount of Notes retained by any Seller, privately-placed with investors which are not among the Sellers, and publicly-placed with investors which are not among the Sellers; and in any subsequent Investor Report, the Management Company will disclose the amount of Notes initially retained by any Seller but subsequently placed with any investor outside of the Sellers' group (as applicable);

(b) all materially relevant data on the credit quality and performance of the Purchased Home Loans;

(c) events which trigger changes in the applicable Priority of Payments or the replacement of any party to the Transaction Documents, and data on the cash flows generated by the Purchased Home Loans and by the Notes and Residual Units;

(d) any material breach of the obligations provided for in any Transaction Documents, including any remedy, waiver or consent subsequently provided in relation to such a breach;

(e) any change in the structural features that can materially impact the performance of the securitisation;

(f) any change in the risk characteristics of the securitisation or of the Purchased Home Loans that can materially impact the performance of the securitisation;

(g) any substantial amendment to any Transaction Documents (provided that, as indicated in Section "MODIFICATIONS TO THE TRANSACTION", any amendments to the Issuer Regulations shall be notified to the Noteholders and the Residual Unitholder(s), it being specified that such amendments shall be, automatically and without any further formalities (*de plein droit*), enforceable as against such Noteholders and Residual Unitholder(s) within three Business Days after they have been notified thereof);

(h) any substantial amendment to, or substitution of, Servicing Procedures notified to the Management Company by any Servicer in accordance with the provisions of the Home Loans Purchase and Servicing Agreement;

(i) any substantial amendment to, or substitution of, the Credit Guidelines notified to the Management Company by any Seller in accordance with the provisions of the Home Loans Purchase and Servicing Agreement; and

(j) if and when the relevant information on environmental performance of the properties financed by the Home Loans becomes available, any such information which has been communicated by the Transaction Agent to the Management Company.

Any additional information shall be published by the Management Company as often as it deems appropriate according to the circumstances affecting the Issuer and under its responsibility.

Pursuant to the Issuer Regulations, the Management Company has represented and warranted that the website it uses to publish the Investor Report or any other documents to be published by it:

(a) includes a well-functioning data quality control system;

(b) is subject to appropriate governance standards and to maintenance and operation of an adequate organisational structure that ensures the continuity and orderly functioning of the website;

(c) is subject to appropriate systems, controls and procedures that identify all relevant sources of operational risk;

(d) includes systems that ensure the protection and integrity of the information received and the prompt recording of the information;

(e) makes it possible to keep record of the information for at least five years after the Issuer Liquidation Date.

The information contained in the Management Company's website does not form part of this Prospectus.

SUBSCRIPTION AND SALE

SUBSCRIPTION

Subject to the terms and conditions set out in the Class A Notes Subscription Agreement, the Joint Lead Managers have agreed, subject to certain conditions precedent, to subscribe severally but not jointly and pay for, or procure the subscription and the payment for, on the Issue Date, the Class A Notes at their issue price equal to 100.366 per cent. of their Initial Principal Amount, less the commissions agreed by the Joint Lead Managers and the Issuer.

The Joint Lead Managers are the beneficiaries of certain representations, warranties and undertaking of indemnification from the Sellers and the Issuer.

In addition, the Issuer will pay to the Transaction Agent on behalf of the Sellers, on the Issue Date, the Issuance Premium Amount.

The Sellers do not intend to retain at least 5 per cent.of the credit risk of the securitised assets for purposes of compliance with the U.S. Risk Retention Rules based on an exemption from such rules and the issuance of the Notes was not designed to comply with the U.S. Risk Retention Rules. Except with the prior written consent of the Transaction Agent (on behalf of the Sellers) (a "**U.S. Risk Retention Consent**") and as permitted by the exemption provided under Section 20 of the U.S. Risk Retention Rules, the Notes sold on the Issue Date may not be purchased by, or for the account or benefit of, persons that are "U.S. persons" as defined in the U.S. Risk Retention Rules ("**Risk Retention U.S. Persons**") and each purchaser of Notes, including beneficial interests therein, will, by its acquisition of a Note or beneficial interest therein, be deemed, and, in certain circumstances, will be required to represent and agree that it (1) either (i) is not a Risk Retention U.S. Person or (ii) has obtained a U.S. Risk Retention Consent from the Transaction Agent (on behalf of the Sellers), (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules, including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules described herein. See below "RISK FACTOR" and see Section "SUBSCRIPTION AND SALE – United States of America". Any Risk Retention U.S. Person wishing to purchase Notes must inform the Issuer, the Transaction Agent on behalf of the Sellers, the Joint Arrangers and the Joint Lead Managers that it is a Risk Retention U.S. Person.

None of the Joint Arrangers, the Joint Lead Managers, the Seller, the Issuer or any of their affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the transactions described in this Prospectus comply as a matter of fact with the U.S. Risk Retention Rules on the Issue Date or at any time in the future. Investors should consult their own advisors as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

PLAN OF DISTRIBUTION AND TRANSFER RESTRICTIONS

PROHIBITION OF SALES TO EUROPEAN ECONOMIC AREA (EEA) RETAIL INVESTORS

Under the Class A Notes Subscription Agreement, each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise transferred and will not offer, sell or otherwise transfer, directly, or indirectly, the Class A Notes to any retail investor in the EEA and has not distributed or caused to be distributed and will not distribute or cause to be distributed to retail investors in the EEA, the Prospectus or any other offering material relating to the Rated Notes. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 4(1) of Directive 2014/65/EU ("MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC, as amended ("IMD"), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling the Class A Notes or otherwise making them

available to retail investors in the EEA has been prepared and therefore offering or selling the Class A Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

FRANCE

Under the Class A Notes Subscription Agreement, each Joint Lead Manager has also represented and agreed that it has not offered, sold or otherwise transferred and will not offer, sell or otherwise transfer, directly, or indirectly, the Class A Notes to the public in the Republic of France and that any offers, sales or other transfers of the Class A Notes in the Republic of France will be made: only to (a) persons providing 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 (b) qualified investors (*investisseurs qualifiés*) acting for their own account, 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 and other applicable regulations.

The Prospectus and any other offering material relating to the Class A Notes are not to be further distributed or reproduced (in whole or in part) by the addressee and have been distributed on the basis the addressee invests for its own account, as necessary, and does not resell or otherwise retransfer, directly or indirectly, the Class A Notes to the public in the Republic of France other than in compliance with articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Monetary and Financial Code.

UNITED KINGDOM

Under the Class A Notes Subscription Agreement, each Joint Lead Manager has also represented and agreed that:

(a) 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 Financial Services and Markets Act (2000) (the ***FSMA***)) received by it in connection with the issue or sale of the Class A Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Class A Notes in, from or otherwise involving the United Kingdom.

UNITED STATES OF AMERICA

Under the Class A Notes Subscription Agreement, each Joint Lead Manager has confirmed that it understands that the Class A Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act ("**Regulation S**") or pursuant to an exemption from the registration requirements of the Securities Act. Each Joint Lead Manager represents that it has offered and sold the Notes, and agrees that it will offer and sell the Class A Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the Issuer Establishment Date, only in accordance with Rule 903 of Regulation S. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Class A Notes, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Joint Lead Manager agrees that at or prior to confirmation of sale of Class A Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Class A Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

> "The Securities covered hereby have not been registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issuer Establishment Date, except in

either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

Terms used in this paragraph have the meanings given to them by Regulation S.

For the purposes of this paragraph, "affiliate" has the meaning given to it in Rule 501(b) of Regulation D under the Securities Act.

GENERAL

Each Joint Lead Manager has acknowledged and agreed that, save for the Issuer having obtained the approval of the Prospectus by the AMF in its capacity as competent authority in France under the Prospectus Directive, no further action has been or will be taken in any jurisdiction by each Joint Lead Manager that would permit an offer of the Class A Notes to the public, or possession or distribution of the Prospectus or any other offering material, in any country or jurisdiction where such further action for that purpose is required.

GENERAL INFORMATION

1. Approvals of the *Autorité des Marchés Financiers*: For the purpose of the listing of the Class A Notes on the Paris Stock Exchange (Euronext Paris) in accordance with articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 of the French Monetary and Financial Code and pursuant to the AMF General Regulations (*Règlement general de l'Autorité des Marchés Financiers*), this Prospectus was granted a visa number FCT N°18-08 by the *Autorité des Marchés Financiers* on 24 October 2018.

2. Listing on Regulated Markets: Application has been made to the *Autorité des Marchés Financiers* in its capacity as competent authority under French law for the Class A Notes to be listed on the Paris Stock Exchange (Euronext Paris).

3. Clearing Systems – Clearing Codes – ISIN and Common Codes: the Class A Notes will, upon issue, be registered in the books of Euroclear France (acting as central depository) which shall credit the accounts of Euroclear France account holders including Clearstream Banking and Euroclear Bank S.A./N.V. and be admitted in the Clearing Systems:

   ISIN Code: FR0013369618

   Common Code: 188904416

4. Documents available: This Prospectus shall be made available free of charge, to the Noteholders, at the respective head offices of the Management Company, the Custodian and the Paying Agent (the addresses of which are specified on the last page of this Prospectus). Copies of the Issuer Regulations shall be made available for inspection by the Noteholders at the respective head offices of the Management Company and the Custodian (the addresses of which are specified on the last page of this Prospectus). This Prospectus also shall be published by the Management Company on its website (www.france-titrisation.fr) and in the event a STS notification, as defined in Article 27(1) of the STS Regulation, is sent to ESMA, the Management Company shall also publish on its website all Transaction Documents (as well as any amendment agreement thereto).

5. Statutory auditor to the Issuer: Pursuant to article L. 214-185 of the French Monetary and Financial Code, the statutory auditor of the Issuer Mazars, whose register office is located at 61 rue Henri Regnault, 92400 Courbevoie, represented by Pierre MASIERI) have been appointed by the Management Company.

APPENDIX – GLOSSARY OF DEFINED TERMS

Accelerated Amortisation Event means the following event which can occur during the Amortisation Period: any amount of interest due and payable on the Class A Notes remains partially or totally unpaid after five (5) Business Days following the relevant Payment Date.

Accelerated Amortisation Period means the period beginning on the Payment Date (included) falling on or after the occurrence of an Accelerated Amortisation Event and ending on the Issuer Liquidation Date (included).

Accelerated Priority of Payments means, the Priority of Payments applicable during the Accelerated Amortisation Period.

Account Bank means BPCE, a *société anonyme à directoire et conseil de surveillance*, whose registered office is located at 50, avenue Pierre Mendès France, 75013 Paris (France), registered with the Trade and Companies Registry of Paris (France) under number 493 455 042, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution*, in its capacity as account bank under the Account Bank and Cash Management Agreement.

Account Bank and Cash Management Agreement means the agreement entered on or before the Issuer Establishment Date between the Management Company, the Custodian, the Account Bank and the Cash Manager in connection with (i) the keeping and management of the Issuer Accounts and (ii) the management and investment of the Issuer Cash.

Account Bank Termination Event means any of the following events:

(a) any material representation or warranty made by the Account Bank is or proves to have been incorrect or misleading in any material respect when made, and the same is not remedied (if capable of remedy) within thirty (30) Business Days after the Management Company (with copy to the Custodian) has given notice thereof to the Account Bank or (if sooner) the Account Bank has knowledge of the same;

(b) the Account Bank fails to comply with any of its material obligations (other than a default referred to in item (e) below) under the Account Bank and Cash Management Agreement unless such breach is capable of remedy and is remedied within thirty (30) Business Days after the Management Company (with copy to the Custodian) has given notice thereof to the Account Bank or (if sooner) the Account Bank has knowledge of the same;

(c) an Insolvency Event occurs in respect of the Account Bank;

(d) at any time it is or becomes unlawful for the Account Bank to perform or comply with any or all of its material obligations under the Account Bank and Cash Management Agreement or any or all of its material obligations under the Account Bank and Cash Management Agreement are not, or cease to be, legal, valid and binding and no appropriate solutions are found within ten (10) calendar days between the parties to the Account Bank and Cash Management Agreement to remedy such illegality, invalidity or unenforceability; or

(e) any failure by the Account Bank to make any payment under any Transaction Documents to which it is a party, when due, except if such failure is due to technical reasons and is remedied within five (5) Business Days.

An entity shall have the ***Account Bank Required Ratings*** if:

(i) the unsecured, unsubordinated and unguaranteed debt obligations of such entity are rated at least A (long term) and A-1 (short-term) by S&P; and

(ii) the deposit rating of such entity is, or if it is not assigned any deposit rating, its unsecured subordinated and unguaranteed debt obligations are rated at least A3 (long term) by Moody's; or

(iii) such entity has such other ratings deemed acceptable by the relevant Rating Agency in order to maintain the then current rating of the Class A Notes.

Adjusted Available Collections means, on any Calculation Date, all amounts credited or debited from the General Account on the following Settlement Date, corresponding to any adjustment of the Available Collections which occurred in the course of any of the two previous Quarterly Collection Periods, including for instance adjustments for overpayments from Borrowers.

Amendment to the Financial Characteristics means, in respect of a specified Class of Notes or the Residual Units, any amendment or waiver of the Terms and Conditions of the Notes of the relevant Class or the Residual Units (as applicable) (other than an amendment to correct a manifest error or which is of a formal, minor or technical nature) or to any of the Funds Allocation Rules but only if the proposed amendment or waiver impacts the timing and/or amount of payments owed under the Notes of such Class or the Residual Units (as applicable) or the level of risk relating to such other Class or the Residual Units (as applicable), such as, without limitation, by way of an increase in the amounts payable by the Issuer to creditors of a higher rank than such Class or the Residual Units (as applicable) (to the exception of any increase of any Issuer Expenses in accordance with the provisions of the Issuer Regulations).

Amortisation Period means, subject to the non-occurrence of an Accelerated Amortisation Event or an Issuer Liquidation Event, the period commencing on and excluding the Issuer Establishment Date and ending on the earlier of (a) the Payment Date (excluded) falling on or after the occurrence of an Accelerated Amortisation Event and (b) the Issuer Liquidation Date (excluded).

Ancillary Rights means, in respect of any Home Loan:

(a) the benefit of any Mortgage and/or any Home Loan Guarantee;

(b) any and all present and future claims benefiting to the Sellers under any Insurance Contract relating to the Purchased Home Loans;

(c) the benefit of any other security interest or guarantee or equivalent right attached to the Home Loans (including without limitation, mortgage promises (*promesses d'hypothèques*), bank account pledges (*nantissements de comptes bancaires*), securities account pledges (*nantissements de comptes titres*), personal guarantees (*cautions ou autres types de guaranties personnelles*), life insurance policies); and

(d) the benefit of any claim or right of action the relevant Seller may have against any notaries (notaires) in relation to any Mortgage or Home Loan,

provided that the Ancillary Rights (if any) shall be transferred (or in the case of accessory security rights devolve) to the Issuer together with the relevant Purchased Home Loans on the Purchase Date pursuant and subject to the Home Loans Purchase and Servicing Agreement.

Assets Allocated to the Issuer means the following assets allocated to the Issuer by the Management Company:

(a) all Home Loans that the Issuer may purchase under the terms of the Home Loans Purchase and Servicing Agreement and which have not been retransferred, or been the subject of a transfer rescission (the ***Purchased Home Loans***) and any Ancillary Rights attached to the Purchased Home Loans;

(b) all amounts standing from time to time to the credit of the Issuer Accounts (excluding the Interest Rate Swap Collateral Accounts);

(c) any Eligible Investments and income relating to any Eligible Investments; and

(d) any other rights transferred or attributed to the Issuer under the terms of the Transaction Documents.

Available Collections means, on each Calculation Date, in respect of the Quarterly Collection Period immediately preceding such Calculation Date, an amount equal to the aggregate of:

(a) all cash collections in relation to the Purchased Home Loans and the related Ancillary Rights collected or received by the Servicers during such Quarterly Collection Period (excluding for the avoidance of doubt any insurance premium in respect of any Insurance Contracts) including:

(i) interest payments including late payment interest, interest arrears regularisations;

(ii) any fees including late penalties, prepayment penalties, filing fees and other ancillary payments;

(iii) all principal amounts paid in connection with the Home Loans, including in connection with any Prepayments;

(iv) all Recoveries in relation to the Defaulted Home Loans which are not included in (i) above; and

(v) any insurance benefit or other amounts paid to any of the Sellers by any insurance company under the Insurance Contracts, which are not included in (iv) above,

(b) plus or minus, as the case may be, any Adjusted Available Collections, provided that the credit balance of the General Account is sufficient to enable such adjustment.

Available Distribution Amount means, on each Calculation Date, an amount equal to the aggregate of (without double counting):

(a) all Available Collections received in respect of the Quarterly Collection Period immediately preceding such Calculation Date;

(b) all Deemed Collections (if any) to be paid by any Seller on the immediately following Settlement Date to the Issuer in accordance with the Home Loans Purchase and Servicing Agreement in respect of the Quarterly Collection Period immediately preceding such Calculation Date;

(c) the aggregate of all Re-transfer Prices, Rescission Amounts and Indemnity Amounts paid or to be paid by the Sellers between the last Payment Date (or in relation to the Available Distribution Amount calculated on the first Calculation Date, as of the close of the Issue Date) (included) and the immediately succeeding Payment Date (excluded);

(d) the credit standing to the General Reserve Account as of the immediately following Settlement Date;

(e) any amount to be debited from the Commingling Reserve Account and credited to the General Account on the immediately following Settlement Date pursuant to the Reserves Cash Deposits Agreement;

(f) any Interest Rate Swap Net Amount to be paid by the Interest Rate Swap Counterparty to the Issuer and/or Interest Rate Swap Termination Amount paid to the Issuer (save to the extent used to pay directly any Replacement Swap Premium to any replacement Interest Rate Swap Counterparty) and/or Interest Rate Swap Collateral Liquidation Amount (save to the extent used to pay directly any Replacement Swap Premium to any replacement Interest Rate Swap Counterparty) and/or any Replacement Swap Premium and/or any Interest Rate Swap Collateral Account Surplus (if any) paid to the Issuer;

(g) the income generated by the investment of the Issuer Cash standing to the credit of the General Account (only) together with any remuneration received from the Account Bank relating to any sums standing to the credit of the General Account and to be credited to the General Account on the immediately following Settlement Date pursuant to the Account Bank and Cash Management Agreement;

(h) plus in respect of the last Calculation Date prior to the Issuer Liquidation Date, the proceeds resulting from the sale of the then outstanding Purchased Home Loans, as the case may be; and

(i) any other amounts standing to the credit of the General Account (including, for the avoidance of doubt, any amount received directly by the Issuer following a notification of any Borrowers, insurers and Home Loan Guarantors of the assignment of the Home Loans) as of the close of the immediately preceding Payment Date (after the application of the relevant Priority of Payments) (or in relation to the Available Distribution Amount calculated on the first Calculation Date, as of the close of the Issue Date) to the extent not designated for any other purpose.

Banque Populaire means each of the following entities, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution* and regulated by articles L. 512-2 *et seq.* of the French Monetary and Financial Code:

(a) Banque Populaire Alsace Lorraine Champagne, a société anonyme coopérative de banque populaire, whose registered office is at 3, rue François de Curel, - BP 40124, 57021 Metz cedex 1, registered with the Trade and Companies Register of Metz under registration no. 356 801 571;

(b) Banque Populaire Aquitaine Centre Atlantique, a *société anonyme coopérative de banque populaire*, whose registered office is at 10, quai des Queyries, 33072 Bordeaux, registered with the Trade and Companies Register of Bordeaux under registration no. 755 501 590;

(c) Banque Populaire Auvergne Rhône Alpes, a *société anonyme coopérative de banque populaire*, whose registered office is at 4, boulevard Eugène Deruelle, 69003 Lyon, registered with the Trade and Companies Register of Lyon under registration no. 605 520 071;

(d) Banque Populaire Bourgogne Franche Comté, a *société anonyme coopérative de banque populaire*, whose registered office is at 14, boulevard de La Trémouille, 21000 Dijon, registered with the Trade and Companies Register of Dijon under registration no. 542 820 352;

(e) Banque Populaire Grand Ouest, a société anonyme coopérative de banque populaire, whose registered office is at 15, boulevard de la Boutière, 35768 Saint Gregoire Cedex, registered with the Trade and Companies Register of Rennes under registration no. 857 500 227;

(f) Banque Populaire Méditerranée, a *société anonyme coopérative de banque populaire*, whose registered office is at 457 Promenade des Anglais, 06200 Nice, registered with the Trade and Companies Register of Nice under registration no. 058 801 481;

(g) Banque Populaire du Nord, a *société anonyme coopérative de banque populaire*, whose registered office is at 847, avenue de la République, 59700 Marcq en Baroeul, registered with the Trade and Companies Register of Lille under registration no. 457 506 566;

(h) Banque Populaire Occitane, a *société anonyme coopérative de banque populaire*, whose registered office is at 33-43, avenue Georges Pompidou, 31130 Balma, registered with the Trade and Companies Register of Toulouse under registration no. 560 801 300;

(i) Banque Populaire Rives de Paris, a *société anonyme coopérative de banque populaire*, whose registered office is at 76, avenue de France, 75013 Paris, registered with the Trade and Companies Register of Paris under registration no. 552 002 313;

(j) Banque Populaire du Sud, a *société anonyme coopérative de banque populaire*, whose registered office is at 38, boulevard Georges Clémenceau, 66000 Perpignan, registered with the Trade and Companies Register of Perpignan under registration no. 554 200 808; and

(k) Banque Populaire Val de France, a *société anonyme coopérative de banque populaire*, whose registered office is at 9, avenue Newton, 78180 Montigny le Bretonneux, registered with the Trade and Companies Register of Versailles under registration no. 549 800 373.

Borrower means, in respect of any Home Loan, any individual which has entered into the relevant Home Loan Agreement with a Seller as borrower or in case of a Home Loan granted to several co-borrowers, each of such co-borrowers together.

BPCE means BPCE, a *société anonyme à directoire et conseil de surveillance*, whose registered office is located at 50, avenue Pierre Mendès France, 75013 Paris (France), registered with the Trade and Companies Registry of Paris (France) under number 493 455 042, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution.*

BPCE Group means the group constituted by the members of the Networks and the companies affiliated thereto in accordance with the conditions of article L. 511-31 of the French Monetary and Financial Code, as provided for in article L. 512-106 of the French Monetary and Financial Code.

Business Day means a day which is a Target Business Day other than (i) a Saturday, (ii) a Sunday or (iii) a public holiday in Paris (France).

Caisse d'Epargne means any of the following entities, duly licensed as a French credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution* and regulated by articles L. 512-87 *et seq*. of the French Monetary and Financial Code:

(a) Caisse d'Epargne CEPAC, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at Place Estrangin Pastré, BP 108, 13254 Marseille cedex 06, registered with the Trade and Companies Register of Marseille under registration no. 775 559 404; and

(b) Caisse d'Epargne et de Prévoyance Aquitaine Poitou-Charentes, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 1, Parvis Corto Maltese, 33000 Bordeaux, registered with the Trade and Companies Register of Bordeaux under registration no. 353 821 028;

(c) Caisse d'Epargne et de Prévoyance d'Auvergne et du Limousin, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 63, rue Montlosier, 63000 Clermont-Ferrand, registered with the Trade and Companies Register of Clermont-Ferrand under registration no. 382 742 013;

(d) Caisse d'Epargne et de Prévoyance de Bourgogne Franche-Comté, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 1, Rond Point de la Nation, 21000 Dijon, registered with the Trade and Companies Register of Dijon under registration no. 352 483 341;

(e) Caisse d'Epargne et de Prévoyance de Bretagne – Pays de Loire, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 2, place Graslin, 44911 Nantes Cedex 9, registered with the Trade and Companies Register of Nantes under registration no. 392 640 090;

(f) Caisse d'Epargne et de Prévoyance Côte d'Azur, cooperative bank (banque coopérative), a société anonyme à directoire et conseil de surveillance referred to as "Conseil d'Orientation et de surveillance", whose registered office is at 455, promenade des Anglais, 06200 Nice, registered with the Trade and Companies Register of Nice under registration no. 384 402 871;

(g) Caisse d'Epargne et de Prévoyance de Grand Est, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 5, Parvis des Droits de l'Homme, 57102 Metz, registered with the Metz Trade and Companies Register (Registre du commerce et des sociétés de Metz) under registration no. 775 618 622;

(h) Caisse d'Épargne et de Prévoyance Hauts de France, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered

office is at 135, Pont de Flandres, 59777 Euralille, registered with the Trade and Companies Register of Amiens under registration no. 383 000 692;

(i) Caisse d'Epargne et de Prévoyance Ile-de-France, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 19, rue du Louvre, 75001 Paris, registered with the Trade and Companies Register of Paris under registration no. 382 900 942;

(j) Caisse d'Epargne et de Prévoyance du Languedoc Roussillon, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at Zone d'Activités Commerciales d'Alco, 254 rue Michel Teule, 34000 Montpellier, registered with the Trade and Companies Register of Montpellier under registration no. 383 451 267;

(k) Caisse d'Epargne et de Prévoyance Loire-Centre, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 7, rue d'Escures, 45000 Orleans, registered with the Trade and Companies Register of Orleans under registration no. 383 952 470

(l) Caisse d'Epargne et de Prévoyance de Loire Drôme Ardèche, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 17, rue des Frères Ponchardier, Espace Fauriel, 42100 St Etienne, registered with the Trade and Companies Register of St Etienne under registration no. 383 686 839;

(m) Caisse d'Epargne et de Prévoyance de Midi Pyrénées, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 10, avenue James Clerk Maxwell, 31100 Toulouse, registered with the Trade and Companies Register of Toulouse under registration no. 383 354 594;

(n) Caisse d'Epargne et de Prévoyance Normandie, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 151, rue d'Uelzen, 76230 Bois-Guillaume, registered with the Trade and Companies Register of Rouen under registration no. 384 353 413;

(o) Caisse d'Epargne et de Prévoyance de Rhône Alpes, a *banque coopérative* and a *société anonyme à directoire et conseil de surveillance dénommé Conseil d'Orientation et de surveillance*, whose registered office is at 116 Cours Lafayette, 69003 Lyon, registered with the Trade and Companies Register of Lyon under registration no. 384 006 029.

Calculation Date means a date at the latest on the sixth (6^{th}) Business Day prior to each Payment Date.

Capital Requirements Regulations or ***CRR*** means Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012.

Cash Manager means BPCE, in its capacity as cash manager under the Account Bank and Cash Management Agreement.

Cash Manager Termination Event means any of the following events:

(a) any material representation or warranty made by the Cash Manager is or proves to have been incorrect or misleading in any material respect when made, and the same is not remedied (if capable of remedy) within thirty (30) Business Days after the Management Company (with copy to the Custodian) has given notice thereof to the Cash Manager or (if sooner) the Cash Manager has knowledge of the same;

(b) the Cash Manager fails to comply with any of its material obligations (other than a default referred to in item (e) below) under the Account Bank and Cash Management Agreement unless such breach is capable of remedy and is remedied within thirty (30) Business Days after the Management Company (with copy

to the Custodian) has given notice thereof to the Cash Manager or (if sooner) the Cash Manager has knowledge of the same;

(c) an Insolvency Event occurs in respect of the Cash Manager;

(d) at any time it is or becomes unlawful for the Cash Manager to perform or comply with any or all of its material obligations under the Account Bank and Cash Management Agreement or any or all of its material obligations under the Account Bank and Cash Management Agreement are not, or cease to be, legal, valid and binding and no appropriate solutions are found within ten (10) calendar days between the parties to the Account Bank and Cash Management Agreement to remedy such illegality, invalidity or unenforceability; or

(e) any failure by the Cash Manager to make any payment under any Transaction Documents to which it is a party, when due, except if such failure is due to technical reasons and is remedied within five (5) Business Days.

Class A Margin means before and including the First Optional Redemption Date, 0.45% per annum and from and excluding the First Optional Redemption Date, 0.90% per annum.

Class A Note means any of the senior floating rate notes to be issued by the Issuer on the Issue Date.

Class A Noteholder means any holder from time to time of any Class A Note.

Class A Noteholder Representative means the Noteholder Representative in respect of the Class A Notes.

Class A Notes Amortisation Amount, on a given Payment Date, shall be an amount (rounded down to the nearest Euro cent) equal to in respect of each Class A Note:

(i) during the Amortisation Period, (A) the minimum of (x) the Principal Amortisation Amount as calculated on the immediately preceding Calculation Date and (y) the Class A Notes Outstanding Amount as at the previous Payment Date after giving effect to any payment in accordance with the relevant Priority of Payments (B) divided by the aggregate number of Class A Notes outstanding;

(ii) during the Accelerated Amortisation Period: (A) the Class A Notes Outstanding Amount as at the immediately preceding Payment Date after giving effect to any payment in accordance with the relevant Priority of Payments (B) divided by the aggregate number of Class A Notes outstanding.

Class A Notes Interest Amount means, with respect to any Payment Date, the sum of all the interest amounts due in respect of each Class A Note as at such Payment Date. This amount is equal to the product between (A) (a) the product of (i) the Class A Notes Interest Rate, (ii) the Principal Amount Outstanding of each Class A Note as of the first day of the relevant Interest Period and (iii) the actual number of days in the related Interest Period, divided by (b) three hundred sixty (360), rounded down to the nearest cent (half a Euro cent being rounded downwards) and (B) the number of the Class A Notes that are outstanding.

Class A Notes Interest Rate will be equal to the aggregate of EURIBOR plus the Class A Margin provided that, if EURIBOR plus the Class A Margin is less than zero (0), the Class A Notes Interest Rate will be deemed to be zero (0).

Class A Notes Outstanding Amount means, at any time, the aggregate Principal Amount Outstanding of all Class A Notes.

Class A Notes Subscription Agreement means the subscription agreement in respect of the Class A Notes to be entered into on or before the Issuer Establishment Date between the Joint Arrangers, the Joint Lead Managers, the Management Company, the Custodian, each Seller and the Transaction Agent.

Class B Note means any of the subordinated fixed rate notes to be issued by the Issuer on the Issue Date.

Class B Noteholders means any holder from time to time of any Class B Note.

Class B Notes Amortisation Amount, on a given Payment Date, shall be an amount (rounded down to the nearest Euro cent) equal to in respect of each Class A Note:

(a) during the Amortisation Period, (A) the minimum of (x) the Principal Amortisation Amount, as calculated on the immediately preceding Calculation Date and (y) the Class B Notes Outstanding Amount as at the previous Payment Date after giving effect to any payment in accordance with the relevant Priority of Payments (B) divided by the aggregate number of Class B Notes outstanding; and

(b) during the Accelerated Amortisation Period, (A) the Class B Notes Outstanding Amount as at the previous Payment Date after giving effect to any payment in accordance with the relevant Priority of Payments (B) divided by the aggregate number of Class B Notes outstanding.

Class B Notes Interest Amount means, with respect to any Payment Date, the sum of all the interest amounts due in respect of each Class B Note as at such Payment Date. This amount is equal to the product between (A) (a) the product of (i) the Class B Notes Interest Rate, (ii) the Principal Amount Outstanding of each Class B Note as of the first day of the relevant Interest Period and (iii)) ninety (90), divided by (b) three hundred sixty (360), rounded down to the nearest cent (half a Euro cent being rounded downwards) and (B) the number of the Class B Notes that are outstanding.

Class B Notes Interest Rate means a fixed rate of 0.50% *per annum* .

Class B Notes Outstanding Amount means, at any time, the aggregate Principal Amount Outstanding of the Class B Notes.

Class B Notes Subscriber means any Seller, acting on the date of signing of the Class B Notes Subscription Agreement in its capacity as subscriber of the Class B Notes to be issued under the Transaction.

Class B Notes Subscription Agreement means the subscription agreement to be entered into on or before the Issuer Establishment Date between, notably, the Management Company, the Custodian and the Class B Notes Subscribers in respect of the Class B Notes.

Clearing Systems means each of Euroclear France and Clearstream Banking, with which the Paying Agent on behalf of the Management Company will register the Class A Notes on the Issue Date.

Clearstream Banking means Clearstream Banking Luxembourg S.A..

Commercial Renegotiation means a renegotiation carried out by any Servicer in respect of a Purchased Home Loan, in accordance with and subject to the Servicing Procedures.

Commingling Reserve means, at any time, the amount standing to the credit of the Commingling Reserve Account.

Commingling Reserve Account means the bank account opened in the name of the Issuer with the Account Bank, the details of which are provided in the Account Bank and Cash Management Agreement, to protect the Issuer against the risk of delay or default of the Servicers in their financial obligation to pay the Available Collections to the Issuer.

Commingling Reserve Required Amount means the sum (rounded upward to the nearest EUR 1,000) of:

(a) the Level 1 Commingling Reserve Required Amount; and

(b) the Level 2 Commingling Reserve Required Amount,

Computer File means the computer file delivered by each Seller to the Management Company with each Transfer Document (or, as the case may be, each Re-transfer Request or each offer to repurchase) pursuant to the Home Loans Purchase and Servicing Agreement, including all information as are necessary to identify and individualise

the Purchased Home Loans transferred to the Issuer (or, as the case may be, re-transferred by the Issuer) pursuant to that Transfer Document.

Contractual Documents means the Home Loan Agreements and any other related documents entered into by the Seller relating to the said Home Loan Agreements in connection with the Home Loans.

CRA3 means Regulation (EU) No. 462/2013 of the European Parliament and of the Council of 21 May 2013.

CRA Regulation means Regulation No. 1060/2009/EC of the European Parliament and the Council of 16 September 2009 on credit rating agencies, as amended pursuant to Regulation No. 513/2011/EU of the European Parliament and the Council of 11 May 2011 and to CRA3.

Credit Guidelines mean the Sellers' usual policies, procedures and practices relating to the operation of their home loan business including, without limitation, the usual policies, procedures and practices adopted by them as the grantor of credit in relation to Home Loans and/or (as the case may be) their usual policies, procedures and practices for dealing with matters relating to the obligations and liabilities of the Sellers under applicable laws and regulations, for determining the creditworthiness of home loans borrowers, the extension of the credit, as such policies, procedures and practices may be amended or varied from time to time and as described in Sub-Section "Origination and Underwriting Procedures (Credit Guidelines)" of Section "ORIGINATION, UNDERWRITING AND MANAGEMENT PROCEDURES".

Current LTV means, on the Selection Date, in relation to any Home Loan and the related financed property, the ratio of the aggregate Outstanding Principal Balances of all the Home Loans financing such property on such date over the Original Market Value of such property.

Custodian means Natixis, a *société anonyme*, incorporated under the laws of France, whose registered office is located at 30, avenue Pierre Mendès France, 75013 Paris (France), registered with the Trade and Companies Registry of Paris (France) under number 542 044 524, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution*, in its capacity as co-founder of the Issuer and custodian of the Assets Allocated to the Issuer, under the Issuer Regulations.

Data Protection Agent means BNP Paribas Securities Services, a *société en commandite par actions*, whose registered office is located at 3, rue d'Antin, 75002 Paris (France) registered with the Trade and Companies Registry of Paris (France) under number 552 108 011, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution*, acting through its office located at 3-5-7 rue du General Compans, 93500 Pantin (France), acting in its capacity as data agent appointed by the Management Company under the provisions of the Data Protection Agreement.

Data Protection Agent Termination Event means any of the following events:

(a) any material representation or warranty made by the Data Protection Agent is or proves to have been incorrect or misleading in any material respect when made, and the same is not remedied (if capable of remedy) within thirty (30) Business Days after the Management Company (with copy to the Custodian) has given notice thereof to the Data Protection Agent or (if sooner) the Data Protection Agent has knowledge of the same;

(b) the Data Protection Agent fails to comply with any of its material obligations under the Data Protection Agreement unless such breach is capable of remedy and is remedied within thirty (30) Business Days after the Management Company (with copy to the Custodian) has given notice thereof to the Data Protection Agent or (if sooner) the Data Protection Agent has knowledge of the same;

(c) an Insolvency Event occurs in respect of the Data Protection Agent; or

(d) at any time it is or becomes unlawful for the Data Protection Agent to perform or comply with any or all of its material obligations under the Data Protection Agreement or any or all of its material obligations under the Data Protection Agreement are not, or cease to be, legal, valid and binding and no appropriate

solutions are found within ten (10) calendar days between the parties to the Data Protection Agreement to remedy such illegality, invalidity or unenforceability.

Data Protection Requirements means the French Data Protection law and the GDPR.

Decryption Key means in respect of the Purchased Home Loans and the related encrypted information delivered by the Sellers to the Management Company pursuant to the Home Loans Purchase and Servicing Agreement, the decryption key delivered on the Purchase Date by the Sellers (or the Transaction Agent on their behalf) and on each Information Date by the Servicers or the Transaction Agent on their behalf to the Data Protection Agent that allows for the decoding of the encrypted information received by the Management Company.

Deemed Collection has the meaning ascribed to such term in sub-section "Deemed Collections" of section "DESCRIPTION OF THE HOME LOANS PURCHASE AND SERVICING AGREEMENT AND THE RESERVES CASH DEPOSIT AGREEMENT – I. PURCHASE OF THE HOME LOANS".

Defaulted Home Loan means, with reference to a given date, any Purchased Home Loan in respect of which:

(I) the Borrower has been classified as "CX" (contentious) by the Servicer in accordance with the Servicing Procedures (a) following the decision of the Servicer (i) to declare such Purchased Home Loan as due and payable (déchéance du terme) and/or (ii) to transfer such Purchased Home Loan to the litigation department and/or (b) because the related Borrower has become subject to an insolvency (*procédure de rétablissement personnel*); and/or

(II) the Borrower has been classified as "RX" (restructured) by the Servicer in accordance with its Servicing Procedures because of (i) the decision of the Servicer to agree with the Borrower a debt dismissal (i.e. reduction of principal, interest and/or fees) and/or a significant reschedule in the framework of an amicable or contentious recovery proceedings (restructuration forcée) as a result of a deterioration of the credit quality of the Borrower or (ii) the Borrower has become subject to an overindebtness commission (commission de surendettement des particuliers) in accordance with the applicable provisions of the French Consumer Code (Code de la consommation); and/or

(III) more than five (5) Home Loan instalments remain unpaid past their respective due date;

provided that, for the avoidance of doubt, a Purchased Home Loan will be considered as a Defaulted Home Loan as of the occurrence of the first of the events described above and the classification of a Defaulted Home Loan shall be irrevocable.

Delinquent Home Loan means, as of any Calculation Date, any Purchased Home Loan in respect of which at least one (1) Home Loan instalment remains unpaid past their respective due date and is not a Defaulted Home Loan.

Determination Date means the last calendar day of each calendar month, provided that the first Determination Date will be 30 November 2018.

EC Treaty means the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992), the Treaty of Amsterdam (signed in Amsterdam on 2 October 1997) and the Treaty of Nice (signed in Nice on 26 February 2001).

Eligible Investments means the financial instruments which are the object of investment by the Cash Manager pursuant to the Account Bank and Cash Management Agreement.

Encrypted Data File means an electronically readable data tape in a standard format as agreed between the Management Company and the Sellers containing encrypted information such as, *inter alia*, the names and addresses of the Borrowers in relation to (i) with respect to the Encrypted Data File delivered by each Seller on the Purchase Date, the Home Loans selected by such Seller as at the Selection Date and (ii) with respect to any up-to-date Encrypted Data File delivered by the Transaction Agent, acting in the name and on behalf of each Servicer, on each Information Date, the Purchased Home Loans in relation to which such Servicer is in charge of the

administration, recovery and collection (either a Performing Home Loan or a Defaulted Home Loan, but excluding such Home Loan (x) the transfer of which has been rescinded (*résolu*) or (y) which is the subject of a repurchase offer).

EURIBOR means the interest rate applicable to deposits in euros in the Eurozone for three (3) month-Euro deposits (or in the case of the first Interest Period, the linear interpolation of three (3) and six (6) month Euro deposits) as determined by the Management Company on any Interest Rate Determination Date in accordance with Condition 3(c)(ii).

EURO, ***EUR*** and ***€*** each means the lawful currency of member states of the European Union that adopt the single currency in accordance with the EC Treaty.

Euroclear means Euroclear France.

Euro-Zone means the region comprised of the Member States of the European Union that adopts the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992).

Expected Amortisation Amount means the amount, as calculated on each Calculation Date with respect to the immediately following Payment Date during the Amortisation Period, equal to the positive difference between (i) and (ii), where:

(i) is the aggregate of the Class A Notes Outstanding Amount and the Class B Notes Outstanding Amount, both as at the immediately preceding Payment Date after giving effect to any payment in accordance with the Normal Priority of Payments (or, as the case may be, on the Issuer Establishment Date in case of the first Payment Date), and of the Residual Units nominal amount; and

(ii) is the sum of the aggregate Outstanding Principal Balance of the Performing Home Loans on the Determination Date immediately preceding such Calculation Date, excluding the Purchased Home Loans subject to a re-transfer or rescission or in relation to which an Indemnity Amount has been paid on or prior the immediately following Payment Date.

Final Legal Maturity Date means, the Payment Date falling in October 2053.

First Optional Redemption Date means the Payment Date falling in October 2023.

Fixed Amount means the amount to be paid by the Issuer to the Interest Rate Swap Counterparty which is equal to the product of (i) the Interest Rate Swap Fixed Rate, (ii) the Notional Amount, (iii) the number of days in the relevant Interest Period (for the avoidance of doubt, in the case of the first Payment Date only, starting on the Issue Date) on the basis of a thirty (30) day month divided by 360.

Floating Amount means an amount equal to the product of (A) the actual number of days in the relevant Interest Period divided by 360, (B) the greater between: (x) zero and (y) the aggregate of (i) EURIBOR (as determined for such Interest Period ending on such Payment Date in accordance with the Conditions of the Class A Notes or any replacement rate determined in accordance with the Reference Rate Determination Process) and (ii) the Class A Margin, both for the relevant Interest Period and (C) the Notional Amount of the Interest Rate Swap Transaction.

French Civil Code means the French *Code civil*.

French Commercial Code means the French *Code de commerce*.

French Consumer Code means the French *Code de la consommation*.

French Data Protection Law means the law no. 78-17 of 6 January 1978 (as amended) relating to the protection of personal data (*Loi relative à l'informatique, aux fichiers et aux libertés*).

French General Tax Code means the French *Code général des impôts*.

French Monetary and Financial Code means the French *Code monétaire et financier*.

Funds Allocation Rules means all allocations, distributions and payments required under the rules pertaining to the allocation of the funds received by the Issuer (*règles d'affectation de sommes recues par l'organisme*) set out in the Issuer Regulations, including without limitation, the Priorities of Payments.

GDPR means EU 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

General Account means a bank account opened in the name of the Issuer with the Account Bank, the details of which are provided in the Account Bank and Cash Management Agreement and which shall be credited with, notably, on the Issue Date, the proceeds of the issue by the Issuer of the Notes and Residual Units and, from time to time, the Available Collections collected in respect of the Purchased Home Loans.

General Reserve means the amounts standing to the credit of the General Reserve Account from time to time.

General Reserve Account means the bank account opened in the name of the Issuer with the Account Bank, the details of which are provided in the Account Bank and Cash Management Agreement, for the purposes set out in the Reserve Cash Deposits Agreement.

General Reserve Cash Deposit means, pursuant to the Reserve Cash Deposits Agreement, the sum of the General Reserve Initial Cash Deposit, less any amount reimbursed directly to the Reserves Provider or used in accordance with the applicable Priority of Payments.

General Reserve Decrease Amount means, on any Calculation Date during the Amortisation Period, the excess (if any) of the General Reserve Required Amount as at the immediately previous Payment Date (or, if there is no such previous Payment Date, the Issuer Establishment Date) over the General Reserve Required Amount as at the immediately following Payment Date.

General Reserve Initial Cash Deposit means the cash deposit for an amount equal to the General Reserve Initial Cash Deposit Amount made by the Reserves Provider under the terms of the Reserve Cash Deposits Agreement on the Issuer Establishment Date. The General Reserve Initial Cash Deposit will be credited to the General Reserve Account;

General Reserve Initial Cash Deposit Amount means EUR 5,000,000.

General Reserve Final Utilisation Date means the earlier of (i) the Payment Date following the Calculation Date on which the Management Company determines that the Class A Notes Outstanding Amount is lower than the amount standing to the credit of the General Reserve Account as at such Calculation Date and (ii) the Final Legal Maturity Date.

General Reserve Required Amount means:

a) on any Payment Date falling before the General Reserve Final Utilisation Date, the higher of:

   (i) an amount equal to 0.50% of the Principal Amount Outstanding of the Class A Notes as of the immediately preceding Payment Date (after the application of the relevant Priority of Payments) (rounded upward to the nearest €1,000) ; and

   (ii) EUR 500,000;

b) on any Payment Date falling on or after the General Reserve Final Utilisation Date, zero.

Home Loan Agreement means a loan agreement entered into between any Seller and a Borrower in order to acquire, to renovate, to build or to refinance a property, being a residential (and not a commercial) property.

Home Loan Guarantee means any joint and several guarantee (*cautionnement solidaire*) or other type of guarantee securing the repayment of any given Home Loan and granted by any Home Loan Guarantor.

Home Loan Guarantor means any of Parnasse Garanties and Compagnie Européenne de Garanties et Cautions (***CEGC***).

Home Loans means any and all receivables arising from home loans denominated in euros granted pursuant to the Home Loan Agreements entered into with Borrowers. For the avoidance of doubt, when a Home Loan which is granted in relation to a property is composed of several separate tranches further to several separate drawings and each such tranche is secured by the same Home Loan Guarantee or the same Mortgage, the term "Home Loan" refers to all relevant tranches of such Home Loan, and calculation under each Transaction Document to be made in relation to such Home Loan shall be made on an aggregate basis, and in order for that Home Loan to comply with the Home Loan Eligibility Criteria, each such tranches shall comply therewith.

Home Loan Eligibility Criteria means each of the following criteria which a Home Loan offered for sale to the Issuer on the Purchase Date must satisfy as at the Selection Date or, as the case may be, the relevant date specified below as such criteria are set out in Section "DESCRIPTION OF THE HOME LOANS PURCHASE AND SERVICING AGREEMENT AND THE RESERVES CASH DEPOSIT AGREEMENT - Purchase of the Home Loans – Home Loan Eligibility Criteria of this Prospectus".

Home Loan Instalment Due Date means, with respect to any Home Loan, the date on which payment of principal and interest is due and payable under the relevant Home Loan Agreement.

Home Loans Purchase Offer means the purchase offer to be issued by each Seller to the Management Company (with copy to the Custodian) on the Purchase Date pursuant to the terms of the Home Loans Purchase and Servicing Agreement.

Indemnity Amount means, in respect of any Purchased Home Loans in relation to which the Management Company, any Seller or the Transaction Agent becomes aware that any of the representations or warranties given or made by such Seller in relation to the conformity of such Purchased Home Loans to the Home Loan Eligibility Criteria was false or incorrect by reference to the facts and circumstances existing on the Selection Date or, as applicable, on the relevant date specified in the relevant Home Loan Eligibility Criteria or in the event that, for any reason whatsoever, the Transfer Document executed by such Seller in respect of the assignment of such Purchased Home Loan is not or ceases to be effective, and should the relevant breach be such that the sale of the relevant Purchased Home Loan will be deemed not to have occurred or the rescission is not possible, the indemnity payable by the relevant Seller to the Issuer, of an amount equal to (i) the then Outstanding Principal Balance of such Purchased Home Loan as at the Determination Date immediately preceding the date of indemnification, (ii) any amount due and capitalised under such Purchased Home Loan during the period from and excluding to the preceding Determination Date to, and excluding such date of indemnification, and (iii) plus any unpaid interest and any other outstanding amounts of interest, expenses and other ancillary amounts (excluding, for the avoidance of doubt, any insurance premium) relating to such Purchased Home Loan as at the date of indemnification.

Index means the home prices index, calculated by (i) PERVAL, for homes located in France, outside Ile-de-France, and by (ii) PNS (Paris Notaires Services), for homes located in Ile-de-France. Calculation is based on price databases run by the French notaries (Perval database or Bien database respectively). These indices are those used for CRD purposes regarding guarantee valuations at BPCE Group level.

Indexed Valuation means, on any date in relation to any property, the Original Market Value of such property increased or decreased as appropriate by the increase or decrease in the applicable Index since the purchase date of such property, it being provided that the Indexed Valuation is recalculated on a quarterly basis.

Individual Servicer Report means the set of information gathered by each Servicer and supplied on each relevant Reporting Date to the Transaction Agent pursuant to and in accordance with the Home Loans Purchase and Servicing Agreement and which is necessary for the Transaction Agent to be able to prepare the corresponding Master Servicer Report.

Individual Servicer Termination Event means any of the events referred to in item (a) to (f) of the definition of "Servicer Termination Event", in each case after expiry of any applicable grace period.

Information Date means at the latest the date falling on the seventh (7th) Business Day after each Determination Date.

Initial Principal Amount means:

(a) in respect of Class A Notes: EUR 1,000,000,000; and

(b) in respect of Class B Notes: EUR 125,000,000.

Initial Principal Balance means, in respect of any Purchased Home Loan purchased by the Issuer on the Purchase Date and the corresponding Home Loan Agreement, an amount equal to the Outstanding Principal Balance of such Home Loan on the Selection Date.

Insolvency Event means, in relation to any entity, any of the following events:

(a) the relevant entity is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;

(b) the relevant entity is in a state of *cessation des paiements* within the meaning of article L. 613-26 of the French Monetary and Financial Code or, as applicable, article L. 631-1 of the French Commercial Code or any other equivalent provision under any applicable law, or demonstrates financial difficulties which it cannot overcome ("*justifie de difficultés qu'il n'est pas en mesure de surmonter*") within the meaning of article L. 620–1 of the French Commercial Code;

(c) a moratorium is declared in respect of any indebtedness of the relevant entity;

(d) any corporate action, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the entity;

(ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the entity or all or part of its respective assets;

(e) a judgement for *sauvegarde*, *sauvegarde accélérée, sauvegarde financière accelérée*, *redressement judiciaire*, *liquidation judiciaire* or *cession totale de l'entreprise* is rendered or, a *mandataire ad hoc* is appointed or a *conciliation* opened, in relation to the relevant entity under Book VI of the French Commercial Code; and

(f) any analogous procedure or step is taken in any jurisdiction.

Insurance Contract means any insurance contract entered into by a Borrower with an insurer with respect to a (A) Home Loan, to cover the risks of (i) death of the Borrower, (ii) total and irreversible loss of independence of the Borrower, (iii) temporary incapacity to work of the Borrower and/or (iv) the risk of the redundancy or loss of employment of the Borrower, and/or (B) as applicable, a property financed with the proceeds of a Home Loan (building insurance).

Interest Component Purchase Price means, on the Purchase Date, the portion of Purchase Price of the Home Loans to be purchased on that date which is equal to the aggregate of the accrued but unpaid interest of such Home Loans on the Selection Date (excluded).

Interest Period means in respect of the first Interest Period, the period commencing on (and including) the Issue Date and ending on (but excluding) the first Payment Date, and, in respect of any successive Interest Period, the period from (and including) the next (or first) Payment Date to (but excluding) the next following Payment Date.

Interest Rate Determination Date means in respect of the first Interest Period, two (2) TARGET Business Days before the Issue Date and, in respect of all subsequent Interest Periods, the day which is two (2) TARGET Business Days before the first day of each such Interest Period.

Interest Rate Swap Agreement means, with respect to the Interest Rate Swap Counterparty, the FBF master agreement (*convention-cadre relative aux operations sur instruments financiers à terme*) to be entered into on or about the Issue Date with the Interest Rate Swap Counterparty as amended by a supplementary schedule and confirmed by one written swap confirmation.

Interest Rate Swap Collateral Account Surplus means, in the circumstances set out in the Issuer Regulations and following satisfaction in full of all amounts owing to the relevant outgoing Interest Rate Swap Counterparty on such day, the surplus of collateral remaining in the Interest Rate Swap Collateral Accounts (if any).

Interest Rate Swap Collateral Accounts means the account opened and maintained in the name of the Issuer with the Account Bank in accordance with the Account Bank and Cash Management Agreement.

Interest Rate Swap Collateral Liquidation Amount means any amount of collateral provided by the Interest Rate Swap Counterparty and liquidated by the Management Company, in accordance with and subject to the terms Interest Rate Swap Agreement.

Interest Rate Swap Counterparty means Natixis, a *société anonyme,* incorporated under the laws of France, whose registered office is located at 30, avenue Pierre Mendès France, 75013 Paris (France), registered with the Trade and Companies Registry of Paris (France) under number 542 044 524, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution,* acting through its London Branch located at Cannon Bridge House, 25 Dowgate Hill, London EC4R 2YA, United Kingdom.

Interest Rate Swap Fixed Rate means the fixed rate determined on or about 25 October 2018and not greater than 1.15% *per annum*.

Interest Rate Swap Net Amount means, in respect of any Payment Date, the absolute value of the difference between the Floating Amount and the Fixed Amount, provided that in the event that the Floating Amount exceeds the Fixed Amount, the Interest Rate Swap Net Amount shall be due and payable by the Interest Rate Swap Counterparty to the Issuer and in the event that the Fixed Amount exceeds the Floating Amount, the Interest Rate Swap Net Amount shall be due and payable by the Issuer to the Interest Rate Swap Counterparty.

Interest Rate Swap Senior Termination Payment means any Interest Rate Swap Termination Amount due and payable to the Interest Rate Swap Counterparty under the Interest Rate Swap Agreement other than an Interest Rate Swap Subordinated Termination Payment.

Interest Rate Swap Subordinated Termination Payment means the amount due to the Interest Rate Swap Counterparty in connection with an early termination of the Interest Rate Swap Agreement where such termination results from an Event of Default (as defined in the Interest Rate Swap Agreement) in respect of which the Interest Rate Swap Counterparty is the Defaulting Party (as defined in the Interest Rate Swap Agreement) or a Change of Circumstance (as defined in the Interest Rate Swap Agreement) where the Interest Rate Swap Counterparty is the sole Affected Party (as defined in the Interest Rate Swap Agreement) and payable in accordance with the relevant Priority of Payments.

Interest Rate Swap Termination Amount means any termination payment payable by or to the Interest Rate Swap Counterparty upon termination of the Interest Rate Swap Agreement.

Interest Rate Swap Transaction means the interest rate swap transaction entered into between the Issuer and the Interest Rate Swap Counterparty and governed by the Interest Rate Swap Agreement.

Investment Period means any period commencing on (but excluding) a Payment Date and ending on (but excluding) the immediately following Settlement Date, provided that the first Investment Period shall start on (but exclude) the Issue Date and end on (but exclude) the immediately following Settlement Date.

Investor Report means the quarterly report to be prepared by the Management Company on each Calculation Date for the review by the Custodian and published by the Management Company on its internet website at the latest three (3) Business Days prior to each Payment Date, which shall be substantially in a form as set out in schedule 5 to the Issuer Regulations, as the same may be amended and/or supplemented from time to time by agreement between the Management Company and the Custodian.

Investor Reporting Date means the date falling three (3) Business Days prior to each Payment Date.

Issuance Premium Amount means an amount to be paid on the Issue Date to the Transaction Agent on behalf of the Sellers by the Issuer in accordance with the Home Loans Purchase and Servicing Agreement equal to the issue price of the Class A Notes in excess of 100 per cent of the Initial Principal Amount of such Class A Notes**.**

Issue Date means the date of issuance of the Class A Notes, the Class B Notes and the Residual Units, which should be on or about 29 October 2018.

Issuer means the *fonds commun de titrisation* named "BPCE HOME LOANS FCT 2018 established jointly by France Titrisation, in its capacity as Management Company, and Natixis, in its capacity as Custodian, governed by articles L. 214-166-1 to L. 214-175, L. 214-175-1, L. 214-180 to L. 214-186, L. 231-7 and R. 214-217 to R. 214-235 of the French Monetary and Financial Code of the French Monetary and Financial Code and by its Issuer Regulations.

Issuer Accounts means each of the following bank accounts: the General Account, the General Reserve Account, the Commingling Reserve Account, the Interest Rate Swap Collateral Accounts and any additional or replacement accounts (including, if applicable, any securities accounts) opened in the name of the Issuer pursuant to Account Bank and Cash Management Agreement after the Issuer Establishment Date. The Issuer Accounts shall be held by the Account Bank under the terms of the Account Bank and Cash Management Agreement.

Issuer Cash means the monies paid into the Issuer Accounts (other than the Interest Rate Swap Collateral Accounts) and comprising the amounts standing from time to time to the credit of the Issuer Accounts and pending allocation.

Issuer Establishment Date means the date on which the Issuer will be established by the Management Company and the Custodian, which should be on or about 29 October 2018.

Issuer Expenses means:

(i) the Servicing Fee;

(ii) the expenses and fees due to the Management Company, the Custodian, the Auditors of the Issuer, the Paying Agent, Listing Agent, the Account Bank, the Cash Manager, the Data Protection Agent, the Rating Agencies, the Transaction Agent, as applicable, as well as any tax, other than trade tax, or costs borne by the Issuer, or such other fees and expenses as may reasonably be incurred for the operation or the liquidation of the Issuer, or in relation to the Notes, and in particular (A) the annual fee payable to each Noteholder Representative (unless paid in another manner agreed with the Noteholder Representative), (B) all reasonable expenses relating to any notice or publication made or incurred in the operation of each Masse, including reasonable expenses relating to the calling and holding of Noteholders' Meetings in respect of each class of Notes, and all reasonable administrative expenses resolved upon by a Noteholders' Meeting, (C) the annual fee payable to the *Autorité des Marchés Financiers*, (D) the fee payable to the European DataWarehouse, and (E) any other amount described in Section "THIRD PARTY EXPENSES";

(iii) such amount as the Management Company, acting in its discretion and in the interest of the Noteholders and of the Residual Unitholders, deems necessary to ensure the continuation of the Home Loan Agreements.

Issuer Liquidation Date means the date on which the Issuer is liquidated, which shall be the Final Legal Maturity Date, unless the Issuer is liquidated earlier following the occurrence of an Issuer Liquidation Event, in which case the Issuer Liquidation Date shall be the Payment Date on which all of the then outstanding Purchased Home Loans will have been sold by the Issuer.

Issuer Liquidation Event means one of the following events:

(a) the liquidation is in the interest of the Noteholders and the Residual Unitholders; or

(b) the Notes and the Residual Units issued by the Issuer are held by a single holder and such holder requests the liquidation of the Issuer; or

(c) the Notes and the Residual Units issued by the Issuer are held solely by the Sellers and the Management Company receives a request in writing by the Sellers (or the Transaction Agent on their behalf), acting unanimously, to liquidate the Issuer; or

(d) at any time, the Outstanding Principal Balance (*capital restant dû*) of the undue (*non échues*) Performing Home Loans held by the Issuer falls below 10 per cent. of the maximum aggregate of the Outstanding Principal Balance (*capital restant dû*) of the undue (*non échues*) Performing Home Loans recorded since the Issuer Establishment Date and the Management Company receives a request in writing by the Sellers (or the Transaction Agent on their behalf), acting unanimously, to liquidate the Issuer; or

(e) after the occurrence of a Tax Event, a general assembly resolution of the Class A Noteholders is passed or a decision of the sole holder of the Class A Notes is made, as the case may be, requesting the liquidation of the Issuer; or

(f) on the First Optional Redemption Date or any of the three (3) subsequent Payment Dates (only) occurring after such First Optional Redemption Date the Management Company receives a request in writing by the Sellers (or the Transaction Agent on their behalf), acting unanimously, to liquidate the Issuer.

Issuer Regulations means the Issuer Regulations (*règlement*) entered into on or before the Issuer Establishment Date between the Management Company and the Custodian in connection with the establishment, the operation and the liquidation of the Issuer.

Joint Arrangers means BPCE and Natixis.

Joint Lead Managers means Natixis and Goldman Sachs International.

LCR Delegated Regulation means Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions.

LCR Regulation means the LCR Delegated Regulation as amended by the provisions of Regulation 2017/2402 of the European Parliament and of the Council dated 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 and as further amended from time to time and the related regulatory technical standards and implementing technical standards.

Lender means, in respect of any Home Loan, the relevant Seller acting as lender under the relevant Home Loan Agreement.

Level 1 Commingling Reserve Required Amount means:

(a) as long as the Class A Notes are not redeemed in full, if the senior unsecured, unsubordinated and unguaranteed debt obligations of BPCE are rated below (long-term) BBB by S&P (or such other rating which is acceptable to S&P) or the counterparty risk assessment of BPCE by Moody's (or if BPCE is not

assigned any long-term counterparty risk assessment by Moody's, the senior unsecured, unsubordinated and unguaranteed debt obligations of BPCE are rated below Baa3 (long-term) by Moody's (or such other rating which is acceptable to Moody's), an amount as calculated by the Management Company equal to the product of (A) and (B) on a Settlement Date (or for the initial amount within thirty (30) calendar days of such downgrade),

(A) AOB; and

(B) MPR; and

where:

"**AOB**" means the aggregate amount of the Outstanding Principal Balances of the Performing Home Loans at of the preceding Determination Date (excluding the Purchased Home Loans subject to a Re-Transfer or a rescission or in relation to which an Indemnity Amount has been paid on or prior the immediately following Settlement Date);

"**MPR**" means one (1) month of prepayment calculated by using the higher of (i) the Monthly Prepayment Rate on a base of a 8% annual rate and (ii) the maximum of the Monthly Prepayment Rate on the last 12 Determination Dates as determined by the Management Company (and for dates before the Issuer Establishment Date, assuming that the Monthly Prepayment Rate is equal to 8%), provided that the "**Monthly Prepayment Rate**" shall be equal in respect of a given Calculation Date to the ratio of:

(III) the part of the AOB of the Performing Home Loans which have been subject to a Prepayment during the immediately preceding Monthly Collection Period; and

(IV) the AOB of the Performing Home Loans as calculated on the Determination Date preceding such immediately preceding Monthly Collection Period;

(b) otherwise, zero (0).

Level 2 Commingling Reserve Required Amount shall mean:

(a) if the Class A Notes are redeemed in full or if the Specially Dedicated Account Bank (or, as the case may be, the replacement specially dedicated account bank appointed by the Management Company and the Custodian in accordance with the provisions of the Specially Dedicated Account Agreement) has the Account Bank Required Ratings, zero (0),

(b) as long as the Class A Notes are not redeemed in full and if the Specially Dedicated Account Bank ceases to have the Account Bank Required Ratings, on a Settlement Date (or for the initial amount within thirty (30) calendar days after such downgrade), the sum (rounded upward to the nearest EUR 1,000) as calculated by the Management Company of:

(i) the product as calculated by the Management Company of:

(A) AOB; and

(B) MPR; and

(ii) the aggregate of the Home Loans instalments which are expected to be collected by the Servicers on the Performing Home Loans (as at the preceding Determination Date) during the next two Monthly Collection Periods (from such preceding Determination Date), in accordance with the amortisation schedule of such Home Loans.

where:

AOB means the aggregate amount of the Outstanding Principal Balances of the Performing Home Loans as of the preceding Determination Date (excluding the Purchased Home Loans subject to a Re-Transfer or rescission or in relation to which an Indemnity Amount has been paid on or prior the immediately following Settlement Date);

MPR means two (2) months of prepayments calculated by using the higher of (i) the Monthly Prepayment Rate on a base of a 8% annual rate and (ii) the maximum of the Monthly Prepayment Rate on the last 12 Determination Dates as determined by the Management Company (and for dates before the Issuer Establishment Date, assuming that the Monthly Prepayment Rate is equal to 8%), provided that the ***Monthly Prepayment Rate*** shall be equal in respect of a given Calculation Date to the ratio of:

(I) the part of the AOB of the Performing Home Loans which have been subject to a Prepayment during the immediately preceding Monthly Collection Period; and

(II) the AOB of the Performing Home Loans calculated on the Determination Date preceding such immediately preceding Monthly Collection Period.

Liquidation Surplus means any amount standing to the credit of the General Account following the liquidation of the Issuer and the payment of principal, interest, expenses and commissions due under the provisions of the Issuer Regulations.

Listing Agent means BNP Paribas Securities Services, a *société en commandite par actions*, whose registered office is located at 3, rue d'Antin, 75002 Paris (France) registered with the Trade and Companies Registry of Paris (France) under number 552 108 011, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution*, acting through its office located at 3-5-7 rue du General Compans, 93500 Pantin (France), in its capacity as Listing Agent under the Paying Agency Agreement.

Management Company means France Titrisation, a *société par actions simplifiée*, whose registered office is located at 1, Boulevard Haussmann, 75009 Paris (France), registered with the Trade and Companies Registry of Paris (France) under number 353 053 531, licensed by the *Autorité des Marchés Financiers* as portfolio management company of securitisation vehicles (*société de gestion de portefeuille habilitée à gérer des organismes de titrisation*), acting in the name and on behalf of the Issuer (unless the context requires otherwise).

Management Reporting Date means a date falling three (3) Business Days prior to the last Business Day of each calendar month and which is not an Investor Reporting Date.

Masse has the meaning ascribed to it in condition 7(a) of the Terms and Conditions of the Notes.

Master Servicer Report means each computer file established by the Transaction Agent supplied on each relevant Information Date to the Management Company, with a copy to the Custodian pursuant to and in accordance with the Home Loans Purchase and Servicing Agreement.

Master Servicer Report Delivery Failure means the event whereby the Management Company does not receive, or there is a delay in the receipt of, any of the three Master Servicer Reports in respect of the Quarterly Collection Period preceding a Calculation Date.

Master Servicer Termination Event means any of the events referred to in item (g) to (i) of the definition of "Servicer Termination Event", in each case after expiry of any applicable grace period.

Monthly Collection Period means each calendar month, from a Determination Date (excluded) to the next Determination Date (included); provided that the first Monthly Collection Period shall begin on (and exclude) the Selection Date and shall end on (and include) the first Determination Date.

Monthly Management Report means any report prepared by the Management Company and provided to the Transaction Agent on each Management Reporting Date concerning the preceding Monthly Collection Period and,

as the case may be, the second preceding Monthly Collection Period of the same Quarterly Collection Period (it being specified that one global Monthly Management Report shall be prepared for all Sellers).

Moody's means Moody's Investors Service Ltd.

Most Senior Class of Notes Outstanding means:

(i) for so long as the Class A Notes remain outstanding, the Class A Notes; and

(ii) provided that the Class A Notes have been fully redeemed and for so long as the Class B Notes remain outstanding, the Class B Notes.

Networks means the Banques Populaires network, as defined in article L. 512-11 of the French Monetary and Financial Code, the Caisses d'Epargnes network as defined in article L. 512-86 of the French Monetary and Financial Code and the Crédit Maritime Mutuel network, as defined in articles L. 512-68 *et seq.* of the French Monetary and Financial Code.

Normal Priority of Payments means, the Priority of Payments applicable during the Amortisation Period.

Noteholder means any holder of Notes from time to time.

Noteholder Representative means a representative of the Masse of Noteholders determined in, and subject to the provisions of, the Terms and Conditions, as applicable.

Noteholders' Meeting means a general meeting (*assemblée générale*) of the Noteholders of a class of Notes.

Notes means the Class A Notes and the Class B Notes.

Notes Amortisation Amount means, on a given Payment Date, the sum of the Class A Notes Amortisation Amount and the Class B Notes Amortisation Amount.

Notification of Control means the notice addressed by the Management Company to the Specially Dedicated Account Bank in respect of the operations of any Specially Dedicated Bank Account, with a copy to the relevant Servicer, pursuant to clause 5.4 of the relevant Specially Dedicated Account Bank Agreement and in the form set out in schedule 1 of the Specially Dedicated Account Bank Agreement.

Notification of Release means the notice addressed by the Management Company to the Specially Dedicated Account Bank in respect of the operations of the Specially Dedicated Bank Account, with a copy to the relevant Servicer, pursuant to clause 5.5 of the relevant Specially Dedicated Account Bank Agreement and in the form set out in schedule 2 of the relevant Specially Dedicated Account Bank Agreement.

Notional Amount means the lesser between (i) the aggregate of the Principal Amount Outstanding of the Class A Notes on the immediately preceding Payment Date (or the Issue Date in respect of the first Payment Date) as determined by the Management Company and (ii) the Outstanding Principal Balance of the Performing Home Loans on the Determination Date immediately preceding such Payment Date (or in case of the first Payment Date, the Selection Date).

Original Market Value means, in relation to any property, the valuation of such property on the purchase date of such property.

Outstanding Principal Balance means, with respect to a given Home Loan and a given Calculation Date, the remaining amount of principal to be paid by the relevant Borrower under the relevant Home Loan, as of the immediately preceding Determination Date.

Paying Agency Agreement means the agreement entered into on or before the Issuer Establishment Date between the Management Company, the Custodian and the Paying Agent and relating to the payments of principal and interest due in respect of the Class A Notes.

Paying Agent means BNP Paribas Securities Services, a *société en commandite par actions*, whose registered office is located at 3, rue d'Antin, 75002 Paris (France) registered with the Trade and Companies Registry of Paris (France) under number 552 108 011, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution*, acting through its office located at 3-5-7 rue du General Compans, 93500 Pantin (France), in its capacity as Paying Agent under the Paying Agency Agreement.

Payment Date means the date falling on the last Business Day of the first calendar month of each quarter (being the months of January, April, July and October in each year), provided that the first Payment Date will fall in January 2019.

Performing Home Loan means any Purchased Home Loan other than a Defaulted Home Loan.

Prepayment means any payment made by a Borrower or any third party in addition to the Home Loan instalment in order to reduce in whole or in part the Outstanding Principal Balance of a Home Loan with the consent of the relevant Seller in its capacity of Servicer, in accordance with and subject to the Servicing Procedures and subject to the provisions of the Home Loans Purchase and Servicing Agreement.

Principal Amount Outstanding means, in respect of the Notes of any class, on a particular date during the Amortisation Period or the Accelerated Amortisation Period, the principal amount outstanding resulting from the difference between the Initial Principal Amount of the Notes of that class and the aggregate amount of all principal payments paid to the Noteholders of that class prior to such date.

Principal Component Purchase Price means the purchase price to be paid by the Issuer to the Seller and equal to the aggregate of the Initial Principal Balances, as of the Selection Date, of the Home Loans to be purchased on the Purchase Date.

Principal Amortisation Amount means the amount as calculated on each Calculation Date during the Amortisation Period, equal to:

(a) for the purpose of calculating the Class A Notes Amortisation Amount, the lower of:

  (i) the Available Distribution Amount on such Calculation Date minus all amounts falling due and payable under items (1) to (4) of the Normal Priority of Payments on the immediately following Payment Date; and

  (ii) the Expected Amortisation Amount on such Calculation Date;

(b) for the purpose of calculating the Class B Notes Amortisation Amount, the lower of:

  (i) the Available Distribution Amount on such Calculation Date minus all amounts falling due and payable under items (1) to (9) of the Normal Priority of Payments on the immediately following Payment Date; and

  (ii) the positive difference between (i) the Expected Amortisation Amount and (ii) the amount paid in accordance with item (5) of the Normal Priority of Payments on such Calculation Date.

Priority of Payments means each priority of payments set out in the Issuer Regulations, as set out in sub-section "Priorities of Payments" of the Section "APPLICATION OF FUNDS".

Purchase Date means the date of transfer of the Purchased Home Loans to the Issuer, falling on the same date as the Issuer Establishment Date.

Purchase Price means the purchase price of the Home Loans to be paid by the Issuer to the Sellers under the terms of the Home Loans Purchase and Servicing Agreement. The Purchase Price of the Home Loans shall be equal to the sum of the Principal Component Purchase Price and the Interest Component Purchase Price of the relevant Home Loans.

Purchased Home Loan means a Home Loan which has been purchased by the Issuer on the Purchase Date pursuant to the Home Loans Purchase and Servicing Agreement and (a) which remains outstanding and (b) the purchase of which has not been rescinded (*résolu*) or, in the event that the rescission is not possible, which has not been the subject of an indemnification in accordance with and subject to the Home Loans Purchase and Servicing Agreement or which has not been repurchased in accordance with and subject to the Home Loans Purchase and Servicing Agreement.

Quarterly Collection Period means, in respect of a Payment Date, the three (3) Monthly Collection Periods immediately preceding such Payment Date provided that the first Quarterly Collection Period shall begin on (and exclude) the Selection Date and shall end on (and include) the second (2nd) Determination Date.

Rating Agencies means each of S&P and Moody's.

Recoveries means any amounts of instalment, arrears and other amounts received, in respect of an enforcement proceeding, by the relevant Servicer, acting in accordance with the Servicing Procedures over any Purchased Home Loan which has become a Defaulted Home Loan, pursuant to the terms of the Home Loans Purchase and Servicing Agreement. The Recoveries shall be, as the case may be, any amount received in relation to any Defaulted Home Loan from the relevant Borrower, the Home Loan Guarantor, guarantors or other sources (e.g. insurance company), according to the Home Loan Agreements and laws and regulations in force from time to time.

Reference Banks means the principal Eurozone offices of four (4) major banks in the Eurozone interbank market chosen from time to time by the Management Company, being as at the date of this Prospectus, BNP Paribas, Crédit Agricole, Natixis and Société Générale.

Replacement Swap Premium any premium payable by or to any replacement Interest Rate Swap Counterparty upon entering into by the Issuer of a replacement Interest Rate Swap Agreement;

Reporting Date means a date at the latest on the second (2nd) Business Day before the Information Date

Rescission Amount means, in respect of any Purchased Home Loans in relation to which the Management Company, any Seller or the Transaction Agent becomes aware that any of the representations or warranties given or made by such Seller in relation to the conformity of such Purchased Home Loans to the Home Loan Eligibility Criteria was false or incorrect by reference to the facts and circumstances existing on the Selection Date or, as applicable, on the relevant date specified in the relevant Home Loan Eligibility Criteria or in the event that, for any reason whatsoever, the Transfer Document executed by such Seller in respect of the assignment of such Purchased Home Loan is not or ceases to be effective and in the event that the relevant Seller implements the rescission (*résolution*) of the sale of the relevant Purchased Home Loan, the amount paid by the relevant Seller to the Issuer, equal to (i) the then Outstanding Principal Balance of such Purchased Home Loan as at the Determination Date immediately preceding the date of rescission, plus (ii) any amount due and capitalised under such Purchased Home Loan during the period from and excluding to the preceding Determination Date to, and excluding such date of rescission, and plus (iii) unpaid interest and any other outstanding amounts of interest, expenses and other ancillary amounts (excluding, for the avoidance of doubt, any insurance premium) relating to such Purchased Home Loan as at the date of rescission.

Reserve Cash Deposits Agreement means the agreement entered into on or before the Issuer Establishment Date between the Management Company, the Custodian and the Reserves Provider. The Reserve Cash Deposits Agreement relates to the establishment, the funding and the restitution of the General Reserve Cash Deposit and the Commingling Reserve.

Reserves Provider means BPCE, a *société anonyme à directoire et conseil de surveillance*, whose registered office is located at 50, avenue Pierre Mendès France, 75013 Paris (France), registered with the Trade and Companies Registry of Paris (France) under number 493 455 042, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution*, in its capacity as reserves provider under the Reserves Cash Deposit Agreement and the Home Loans Purchase and Servicing Agreement.

Residual Unitholders means the holders from time to time of Residual Units.

Residual Units means each of the two (2) Residual Units issued by the Issuer corresponding to an initial nominal amount of EUR 6,500 each bearing interest at an undetermined rate and subscribed on the Issue Date by the Residual Units Subscriber under the terms of the Residual Units Subscription Agreement.

Residual Units Subscriber will be a special purpose vehicle, the sole purpose of which is to subscribe the Residual Units and issue several categories of financial instruments.

Residual Units Subscription Agreement means the subscription agreement to be entered into on or before the Issuer Establishment Date between, notably, the Management Company, the Custodian and the Residual Units Subscriber in respect of the Residual Units.

Re-transfer Date means, with respect to any Purchased Home Loan, the date on which the relevant Seller repurchases such Purchased Home Loan to the Issuer, under and subject to the terms of the Home Loans Purchase and Servicing Agreement, which shall be agreed between such Seller and the Management Company.

Re-transfer Price means the price to be paid by any Seller to the Issuer for the retransfer of that Home Loan, which shall be equal to:

(a) with respect to a Performing Home Loan: the aggregate of (i) the Outstanding Principal Balance of such Home Loan as at the Determination Date preceding the relevant Re-transfer Date (as applicable before any commercial renegotiation); plus (ii) any amount due and capitalised under such Purchased Home Loan during the period from and excluding to the preceding Determination Date to, and excluding such Re-transfer Date (as applicable before any commercial renegotiation); and plus (iii) any unpaid outstanding amount of interest, expenses and other ancillary amounts but excluding any insurance premium and administrative and handling fees (*frais de dossier*) relating to such Home Loan as at the preceding Determination Date; and; and

(b) with respect to any Defaulted Home Loan secured by a Mortgage, the product of:

  (i) the fair market value of assets having similar characteristics to the relevant Purchased Home Loans (expressed in percentage); and

  (ii) the aggregate of: (i) the Outstanding Principal Balance of such Home Loan as at the Determination Date preceding the relevant Re-transfer Date (as applicable before any commercial renegotiation); plus (ii) any amount due and capitalised under such Purchased Home Loan during the period from and excluding to the preceding Determination Date to, and excluding such Re-transfer Date (as applicable before any commercial renegotiation); and plus (iii) any unpaid outstanding amount of interest, expenses and other ancillary amounts but excluding any insurance premium and administrative and handling fees (*frais de dossier*) relating to such Home Loan as at the Re-tranfer Date;

  provided that, except if additional information are provided by the Seller to the Management Company for the purposes of the establishment of the Re-transfer Price, such "fair market value" will be considered as being equal to one hundred per cent. (100%); and

(c) with respect to any Defaulted Home Loan secured by a Home Loan Guarantee, the positive difference between:

  (i) the aggregate of: (i) the Outstanding Principal Balance of such Home Loan as at the Determination Date preceding the relevant Re-transfer Date (as applicable before any commercial renegotiation); plus (ii) any amount due and capitalised under such Purchased Home Loan during the period from and excluding to the preceding Determination Date to, and excluding such Re-transfer Date (as applicable before any commercial renegotiation); and plus (iii) any unpaid outstanding amount of interest, expenses and other ancillary amounts but excluding any insurance premium and administrative and handling fees (*frais de dossier*) relating to such Home Loan as at the Re-transfer Date; and

(ii) any indemnity amount paid to the Issuer by the relevant Servicer in the event that, following a default of the relevant Borrower, and following the call made by such Servicer of the relevant Home Loan Guarantee, the relevant Home Loan Guarantor has refused to pay the amount due by such Borrower because the conditions of enforcement of the relevant Home Loan Guarantee had not been complied with by the relevant Servicer,

provided that the Management Company and the Seller could agree that the Re-transfer Price can be calculated on the basis of any other percentage on the condition that no such change shall result in the downgrading or withdrawal of the then current ratings of the Class A Notes by any of the Rating Agencies unless such change limits such downgrading or avoids such withdrawal.

Re-transfer Request means the written request, substantially in the form set out in the Home Loans Purchase and Servicing Agreement, to be delivered by the Seller to the Management Company to request the Issuer to transfer back to the Seller any Purchased Home Loans, pursuant to the provisions of the Home Loans Purchase and Servicing Agreement.

Section 5 means Section 5 of Chapter III of the Commission Delegated Regulation (EU) no. 231/2013 of 19 December 2012.

Selection Date means the date on which the Home Loans shall be selected by the Sellers, i.e. 13 October 2018.

Seller means any of (i) any Banque Populaire and (ii) any Caisse d'Epargne, acting in its capacity as seller of the Home Loans on the date of signing of the Home Loans Purchase and Servicing Agreement.

Servicer means any of the Sellers, appointed by the Management Company, with the prior approval of the Custodian, as servicer of the Purchased Home Loans transferred by it to the Issuer under the Home Loans Purchase and Servicing Agreement in accordance with the provisions of article L. 214-172 of the French Monetary and Financial Code.

Servicer Termination Event means any of the following events, in each case after expiry of any applicable grace period:

(a) such Servicer fails to comply with any of its material obligations (other than a default referred to in item (e) or (f)) or undertakings under the Transaction Documents to which it is a party, and the same is not remedied (if capable of remedy) within thirty (30) Business Days after the Management Company (with copy to the Custodian) has given notice thereof to the relevant Servicer or (if sooner) the relevant Servicer has knowledge of the same, unless the Management Company determines that such failure is not prejudicial to the interests of the Class A Noteholders provided that, in such case, the Management Company shall notify the Class A Noteholders its decision by written notice duly justifying its decision;

(b) any representation or warranty made by such Servicer under the Transaction Documents to which it is a party, proves to be materially inaccurate or misleading when made or repeated or ceases to be accurate at any later stage, and the same is not remedied (if capable of remedy) within thirty (30)Business Days after the Management Company (with copy to the Custodian) has given notice thereof to the relevant Servicer or (if sooner) the relevant Servicer has knowledge of the same, unless the Management Company determines that it is not prejudicial to the interests of the Class A Noteholders provided that, in such case, the Management Company shall notify the Class A Noteholders its decision by written notice duly justifying its decision;

(c) an Insolvency Event occurs in respect of such Servicer;

(d) at any time it is or becomes unlawful for such Servicer to perform or comply with any or all of its material obligations under the Home Loans Purchase and Servicing Agreement or any or all of its material obligations under the Home Loans Purchase and Servicing Agreement are not, or cease to be, legal, valid and binding and no appropriate solutions are found within ten (10) calendar days between the parties to the Home Loans Purchase and Servicing Agreement to remedy such illegality, invalidity or unenforceability;

(e) any failure by such Servicer to make any payment under any Transaction Documents to which it is a party and any failure by such Servicer, in its capacity as Seller, to pay any Deemed Collections, when due, except if such failure is due to technical reasons and is remedied by the relevant Servicer or any other member of the BPCE Group within five (5) Business Days;

(f) on two (2) consecutive Reporting Dates, the Transaction Agent is not provided with a complete Individual Servicer Report in relation to the Purchased Home Loans transferred by such Servicer in its capacity as Seller;

(g) on three (3) consecutive Information Dates, the Transaction Agent has not provided the Management Company, with a copy to the Custodian, with a Master Servicer Report except if all Servicers have provided the Management Company directly, with a copy to the Custodian, with their Individual Servicer Reports;

(h) on any date on which the Commingling Reserve needs to be constituted or increased, as the case may be, pursuant to the Reserve Cash Deposits Agreement, the credit standing to the Commingling Reserve Account is lower than the applicable Commingling Reserve Required Amount and the same is not remedied by the Reserves Provider or any other member of the BPCE Group within ten (10) Business Days; or

(i) an Insolvency Event occurs in respect of the Transaction Agent.;

Servicing Fee means the servicing fee payable to the Servicer in connection with the servicing of the Purchased Home Loans. In respect of each Collection Period:

(a) in respect of the administration and collection (*gestion*) of the Purchased Home Loans in respect of which it is responsible, an all-inclusive quarterly fee (exclusive of any value added tax, if any, and any disbursement whatsoever) equal to the aggregate of 1/12 of 0.1 per cent. *per annum* of the Outstanding Principal Balance of such Purchased Home Loans, as of the beginning of each of the three Monthly Collection Periods preceding such Payment Date; and

(b) in respect of the recovery (*recouvrement*) of the Delinquent Home Loans and Defaulted Home Loans in respect of which it is responsible, an all-inclusive quarterly fee (inclusive of any value added tax, if any, and any disbursement whatsoever) equal to the aggregate of 1/12 of 0.5 per cent. *per annum* of the Outstanding Principal Balances of the Delinquent Home Loans and Defaulted Home Loans as of the beginning of the each of the three Monthly Collection Periods preceding such Payment Date.

Servicing Procedures means the administration and servicing procedures which must be applied by the Servicers for the administration, recovery and collection of any Purchased Home Loan as described in as described in Sub-Section "Servicing Procedures" of Section "ORIGINATION, UNDERWRITING AND MANAGEMENT PROCEDURES".

Settlement Date means the date falling two (2) Business Days prior to each Payment Date. The first Settlement Date will fall on 29 January 2019.

SFTR means Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions, amending Regulation (EU) No648/2012.

Solvency II Delegated Act means the Commission Delegated Regulation (EU) no. 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

S&P means S&P Global Ratings.

Specially Dedicated Account Bank means BPCE, being the bank in the books of which each Specially Dedicated Bank Account has been opened in accordance with articles L. 214-173 and D. 214-228 of the French Monetary and Financial Code and pursuant the terms of the Specially Dedicated Account Bank Agreement(s).

Specially Dedicated Bank Account means any of the bank accounts opened with the Specially Dedicated Account Bank and which is a specially dedicated bank account (*compte d'affectation spéciale*) to the benefit of the Issuer in accordance with articles L. 214-173 and D. 214-228 of the French Monetary and Financial Code and pursuant the terms of the Specially Dedicated Account Bank Agreement.

Specially Dedicated Account Bank Agreement means any of the agreements entered into between the Management Company, the Custodian, a Servicer and the Specially Dedicated Account Bank, pursuant to which at least one account of the relevant Servicer shall be identified in order to be operated as a Specially Dedicated Bank Account (*compte spécialement affecté*).

Statutory Auditor means Mazars, whose registered office is located at 61 Rue Henri Regnault, 92400 Courbevoie.

STS Regulation means Regulation 2017/2402 of the European Parliament and of the Council dated 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012.

Target Business Day means a day on which the Target System is open.

Target System means the *Trans-European Automated Real-Time Gross Settlement Express Transfer* (TARGET) System.

Tax Event means an event whereby, by reason of a change in, or amendment to, tax law (or regulation or the application or official interpretation thereof), which change becomes effective on or after the Issue Date, on the next or any subsequent Payment Date, the Issuer or the Paying Agent on its behalf would become obliged to deduct or withhold from any payment of principal or interest in respect of the Class A Notes any amount for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the French Republic

Terms and Conditions of the Notes means the provisions set out in schedule 2 of the Issuer Regulations and ***Condition*** means any of them.

Terms and Conditions of the Residual Units means the terms and conditions of the Residual Units.

Transaction Agent means BPCE, in its capacity as transaction agent in accordance with the Home Loans Purchase and Servicing Agreement.

Transaction Documents means the Issuer Regulations, the Home Loans Purchase and Servicing Agreement and any Transfer Document, the Account Bank and Cash Management Agreement, the Paying Agency Agreement, the Class A Notes Subscription Agreement, the Interest Rate Swap Agreement, the Class B Notes Subscription Agreement, the Residual Units Subscription Agreement, the Data Protection Agreement, the Specially Dedicated Account Bank Agreement(s) and the Reserve Cash Deposits Agreement.

Transfer Document means the *Acte de Cession de Créances* governed by the provisions of articles L. 214-169 of the French Monetary and Financial Code which will include the mandatory provisions of article D. 214-227 of the French Monetary and Financial Code, pursuant to which any Seller will assign to the Issuer the Home Loans on the Purchase Date.

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